Open Agenda



Cabinet

Tuesday 22 October 2013
4.00 pm
Ground Floor Meeting Room GO2A, 160 Tooley Street, London
SE1 2QH

Membership	Portfolio
Councillor Peter John	Leader of the Council
Councillor Ian Wingfield	Deputy Leader and Housing Management
Councillor Fiona Colley	Regeneration and Corporate Strategy
Councillor Dora Dixon-Fyle	Children's Services
Councillor Barrie Hargrove	Transport, Environment and Recycling
Councillor Richard Livingstone	Finance, Resources and Community Safety
Councillor Catherine McDonald	Health, Social Care and Equalities
Councillor Victoria Mills	Communities and Economic Wellbeing
Councillor Veronica Ward	Culture, Leisure, Sport and Volunteering

INFORMATION FOR MEMBERS OF THE PUBLIC

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Contact

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Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council Date: 14 October 2013



Southwark Council

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Cabinet

Tuesday 22 October 2013
4.00 pm
Ground Floor Meeting Room GO2A, 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. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

To note the items specified which will be considered in a closed meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any interests and dispensation in respect of any item of business to be considered at this meeting.

5. 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.

Item No. Title		Page No
6.	MINUTES	2 - 14
	To approve as a correct record the minutes of the open section of the meeting held on 17 September 2013.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests.	
8.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL REABLEMENT HOME CARE SERVICES	15 - 30
	To approve the procurement strategy to undertake a competitive tender to establish two reablement contracts.	
9.	LOCAL WELFARE PROVISION - SOUTHWARK EMERGENCY SUPPORT SCHEME, REVIEW OCTOBER 2013	31 - 55
	To note the findings of the review of Southwark's emergency support scheme and to agree to retain the existing provision for the period up until 31 March 2014.	
10.	POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17: SCENE SETTING REPORT AND REVENUE BUDGET OPTIONS, INCLUDING BUDGET CONSULTATION OUTCOME	56 - 130
	To note the impact on 2014/15 resources identified by the government's consultation documents and subsequent £2.5m increase in the budget gap from 2014/14 as notified 26 June 2013 cabinet and to note the provision gap for 2015/16 and the available feedback from on-line consultation and community conversation events	
	To instruct officers to explore options to address the 2014/15 budget gap and to continue to work on options for a balanced budget in 2014/15.	
11.	WORKFORCE REPORT AND WORKFORCE STRATEGY	131 - 173
	To note the information contained in the workforce report for 2012/13 and to agree the workforce strategy as the medium term aims for the council's management of its staff.	
12.	INCREASING TENANT AND HOMEOWNER PARTICIPATION IN THE DELIVERY OF COUNCIL HOUSING SERVICES	174 - 196
	To task officers with exploring the options for increasing tenant and homeowner management of and involvement in council housing services in consultation with residents.	

Item N	lo. Title	Page No.
13.	HOMEOWNER IMPROVEMENT PLAN	197 - 221
	To agree the proposed homeowner improvement plan, including all subsidiary actions and recommendations.	
14.	GATEWAY 1: MAJOR WORKS CONTRACTOR FRAMEWORK	222 - 238
	To approve the procurement strategy for a housing and related services major works contractor framework.	
15.	DIRECTLY FUNDED HOUSING DELIVERY: PHASE 2	239 - 262
	To note progress to date of phase 1 of the directly delivered housing delivery programme and agree in principle to the schemes listed in the report. To also note the consultation undertaken to date and to agree a specific strategy for consulting residents.	
16.	PECKHAM AND NUNHEAD AREA ACTION PLAN: TABLE OF POTENTIAL MAIN MODIFICATIONS REQUIRED BY THE INSPECTOR	263 - 304
	To formally consult on the potential main modifications to Peckham and Nunhead area action plan publication/submission version.	
17.	GATEWAY TO PECKHAM - PUBLIC SQUARE AND STATION REGENERATION	305 - 308
	To note the contents of the report.	
18.	PUBLICATION/SUBMISSION DRAFT CANADA WATER AREA ACTION PLAN (AAP)	309 - 327
	To provide recommendations to council assembly to consider the publication/submission draft Canada Water area action plan.	
	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."

PART B - CLOSED BUSINESS

19. MINUTES

To approve as a correct record the closed minutes of the meeting held on 17 September 2013.

20. HOMEOWNER IMPROVEMENT PLAN

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

Date: 14 October 2013



Notice of Intention to conduct business in a closed meeting, and any representations received

Cabinet 22 October 2013

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 22 October 2013 at 4.00pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item: 20 Homeowner Improvement Plan

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Dated: 14 October 2013

lan Millichap, Proper Constitutional Officer



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 17 September 2013 at 4.00 pm at the Council Offices, 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 Victoria Mills 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. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

No representations were received in respect of the items listed as closed business for the meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

5. PUBLIC QUESTION TIME (15 MINUTES)

Public question from Mr Mick Barnard

The following public question was submitted by Mr Mick Barnard to Councillor Peter John, Leader of the Council:

"When a report is complied for standards committee what level of management would be made aware if an amendment to the constitution was being recommended and how and where are the names of those connected with compiling that report recorded?"

Mr Barnard was unable to attend the meeting and the following response was given by the Leader of the Council:

"The monitoring officer is responsible for providing support to the standards committee. Under Part 3L of the constitution standards committee undertakes a number of functions, these include amendments to the constitution, advising on councillor training, the withholding of member allowances and providing strategic oversight on the use of powers regulated by the Regulation of Investigatory Powers Act 2000.

Where an amendment to the constitution is being proposed, depending on the nature of the amendment, the following level of management might be aware of the amendment; chief officers, strategic directors and heads of service.

As is the practice with all reports going before committee, details of the report author can be found at the end of the report under the heading 'audit trail' lead officer and report author."

6. MINUTES

RESOLVED:

That the open minutes of the meetings held on 16 and 31 July 2013 be approved as correct records and signed by the chair.

7. DEPUTATION REQUESTS

There were no deputation requests.

8. WALWORTH ROAD BUSINESS MIX (OVERVIEW AND SCRUTINY COMMITTEE)

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

RESOLVED:

That the recommendations of the review of the Walworth Road Business Mix be noted, and the relevant cabinet members bring back a report to cabinet, in order to

respond to the overview and scrutiny committee, within eight weeks.

9. CENTRE OF EXCELLENCE FOR OLDER ADULTS WITH DEMENTIA AND COMPLEX NEEDS

RESOLVED:

- 1. That the very positive response and engagement from the family carers, stakeholders and staff to the plans for the proposed Centre of Excellence for older people living with dementia and complex needs to be on the ground floor of Cator Street Resource Centre be noted.
- 2. That the decision taken by the cabinet member for health, adult social care and equalities to recognise the outcome of this further feasibility work which concluded that the site and location of Cator Street was a suitable location for the Centre of Excellence, and her subsequent approval of the preferred location for the development of the Centre of Excellence be noted.

10. HOME CARE ANNUAL CONTRACT PERFORMANCE REPORT

RESOLVED:

That it be noted that the delivery of the contracts over the second year has met the council's requirements and that the council and providers remain committed to working together to continually improve the quality and consistency of home care delivery.

11. CHILDREN AND YOUNG PEOPLE'S PLAN - SCRUTINY RECOMMENDATIONS

The recommendations by the education, children's services and leisure scrutiny subcommittee were considered and incorporated when agreeing the children and young people's plan (CYPP).

RESOLVED:

That the cabinet member for children's services bring back a report to cabinet, in order to respond to the sub- committee, within eight weeks.

12. 2013-16 CHILDREN AND YOUNG PEOPLE'S PLAN

RESOLVED:

That the proposed 2013-16 children and young people's plan (CYPP) at Appendix 1 of the report be recommended to council assembly for adoption as a key Southwark council policy framework document for children and young people.

NOTE: In accordance with overview and scrutiny procedure rule 22.1(a) (budget and

policy framework) this decision is not subject to call-in.

13. APPROVAL OF THE COUNCIL'S REVISED LOCAL IMPLEMENTATION PLAN DELIVERY PLAN, INCLUDING ANNUAL SPENDING SUBMISSION FOR 2014/15, INDICATIVE PROGRAMME TO 2016/17, REVISED TARGETS AND RELATED FUNDING BIDS

RESOLVED:

Decisions of the Cabinet

- That the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Lip funding in 2014/15 and an indicative programme of work for 2015/16 and 2016/17, as contained in Appendix A of the report be agreed.
- 2. That the identified programme be submitted to Transport for London (TfL) by 4 October 2013.
- 3. That the submission of the Transport for London (TfL) funded borough cycling programme proposals for the four year period, 2013/14 2016/17 as set out in Appendix B of the report be agreed.
- 4. That the submission of the Transport for London (TfL) funded bus stop accessibility programme proposals for the period 2013/14 to 2014/15 as set out in Appendix C of the report be agreed.
- 5. That the submission of the Transport for London (TfL) funded air quality programme proposals for the period 2013/14 to 2015/16 as set out in Appendix D of the report be agreed.
- 6. That agreement be given to the implementation of the agreed programmes as set out in Appendices A, B, C and D.
- 7. That the revision of the transport plan's delivery plan which includes the revision of interim targets to 2016/17 as set out in Appendix E of the report be agreed.

Decisions of the Leader of the Council

- 8. That authority be delegated to the cabinet member for transport, environment and recycling to amend the programme for 2014/15 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
- 9. 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 (TfL) for 2014/15.

14. AIR QUALITY AND SCHOOLS IN SOUTHWARK

RESOLVED:

- 1. That the progress made on working with schools to improve air quality be noted.
- 2. That regular update reports be brought back to the cabinet member for transport, environment and recycling.

15. PHYSICAL ACTIVITY AND SPORT STRATEGY 2014-2017

RESOLVED:

- 1. That the physical activity, sport strategy and action plan for 2014 -17 as set out in Appendices 1 and 2 of the report be approved.
- 2. That officers bring a further report on progress with implementation within 18 months of the approval date of the report.

16. DISCRETIONARY HOUSING PAYMENTS (DHP) SCHEME AND THE HOUSING REVENUE ACCOUNT

RESOLVED:

- 1. That the provision of support to local authority tenants affected by reductions in housing benefit as a result of the social sector size criteria utilising funds from the housing revenue account (HRA) in 2013/14 and 2014/2015 to supplement the existing discretionary housing payments (DHP) fund be agreed.
- 2. That it be agreed that the council should allow £1 million to be used from the housing revenue account (HRA) to provide financial support to those tenants of Southwark whose entitlement to housing benefit has been reduced as a result of the social sector size criteria and other welfare reform initiatives in 2013/2014
- 3. That a further application be made for £1 million in the 2014/2015 financial year.

17. REVENUE MONITORING REPORT FOR QUARTER 1, 2013/14, INCLUDING TREASURY MANAGEMENT

RESOLVED:

- 1. That the following be noted:
 - the general fund outturn forecast for 2013/14 and forecast net movement in reserves by department
 - the housing revenue account's (HRA) forecast outturn for 2013/14 and resulting forecast movement in reserves

- the treasury management activity for the first quarter of 2013/14.
- 2. That the forecast performance for the collection of council tax be noted.
- 3. That the forecast performance for the collection of business rates and the risks associated with the business rate retention scheme be noted.
- 4. That the general fund budget movements that exceed £250,000, as shown in Appendix A of the report be approved.

18. QUARTER 1 CAPITAL MONITORING FOR 2013/14

RESOLVED:

- 1. That the general fund capital programme for the period 2013/14 to 2021/22 as at Quarter 1 2013/14, as detailed in Appendices A and D of the report be noted.
- 2. That the housing investment programme for the period 2013/14 to 2015/16 as at Quarter 1 2013/14, as detailed in Appendix B of the report be noted.
- 3. That the virements and funded variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be noted.
- 4. That the re-profiling of the expenditure and resources for 2013/14 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report based on latest information available at Quarter 1 2013/14 be approved.

19. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

Welfare Reform

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed. Cabinet noted that the second bullet point under recommendation 6 had been implemented.

That council assembly:

- 1. Is gravely concerned by the impact the Tory Liberal Democrat government's welfare reforms is having on Southwark's most vulnerable residents.
- 2. Notes that more than 10% of Southwark's population are affected by the range of welfare cuts. More than 4,000 by the bedroom tax, over 24,000 by the government's £2.8m council tax benefit cut (including over 16,000 who are in work), thousands by changes to DLA beginning this year and hundreds more by the benefit cap from later this year.

- 3. Notes that local advice and support organisations are seeing a steep rise in demand for help. Over 500 people were fed by foodbanks in Southwark in April alone (compared with 100 in April 2012) and the provider estimates 30 tons of food will need to be distributed to meet demand this year. 10% of the recipients are in work. Southwark's Citizen Advice Bureaux saw a 40% jump in demand for help this year but legal aid cuts mean the loss of the equivalent of 4 full time advisors across Southwark Legal Advice Network.
- 4. Notes the action taken by the council to deal with these changes including:
 - Labour's £800,000 Hardship Fund; £400k of which is targeted towards local disabled people and carers
 - An extra £400,000 went into helping people downsize homes to avoid the bedroom tax
 - The Social Fund replacement scheme (the Southwark Emergency Support Scheme)
 - More than 700 people have been supported face to face at the partnership events – Southwark's partnership work is being held up by (national) Citizens Advice as an example of good practice and a model for other councils to adopt.
- 5. Regrets Simon Hughes's unequivocal support for the government's welfare reforms despite claiming the benefits cap would "drive families apart". It also regrets that Simon Hughes has dismissed reports of a fivefold increase in people claiming discretionary housing payments as "alarmist". It regrets that he has refused to meet with local organisation such as Cooltan Arts to discuss the impact of the reforms and that he missed the "Frontline Welfare" event despite being specifically asked to attend.
- 6. Calls on cabinet to:
 - Continue to work constructively with advocacy groups in the borough to ensure we are able to continue to support our most vulnerable residents
 - Lobby the Department of Work and Pensions for increased funding for discretionary housing payments
 - Continue to challenge Simon Hughes and the Liberal Democrats regarding their role in enabling the government's welfare changes.

Drummer Lee Rigby and Faith Communities in Southwark

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

That Council:

 Registers its abhorrence at the appalling and savage murder of Drummer Lee Rigby on the streets of south-east London on 22 May 2013, and extends sympathy to his family.

- Welcomes the critical response to the murder by UK Islamic organisations including the Southwark Muslim Forum, and the cohesion shown by Londoners in condemning the attack, and rejects the divisive agenda of far-right groups who seek to use the murder for their own political ends.
- Recognises the concern from the Islamic community in Southwark about the reported rise in Islamophobic incidents since the murder, including a number of attacks on mosques across the country.
- Notes the excellent work within the Old Kent Road Mosque and Islamic Cultural Centre in bringing together Muslims of all races, and acting as a meeting place for visiting Nigerian Muslims to London.
- Looks forward to the continued involvement of the mosque within Southwark's Multi-Faith Forum.
- Reasserts its support for the charity Help for Heroes and the work it does to support wounded service men and women and their families.

Surrey Docks Brown Brick

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

That Council:

- 1. Notes the distinctive brown brick paving in parts of Surrey Docks and Rotherhithe wards and its contribution to the character of the area. Also notes that this style of paving was introduced during the development of the area by the London Docklands Development Corporation (LDDC) in the 1980s, is used extensively in the area and is much valued by local residents.
- Recognises that many of the roads and pavements in the areas around Greenland Dock, South Dock, Canada Water, Surrey Water, Russia Dock Woodland and the Albion Channel have been adversely affected by subsidence issues due to their construction on land reclaimed from historic docks and waterways in the area, and that this has manifested itself in paving that is often severely disrupted by tree roots and subterranean ironworks.
- 3. Also recognises that the LDDC's over-zealous tree planting strategy in the 1980s, in which they assumed a much lower survival rate than turned out to be the case, has led to a higher than expected number of London Planes at higher than usual densities in the area, and that the height and root growth network of these trees compounds the paving disruption problems.
- 4. Acknowledges that the council's longstanding approach to paving and road repairs in this area has been reactive and ad hoc, and has largely involved removing the brown brickwork and replacing it with red, purple or black tarmac. In many instances, the disruptive tree roots were not shaved or cut, and consequently re-erupt through the tarmac within 18 months of the repair. An alternative approach on Rope Street, funded by Rotherhithe Community Council, levelled the ground and re-laid the

original brown brickwork, and maintained the valued character of the street.

- 5. Welcomes the Greenland Dock Subsidence Feasibility Study, prepared by Mouchel, commissioned by Southwark Council, funded by Rotherhithe Community Council Cleaner Greener Safer fund and proposed by local residents.
- 6. Also welcomes the site meeting on 7 May 2013 attended by the strategic director of environment and leisure, senior highways officers and residents to discuss the problem.
- 7. Calls on cabinet to recognise the important character of the area.
- 8. Welcomes the work being done in partnership with the community council to address these issues.

East Dulwich and Rye Lane Crown Post Offices

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

- 1. That council assembly is concerned that the Post Office is planning to downgrade Crown Services at Rye Lane and East Dulwich to retail operators.
- 2. That council assembly notes that at present the Post Office does not have any retail partners for Rye Lane and East Dulwich Crown Post Offices and is concerned that this move will lead to a relocation of offices, provide an inferior Post Office Service and will have a hugely detrimental impact on the quality of specialist services for local residents. It also believes it will lead to the recruitment of new staff on significantly lower pay, terms and conditions. Moreover the specialist trained and committed services and staff will be lost in these offices.
- 3. That council assembly offers its support to the campaign to protect the Rye Lane and East Dulwich Post Offices in these locations and calls on cabinet to:
 - Work with local councillors to write to the Parliamentary Under-Secretary of State with responsibility for Post Offices, informing them of the concerns regarding Rye Lane and East Dulwich Crown Post Offices
 - Seek assurances from the Minister that any successful franchisees for Crown Post Offices will be strongly encouraged to pay their staff the London Living Wage.

Door Entry for the Dickens Estate

That the motion referred from council assembly as a recommendation to cabinet, as set out below be agreed. The deputy leader and cabinet member for housing management advised that a meeting had taken place with local residents to discuss the door entry programme.

1. That Council is pleased that door entry systems are now being included again in

major works plans.

- 2. That Council recognises that residents of Wade House, Bardell House, Tupman House and Micawber House have experienced serious problems with crime, rough sleepers and vandalism.
- 3. That Council notes that, as is often the case, while new security works are being installed on one block, ASB does not remain static and will travel from block to block. This is evidenced by the request in 2011 from the then opposition spokesperson for housing for new security intercom systems for Burton House, claiming this was the priority for the area.
- 4. That Council recognises that since this request was made in 2011, incidences of crime and ASB have risen at Tupman House, Bardell House, Micawber House and Wade House.
- 5. That Council therefore welcomes the commitment made by the cabinet member for housing to meet with residents of the estate to discuss their priorities for security works on the estate.
- 6. That Council also welcomes the commitment by the cabinet member for housing to allocate extra funding to these blocks which will save money in the long run from crime and anti-social behaviour once those discussions with residents have taken place.

Northern Line Extension

That the motion referred from council assembly as a recommendation to cabinet, as set out below be agreed. The cabinet member for transport, environment and recycling updated the meeting on the current position.

That council assembly:

- 1. Notes Transport for London's (TfL's) plans to extend the Northern Line to Nine Elms and Battersea, and the consultation on the plans that closed on 18 June.
- 2. Notes with particular concern the plans for a temporary shaft to be constructed on Harmsworth Street and a permanent shaft in Kennington Park, both of which would have a considerable impact on the lives of Southwark residents.
- 3. Urges TfL to pursue the 'gallery tunnels' option for ground treatment work as an alternative to the Harmsworth Street temporary shaft, thereby minimising the disruption to local people.
- 4. Regrets TfL's decision to place the permanent shaft in Kennington Park on the site of the much-loved beekeeper's lodge, and urges TfL to ensure that the relocation plan provides a suitable environment for the bee population and meets the requirements of Bee Urban and concerned local residents.
- 5. Calls on cabinet to work with colleagues at Lambeth Council, the GLA and TfL to obtain the best deal for Southwark residents affected by the plans.

6. Notes the letter from the cabinet member for transport, environment and recycling to TfL which already addresses the above points.

20. WILKINSON HOUSE, DEWAR STREET, LONDON SE15

RESOLVED:

- 1. That the lease of the property on the terms set out in the closed version of the report be surrendered.
- 2. That proposals are brought forward for the regeneration of the property and its site.

21. GATEWAY 2 - CONTRACT AWARD APPROVAL: SEMI-INDEPENDENT LIVING SERVICE

RESOLVED:

- 1. That the award of a semi-independent living service framework for children in care to include the providers listed in Appendix 1 of the report for a period of four years commencing on 14 October 2013 in the estimated maximum sum of £6.8m be approved.
- 2. That it be noted the strategic director of children's and adults' services will award contracts for individual placements on the council's preferred terms through the framework.

22. GATEWAY 2 - CONTRACT AWARD APPROVAL: INDEPENDENT FOSTERING SERVICES

RESOLVED:

- 1. That the award of an independent fostering service framework for children in care to the providers listed in Appendix 1 of the report for a period of four years commencing on 14 October 2013 in the estimated maximum sum of £23m be approved.
- 2. That the strategic director of children's and adults' services award contracts for individual placements on the council's preferred terms through the framework.

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and

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 3 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

The following is a summary of the closed part of the meeting.

23. MINUTES

The closed minutes of the meetings held on 16 and 31 July 2013 were approved as correct records and signed by the chair.

24. WILKINSON HOUSE, DEWAR STREET, LONDON SE15

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

25. GATEWAY 2 - CONTRACT AWARD APPROVAL: SEMI-INDEPENDENT LIVING SERVICE

The cabinet considered the closed information relating to this item. See item 21 for decision.

26. GATEWAY 2 - CONTRACT AWARD APPROVAL: INDEPENDENT FOSTERING SERVICES

The cabinet considered the closed information relating to this item. See item 22 for decision.

The meeting ended at 5.20pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 25 SEPTEMBER 2013.

WITH THE EXCEPTION OF ITEM 12 WHICH FORMS PART OF THE BUDGET AND POLICY FRAMEWORK AND IS THEREFORE NOT SUBJECT TO CALL-IN, 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.	Classification:	Date:	Meeting Name:
8.	Open	22 October 2013	Cabinet
Report title	:	Gateway 1 - Procurement Strategy Approval Reablement Home Care Services	
Ward(s) or groups affected:		All wards, elderly and disabled	
Cabinet Member:		Councillor Catherine McDonald Cabinet Member for Health, Adult Social Care and Equalities	

FOREWORD - COUNCILLOR CATHERINE MCDONALD CABINET MEMBER FOR HEALTH, ADULT SOCIAL CARE AND EQUALITIES

'Reablement' is a service that helps people regain physical skills after a change to their physical abilities, for example following a fall or a stroke, so they regain independence, and can stay living in their own homes and communities for longer. Reablement can mean people have no, or reduced, ongoing social care needs, and can prevent avoidable hospital admissions and delay or prevent people's need for residential care – in line with what people tell us they want. In short, reablement makes a huge difference to people's quality of life and their ability to live well for longer.

The procurement strategy outlined in this report will deliver two reablement home care providers who will assist the council in its commitment to support the most frail in Southwark. The contracts are being procured after the council has worked closely with the NHS to develop a reablement model, that will continue to deliver the existing services in a more integrated and effective way. These new contracts will be providing care to those, mainly older people, who have experienced a period of ill health, or experienced a traumatic episode such as a fall.

We are placing quality at the heart of the service that we procure, recognising the dignity and respect that older people in Southwark deserve. These services will also provide value for money for the council, given that they will prevent much more expensive residential care or intensive packages of care for many. These services will be delivered in a true partnership, with the providers' staff being co located with our social workers and occupational therapists; this will ensure that we will be working together in the best interest of the vulnerable service user.

RECOMMENDATIONS

- 1. That the cabinet approve the procurement strategy outlined in this report, to undertake a competitive tender to establish 2 reablement contracts (with a north/south split) which will be for a term of 3 years from 1 May 2015, with provision to extend the contracts for a further 3 years by one year extensions.
- 2. That the cabinet note that the projected maximum estimated annual contract value for each of the 2 demand-led contracts is £1m, and therefore the estimated total contract value (for both contracts) for the initial 3 year term is £6m, and £12m if all extension options are exercised.

3. That the Cabinet agree that the procurement will be open to London Borough of Lambeth as detailed in paragraph 37, and to note that the estimated contract values relate to Southwark only.

BACKGROUND INFORMATION

- 4. Reablement is a short rehabilitative service that can help people "get back on their feet" after a period of sickness or incapacity. By supporting people to relearn the skills necessary for independent daily living it effectively reduces the need for long term support. The Department of Health is actively promoting the expansion of reablement by local authorities as a means of delivering a financially sustainable model of community based support. Southwark has placed reablement at the heart of its transformation of services.
- 5. The council has made a clear commitment through its fairer future promises to the principle of supporting people to have choice and control and live independent and fulfilling lives. Reablement services play a critical part in delivering these commitments and supporting the aspirations of older people in the borough who consistently express the wish to remain in their own homes for as long as possible.
- 6. In Southwark a range of reablement services have been piloted over a number of years commissioning home care agencies to provide Reablement Support Workers (RSWs) who are responsible for working with people either from the community or following hospital discharge to maximise their independence. Reablement is typically provided for a period of six weeks and are provided free at the point of access.
- 7. Reablement is also a key part of the new social care customer journey and is the default option for all people that may need ongoing care, providing a period of assessment and rehabilitation before determining the need for long term support.
- 8. The council currently holds four separate contracts with four different organisations. These are summarised below.
 - Community reablement The council currently holds a single demand-led contract with an annual contract value of approximately £957k. This provides a community reablement service, and from September 2013 the senior RSWs from the provider will be based at the council's premises at Queens Road, to facilitate close co working with the council's reablement social work team.
 - Intermediate care The council holds two separate intermediate care contracts with two different providers. The current annual value for these contracts is £304k (North) and £146k (South). Both of these services are hospital based, either at St Thomas's (North Southwark) or Kings (South Southwark) The RSWs are part of integrated teams involving both NHS and council staff and they spend the majority of their time working out in the community. Unlike reablement, these services currently will work with service users who may not meet the FACS criteria, to facilitate timely hospital discharge. The RSWs in this service report daily to the hospitals to receive new referrals or provide feedback to both council social workers and NHS therapists, who oversee and direct their work. The specific NHS funding the council receives to fund these services accommodates the NHS's requirement to support a prompt return to the community.

- Neuro Rehab Integrated care service –The council also holds a demand led contract with a provider for specialist RSWs. The current annual contract value for this contract is £146k. The RSWs work within the Integrated Stroke Pathway (ISP) Team within Southwark, based at Dulwich Hospital. This service provides a longer 12 week intensive home care reablement service to former patients of Kings, St Thomas's, and Guys hospitals. The service provides reablement to service users who have experienced either a stroke or another form of neurological damage. This service is funded through a grant paid to the council from the NHS that is focused on reducing delayed discharge from acute hospital beds. As with the other integrated care service, the RSWs work within a combined council and NHS hospital team but spend most of their time in the community.
- 9. The functions of these contracts will continue within the approach proposed in this report, albeit through two as opposed to four contracts. The proposed approach also takes account of the work associated with the Southwark and Lambeth Integrated Care (SLIC) Programme, which is part of the wider landscape of prevention focused initiatives.
- 10. One core objective of SLIC is to align the council's hospital discharge arrangements with Lambeth and ensure that reablement has a community facing as opposed to a hospital focus. This will mean that the current integrated care RSW services linked to the hospitals that spend the majority of their time working out in the community will become integrated with the current reablement service based at Queens Road. These developments are complementary to and will interface with the reablement service for which this report seeks procurement approval.
- 11. This report seeks cabinet approval for a strategic procurement approach that will put in place a longer term, more integrated arrangement that can build on the learning and successes of these pilot services and is consistent with the direction of travel of the SLIC programme and the council's new adult Social Care Customer Journey.

Summary of the business case/justification for the procurement

Better value for money for the council

- 12. National Research¹ has found that 60% service users who pass through a period of reablement achieved either a reduction to their ongoing home care needs or needed no care at all, compared to those who have undergone conventional home care. The council's pilot community reablement service has achieved an indicative success rate of just over 70% of those who have completed a period of reablement.
- 13. Locally financial performance data covering 2010-2011 and 2011-2012 show that there was an aggregate net reduction in package costs of between £870k and £1.3m to the council based on clients that have been through reablement. The council continues to monitor the financial and other outcomes achieved through the various piloted services and this trend is expected to be sustained.

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¹ Prospective Longitudinal Study 1 commissioned by the Department of Health's Care Services Efficiency Delivery programme (CSED)

To deliver the council's new adult social care business model

- 14. The piloting of reablement services has allowed the council to refine its reablement approach and ensure that reablement is now a key element of the council's new Adult Social Care "Customer Journey". Reablement is now the default function for all people that need a home care service, period of assessment or rehabilitation in Southwark.
- 15. Informed by the national research and Southwark's emerging evidence base, this procurement will create a longer term arrangement to replace the current services and facilitate the ongoing development of a more integrated approach to reablement and the wider social care offer locally.

Better outcomes for service users

- 16. The overwhelming majority of people going through reablement are older people. Nationally and locally older people say that they wish to remain independent in their own homes for as long as possible².
- 17. Reablement will be supporting older people's aspirations to maintain their independence and avoid unnecessary hospital and care home admissions, as well as helping people to be discharged from hospital promptly and safely. It will also work with the older person to regain independent living skills following an incident such as a fall or stroke.

Market considerations

- 18. Historically the market for home care reablement services could be described as less well developed compared to the market for general home care services. The Home Care Reablement CSSR Scheme Directory April 2012³ which provides a comprehensive description of reablement services up and down the country illustrates this with reablement services often using residual in house home care services and only a few being externally commissioned.
- 19. More recently the market for reablement has developed, although reablement services remain an evolving specialism within the home care industry. An analysis of the market undertaken by the council in both London and the South East of England has however provided the necessary assurance that the market is now sufficiently developed to deliver the outcomes this procurement is seeking.
- 20. Local analysis and national research has informed the procurement approach being proposed and the council will build in a strong focus on quality and outcomes for service users. The evaluation approach will robustly test this and providers understanding and ability to deliver reablement and how it differs to general home care.
- 21. In relation to the market price considerations, although this has not been subject to extensive market testing, the council can draw on extensive benchmarking and analysis of the cost of general home care services and recent relevant experience of negotiating the cost of current pilot reablement and intermediate care services.

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² Good care for older people: Taking a long term view" Kings Fund 2006.

³ Gerard Pilkington Associates, 2012

22. The council's procurement plans have also been informed by a "soft market" testing event with Southwark's main home care providers held in August 2013.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

- 23. The council has been carefully considering the most appropriate service model for the different reablement and intermediate care services, alongside the procurement route required to deliver its service objectives.
- 24. This work involved an extensive review of the current reablement and intermediate care service models and what the future service requirements would likely to be. It engaged relevant internal and external stakeholders and undertook a cost benefit analysis exercise of the different service model options. A report was produced which included an analysis of risks and benefits and other options considered but not formally recommended.
- 25. The options actively considered are summarised as follows:

Option	What it entails
Option 1- Single service model with two providers (The adopted option)	Single service model but two providers (basically aligned to hospital areas (N and S Southwark) in order to militate against risk of provider failure. Clear partnership contractual arrangement including: shared aims, objectives and outcomes. Providers will be responsible for staff rosters and day to day supervision, but with senior RSWs co located within the reablement community team, to work alongside both council and NHS staff. The contract to include time for some paid RSW training, staff travel and joint supervision with both council and NHS staff. Under this option the London borough of Lambeth would have the option of commissioning services from our contract once awarded
Option 2 - A fully operated in house service	The council would directly employ coordinators and RSWs and provide a single Reablement and ICT service in house. This would require the council to become the registered provider of reablement under CQC registration.
Option 3 - In house service managed by senior care workers employed by the council, but using agency RSW's.	The Council would employ staff to coordinate the service while externally procuring staff to work within the service as RSWs from 2 registered providers. However the Agencies would be the registered providers
Option 4 - No change to the status quo	Maintain current status quo of 4 separate contracts

26. Option 1 was considered for the following reasons:

- Provides sufficient volume to develop an effective relationship with provider, who can invest in the service.
- Single service and operating model in line with SLIC objectives
- Build up expertise in geographical patches, which means the hard to reach areas of the borough easier to cover
- It will mitigate risk of provider failure or give opportunity to bring in a second provider if needed.
- Establishes clear responsibilities for Southwark Council to support the provider in delivering a core business for adult social care.
- Includes the option for Lambeth to commission from our contract
- 27. The procurement approach has been further developed to take account of development opportunities to quality assure the work of the RSWs by NHS therapists (Instigated through the SLIC programme) alongside how best to procure the Neuro rehab service. This has informed the proposed approach to procure a single service model to include the neuro rehab service in the south contract and that further quality assurance will be carried out by GST with two providers. The council is confident that the current needs for a distinct team of trained neuro rehab RSWs can be accommodated by the reablement south provider, and will be contained within the south contract.
- 28. The two contracts will both be community based, but roughly aligned to the two acute trusts operating in the borough (North and south Southwark) Reablement in Southwark will be an integrated service incorporating the three specialist home care services (ICT north, south and neuro-rehab) to form this new reablement service model.
- 29. In summary the procurement approach being proposed in this report will seek two providers from the open market, following a robust evaluation that will place quality at the heart of the methodology. The proposed two provider arrangement will also allow the council to better mitigate risk in case of issues with one contract or another once awarded.

Other procurement approaches considered

- 30. A number of other procurement options were considered and summarised below.
- 31. **Do nothing –** This was not considered an option as the council will continue to require this service following the expiry of the current contracts.
- 32. **Bring the service in house** The council unlike some other boroughs does not have an in house home care service and does not employ managers registered with the Care Quality Commission (CQC) needed to provide necessary supervision of care staff providing the service. Financial modelling also indicated that it would be far more expensive than a commissioned solution.
- 33. Conduct a joint procurement with Lambeth for a single service model This was actively considered by both councils. The service models are broadly aligned and in line with the SLIC objectives Therefore although this report does not seek approval for a joint procurement it seeks approval to allow Lambeth to commission services from Southwark's contract once awarded.
- 34. **Seek to jointly procure with other councils** While there are other councils planning to go out to the market for reablement services their service models, timescales and approach to quality assurance differ from that of the council.

Consideration was given to working with the West London Alliance framework that covers homecare however the intended approach did not fully align to the council's requirements. In addition the initial framework procurement has been halted and although it will restart in the next few months it remains unclear whether the revised approach would align with the council's requirements.

- 35. **Single supplier negotiations with existing providers** This was an appropriate route previously whilst the council was piloting different service models and the market was still under developed. The council is now clear as to it's future service model and more providers have developed experience of delivering some form of reablement, therefore to now openly procure the service from the market is considered to be the approach that will deliver the best value for money for the council.
- 36. **Procure a stand alone neuro rehab service** Given the size of the contract required it was considered more appropriate use of the council's resources to integrate the service into one or both of the new reablement contracts. The proposed approach will however allow for a distinct team of specialist neuro rehab RSWs to be retained to continue to work within the Integrated Stroke Pathway service in Southwark as it does presently.

Proposed procurement route

- 37. This report is proposing a two stage restricted procurement in which the council will take all reasonable steps to obtain at least five (5) tenders following a publicly advertised competitive tendering process. It will be open to the London Borough of Lambeth to make use of these contracts once awarded. This procurement process will:
 - Meet robust universal quality standards in relation to the delivery of homecare services
 - Have a thorough understanding of reablement with a focus on positive outcomes for the service user.
 - Demonstrate a strong commitment to partnership working
 - Have acceptable CQC registration status
 - Satisfy the council's requirements in relation to financial and organisation competence.

Identified risks for the procurement

38. The main risks are identified below

No	Risk	Level	Mitigation
1.	The market not being fully developed and providers are not equipped to deliver the required service.	Low	The a number of providers delivering a reablement service both locally and nationally has been increasing and the council is now confident that the market is sufficiently developed to respond to this procurement.
2.	Provider failure	Low	The council will select two providers with these contracts after a vigorous tender selection and evaluation process. These new contracts will be awarded and then managed with an emphasis on partnership and relationship centred risk and problem management to ensure the outcomes

No	Risk	Level	Mitigation
			required by the council are delivered by the providers. In the unlikely probability that even after these steps there is provider failure, the council will have the option of re negotiating with the other provider responsibility for the whole integrated care reablement service. The contracts will also contain a six month break clause that the council will have the right to exercise.
3.	Specialist skills will be lost	Low	Specialist skilled staff will be retained through TUPE and careful mobilisation planning. The service specifications will ensure that the needs of the current integrated care, neuro rehab and community based reablement services will be addressed through the single service model.
4.	Provider capacity to deliver Lambeth's require if they chose to commission from our contract	Low	The council will work actively on this issues throughout the tender process and award of contract to robustly test providers capacity

Key Decision

39. This is a strategic procurement due to the contract value, and is therefore a key decision

Policy implications

- 40. This service is used by the council as a means to comply with its statutory duties under the NHS and Community Care legislation and FACS statutory guidance.
- 41. The new service model for reablement will support the aims of the Southwark Council Plan "A Fairer Future for All" to create a fairer future for all by: protecting the most vulnerable; by looking after every penny as if it was our own; by working with local people, communities and businesses to innovate, improve and transform public services. The expansion of reablement services is one of the specific pledges made to support this objective.
- 42. Reablement will be a key vehicle through which the council will discharge its statutory duties in the future, and is being promoted within the council's vision for Health and Social Care, agreed by the cabinet in April 2011, as well as being a significant way through which the council will meet ongoing savings targets.
- 43. An emphasis upon integrated care and reablement are a key component of the SLIC programme agreed by the council in May 2012, as well as a significant thread through out the Social Care Bill currently passing through parliament and due to be implemented nationally from 2014.

Procurement Plan

44. The timeline for the procurement plan is set out below

Activity	Complete by:
Forward Plan (if Strategic Procurement)	June 2013
Review by DCRB	4.09.13
Review by CCRB	19.09.13
Agenda Planning	30 September 2013
Deadline for final report	10 October 2013
Notification of forthcoming decision –despatch of Cabinet agenda papers	15 October 2013
Cabinet -Approval of Gateway 1: Procurement strategy report	22 October 2013
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30 October 2013
Completion of tender documentation	30 October 2013
Advertise the contract	1 November 2013
Bidders briefing session	Mid November
Closing date for completed PQQs	31 December 2013
Completion of short-listing of applicants using PQQs	14. February 2014
Invitation to tender	17 February 2014
Closing date for return of tenders	31 March 2014
Completion of initial stage of tender evaluation	30 June 2014
Forward Plan (if Strategic Procurement)	June 14
Providers selected for next stage of tender evaluation	1 July 2014
Evaluation completed	31 October 2014
Gateway 1 contract extension report for current contracts	October 14
Gateway 2 contract extension report for current contracts	November 2014
DCRB/CCRB/CMT Review Gateway 2:	November – December 2014
Notification of forthcoming decision – despatch of Cabinet agenda papers	Early January 2015
Approval of Gateway 2: Contract Award Report	January 2015
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	End of January 2015
Contract award	31 January 15
TUPE Consultation period	1 February 15
Contract start	1 May 15
Initial Contract completion date	30 April 2018
Contract completion date – (if extension(s) exercised)	30 April 2021

TUPE

- 45. No former council staff are involved in the current reablement contract and there is sufficient time built into the mobilisation plan to manage any necessary TUPE consultation and transfers to the successful bidders.
- 46. There are currently approximately 60-70 staff employed across the current four contracts, the majority of which choose to work part time. Since the renegotiation of the existing contracts in spring 2013, all staff are now paid at the London Living Wage (LLW).
- 47. Under TUPE arrangements, distinct cohorts of existing RSWs (such as those engaged within neuro rehab) will be provided with the opportunity to stay in their current roles under TUPE transfer rules.

Development of the tender documentation

- 48. The procurement of these services will form part of a bigger transformation programme to manage the wider integration of council and NHS intermediate care services in line with the SLIC objectives. This programme governance structure will in turn report to Adults Divisional Management Team and to the Children and Adult's SMT.
- 49. A new service specification has already been drafted and key stakeholders from Commissioning, Contracting, Operational teams in Children's and Adults' Services and the NHS, supported by Legal, Procurement and Finance will develop the PQQ, ITT, evaluation criteria, pricing documents and methodology statements. A complete suite of tender documentation will then be issued prior to the ITT stage.

Advertising the contract

- 50. The invitations for expressions of interest will be advertised in a range of publications and local press such as listed below:
 - Voluntary OJU Notice
 - South London Press
 - Community Care
 - Southwark Council website
 - Existing homecare providers commissioned by Southwark will be invited to attend a bidders meeting once the procurement has been advertised.

Evaluation

- 51. Effective and targeted home care interventions have been identified as having a lowering effect on overall demand for other services and thereby a positive impact on cost and efficiency (Oxford Brookes University "Where the heart is A review of older people's Home Care" (2012).
- 52. The success of reablement services are also strongly linked to service quality and as such in order to secure the best service providers and outcomes for users this report proposes a Cost Quality Split of 80/20 with 80 in favour of quality.

Quality

- 53. The council is committed to ensuring that those in need of reablement and other forms of home care receive the best possible quality service and subsequently the quality evaluation will focus upon how the reablement contracts will deliver the outcomes required by service users, the council and it's NHS partners from the services. Evaluation will therefore focus upon a number of key areas
 - The providers approach to quality assurance
 - The providers approach to partnership and continued service development of a still new area within home care
 - An understanding of reablement and how it differs from standard home care.
 - The provider's competence and organisation infrastructure to deliver the required service.
- 54. The quality evaluation criteria have been developed with input from both the council's and the NHS's reablement and intermediate care staff and the SLIC programme. Both council and NHS staff will be involved in the evaluation.
- 55. The quality evaluation will take the form of evaluation of written submissions, clarification meetings, reference requests and site visits. The bidders will also be required to demonstrate their commitment to the payment of the LLW to all staff as a means of ensuring high quality service provision.

Cost Rationale

- 56. The council has undertaken extensive benchmarking of unit costs being paid for reablement and intermediate care services in London. It has also recently re negotiated it's reablement, intermediate care and generic home care contracts in order to further enhance quality assurance within these existing contracts. This has allowed the council to develop a good understanding of reasonable home care costs both locally and nationally, as well as the financial challenges currently facing the state funded home care market.
- 57. Bidders will therefore be required to submit a breakdown of their costs based upon the Valuing Care Evidence Based Costing template developed on behalf of the council by OLM. This will require bidders to clearly break down their hourly unit price against a set of criteria such as:
 - The hourly rate of pay for staff
 - Management costs
 - Building and office costs
 - Reasonable profit for the organisation
- 58. This will then be assessed against a standard set of variables including
 - Profit
 - A permissible level of central recharges
 - Direct Staffing costs for both care and management
 - Organisational and staff development costs
- 59. While only recommending 20% on cost, cost and affordability remains an important consideration the proposed approach will ensure that cost still informs the outcome of tender.

60. Building upon the council's knowledge of the true costs of providing a reablement/intermediate care service, the financial methodology will take due regard of this learning to ensure that bids will be restricted to reasonable market rates. The methodology will also ensure that cost scores are not distorted by financial outliers in submissions received from individual providers.

Community impact statement

- 61. There are not thought to be any significant negative impact implications for the categorised groups covered by the council's equality scheme through the procurement route for the reablement service.
- 62. All the providers hold acceptable equalities codes of practice and policies as part of their registration requirements with the Care Quality Commission, and compliant with the standards expected by the council.
- 63. As part of the council's commitment to pay staff at a minimum the London Living Wage (£8.55), the new contracts will require providers to pay all staff engaged on these contracts at least this level. As the majority of these staff are local women and disproportionately from BME communities, this payment will have a positive impact upon these traditionally marginalised groups as well as the local economy.

Economic considerations

64. The majority of care workers tend to live locally, and therefore the award of these contracts will support the local economy.

Social considerations

65. The evaluation of the bids will ensure that providers have a good track record in delivering services to a diverse group of service users.

Environmental considerations

66. Providers are to demonstrate they have an acceptable green policy in relation to the delivery of reablement services and the council expect the majority of care workers use public transport to travel between service user visits. The provider is expected to use electronic mail and use a database for resources in order to eliminate the unnecessary use of paper.

Plans for the monitoring and management of the contract

- 67. The contracts will be monitored by the Children and Adult's contract monitoring team and provider performance will be measured against the service specification and KPIs as set out in the contract documentation.
- 68. There will be day to day "micro monitoring "of the provider's performance through the co-location of commissioned providers' staff within the council's new integrated reablement team.
- 69. The council is also in negotiations with Guys and St Thomas's NHS Trust Community Services for their OT and physiotherapists to provide training and undertake technical quality assurance of the work undertaken by the RSWs

- 70. The council wishes to build upon the success and learning from it's partnership approach to managing the intermediate care and reablement contracts. Through regular operational steering group meetings with the providers operational practice improvements will be identified and will inform a continual process of service development linked to periodic strategic contract review meetings involving senior staff from the council and the providers.
- 71. The supplier's performance will also be monitored by the Care Quality Commission, with information and concerns shared with the council.
- 72. A number of further KPIs will be considered and agreed by Adult Social Care Divisional Management Team prior to contract award, which will place a greater emphasis upon outcomes.

Staffing/procurement implications

73. The procurement will be contained within the existing commissioning, procurement, legal, social work and finance staffing structures.

Financial implications (FI:/1025)

- 74. The Reablement Service is currently funded from a combination of NHS (via CCG) grant of £1.8m and the council's own resources of £2m. In total, the funding is approximately £3.8m of which £1.5m funds care contracts. These contracts are due to expire 31 March 2015.
- 75. This recommendation proposes increasing the budget to £2m annually over the next 3 years as part of the adult social care transformation agenda. This additional cost will be met through reductions in usage of other higher cost care services.
- 76. The existing contract ends in March 2015 and funding beyond this is yet to be agreed by both the NHS and the council. Future funding requirements will be identified through the budget setting process. Reablement will be prioritised as it demonstrates benefits, in both outcomes and financial savings. It is also noted that the contacts will contain a six month early termination clause should funding no longer be available.
- 77. The council is committed to paying London Living Wage (LLW) in it's contracts and the current contracts already contain requirement to pay LLW. There are not anticipated to be any additional LLW cost pressures as a result of these new contract awards.

Investment implications

78. None

Legal implications

79. These will be considered in the supplementary advice form the council's solicitor below.

Consultation

- 80. Consultations undertaken to inform the procurement plan outlined in this report has included Children's and Adults' Commissioners and Operations teams, Southwark 's Senior Management Team and Southwark and SLIC
- 81. The views of existing home care, reablement and intermediate care providers within Southwark was also sought at a soft market event in August 2013-08-28
- 82. Views on the council's development of reablement services have also been regularly sought from the Older People's Partnership Board.

Other implications or issues

83. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

- 84. This report is seeking to approve the procurement strategy for the reablement services contracts.
- 85. The report confirms that reablement services have been piloted over recent years and is a growing service area for the council. Reablement services are currently delivered by four providers and this procurement will secure two contracts which will together cover the borough.
- 86. Paragraphs 26 37 outline the procurement options that were considered for these services. The proposed procurement route is in line with contract standing orders.
- 87. The procurement timeline is reasonable and achievable provided the appropriate resources are available.
- 88. Paragraph 51 confirms that a weighted model 80/20 in favour of quality will be used to evaluate the tender submissions. Whilst this is not in line with the councils current recommended split, the report provides some justification for this approach.
- 89. The report confirms that evaluation will involve a number of assessments including written submissions and site visits etc. The number of bidders will be reduced at each stage of the process. It is expected that this methodology will secure providers that can fully meet the council's requirements in relation to reablement services.
- 90. The plans for monitoring and management of the contracts are outlined in paragraphs 67 72. This will involve internal monitoring by council officers and external monitoring by the Care Quality Commission.

Director of Legal Services

91. This report seeks the approval of the cabinet to the procurement strategy for the procurement of two (2) contracts for the provision of reablement services as is outlined in this report.

- 92. Contract Standing Order 5.4 requires all reasonable steps to be taken to obtain at least five (5) tenders following a publicly advertised competitive tendering process for services over the EU threshold. Paragraph 49 of this report confirms that this process is to be followed.
- 93. It is considered that these services are a Part B service under the Public Contracts Regulations 2006 and although there is no requirement to publicly advertise this procurement in the Official Journal of European Union (OJEU) the procurement must still comply with rules regarding non-discriminatory requirements.
- 94. Paragraph 36 of this Report confirms that a restricted two stage tendering procedure is proposed which will comply with EU regulations and CSO tendering requirements.
- 95. CSO 4.4 details who may approve decisions on procurement strategy. This contract is classified as a strategic procurement and therefore CSO 4.4.2 a) requires the cabinet or cabinet committee to authorise the proposed procurement process, after consideration by the corporate contracts review board (CCRB) of the report.

Strategic Director of Finance and Corporate Services (FC13/066)

- 96. This report seeks cabinet approval to a procurement strategy to undertake a competitive tender to establish two reablement contracts. Financial implications are detailed in paragraphs 79 to 82 and the commitment to London Living Wage is noted.
- 97. The strategic director of finance and corporate services notes the cost rationale in paragraphs 60 to 65. Whilst a 20:80 price/quality ratio is unusual it is recognised that the financial methodology will take in to account market rates and ensure fair price is achieved.
- 98. Work to evaluate the impact of reablement services will need to continue and future budget setting must ensure that the increased spend on these services from £1.5m to £2m per year is sustainable. It is noted that the contracts will have a 6 month break clause and will also be demand lead, giving some financial control.

BACKGROUND DOCUMENTS

Background Documents	Held At		Contact
Valuing Care Evidence Based Costing	Children	and Adults	Andy Loxton
Template developed on behalf of the	Commissioning	J	020 7525 3130
council by OLM. The document is			
available in this web link below.			
http://moderngov.southwark.gov.uk/ieL			
istDocuments.aspx?Cld=302&Mld=45			
51&Ver=4			

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Catherine McDonald, Cabinet Member for Health, Adult Social Care and Equalities.		
Lead Officer	Jonathan Lillistone and Adults	, Head of Commission	ning - Children, Families
Report Author	Andy Loxton, Lead	Commissioning Manage	er
Version	Final		
Dated	10 October 2013		
Key Decision?	Yes		
CONSULTATION W	ITH OTHER OFFIC	ERS / DIRECTORATES	6 / CABINET MEMBER
Officer Title		Comments Sought	Comments included
Head of Procurement		Yes	Yes
Director of Legal Services		Yes	Yes
Strategic Director of Finance and Corporate Services		Yes	Yes
Contract Review Boards			
Departmental Contract Review Board		Yes	Yes
Corporate Contract	Corporate Contract Review Board		Yes
Cabinet Member	Cabinet Member		Yes
Date final report sent to Constitutional		I Team	10 October 2013

Item No. 9.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report titl	e :	Local Welfare Provision - Southwark Emergence Support Scheme, review October 2013	
Ward(s) o	Ward(s) or groups affected: All		
Cabinet Member:		Councillor Richa Resources and Con	

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

The council established the Southwark Emergency Support Scheme in April as a consequence of government devolving elements of the Department for Work and Pensions' (DWP) Social Fund to local authorities. The council has been keen to work with voluntary sector groups working with those on benefits to ensure that the scheme best meets the needs of those requiring emergency support and organisations such as the Citizens Advice Bureaux have praised our approach.

This report reviews the first six months of the scheme's operation and makes recommendations for the continuation of the scheme for the 2014/15 financial year.

In the first six months, it is clear that the demand for the scheme has been greater than anticipated from those people who have had their benefits suspended by the DWP through sanctions. This has been as a result of changes introduced by DWP during the current financial year. In these circumstances, the council has become the last resort to feed families in a way that was not envisaged when the scheme was established.

RECOMMENDATIONS

That Cabinet:

- 1. Notes the findings of the review of Southwark's Emergency Support scheme and agrees to retain the existing provision for the period up until 31 March 2014.
- 2. Agrees to continue with the existing model of support by developing the ongoing relationship with Community Action Southwark and supports a further review to be undertaken in April 2014 in the order to assess future funding requirements with a report to be delivered to Cabinet by June 2014.
- 3. Continues to keep under review referrals to the scheme made by the Department for Work and Pensions (DWP) arising from changes in policy and in particular the subsequent impact on the council's budget.
- 4. Requests that the Strategic Director of Finance and Corporate Services sets aside any unspent balances from this years scheme for welfare and hardship needs and reports these to Cabinet in future monitoring reports.

BACKGROUND INFORMATION

- 5. As part of the Welfare Reform Act (2012) the existing Community Care Grant and Crisis Loan elements of the Social Fund administered by the DWP were abolished with effect from 31 March 2013.
- 6. Local authorities with effect from the 1 April 2013 were made responsible for delivery of a local welfare provision administering the emergency financial assistance elements of the previous scheme.
- 7. The DWP provided the following funding for Southwark from which to operate the local welfare provision, Southwark's Emergency Support scheme.

	2013/14	2014/15
The Fund	£1,362,932	£1,362,932
Administrative funding	£287,998	£263,981

- 8. This represented a significant reduction in available funding, when compared with expenditure from 2010/11 which was managed by the DWP.
- 9. The government retained responsibility for budgeting loans which are made available for a variety of purposes including, maternity or funeral expenses, improvement or maintenance of homes and repayment of debt in certain circumstances.
- On the 19 March 2013 Cabinet approved the introduction of Southwark's Emergency Support scheme together with the eligibility criteria necessary for which customers would receive support.

KEY ISSUES FOR CONSIDERATION

Guiding principles of Southwark's Emergency Support Scheme

- 11. The council has developed some guiding principles in relation to eligibility for the scheme. These are:
 - To provide emergency support following a disaster, or in times of crisis
 - To allow people to return to or remain in the community, such as those moving out of institutional or residential care and those at risk of not being able to remain in their communities without additional support
 - To help families who are facing exceptional pressure, to help keep families together and to safeguard children
 - To support the most vulnerable in the community and to adopt a holistic approach in doing so
 - To help safeguard severely disabled households and specifically where entry into employment is not possible

- To support the most vulnerable in emergency situations through signposting to appropriate support services, advice, or through provision and access to goods
- To engage individuals with appropriate support services where needed to prevent repeat applications, or as an alternative to an award from the fund
- To ensure the fund is fair and equitable in its distribution to those most in need within the community
- 12. The key elements relating to the personal eligibility criteria are:
 - A person must be 16 or over, have lived in Southwark for at least 6
 weeks, be in receipt of a qualifying benefit and not fall under an
 excluded category as detailed in Appendix 3 either personally or in
 relation to the circumstance by which they are requiring assistance.
 - In addition certain customer groups have been highlighted as eligible; these include, care leavers, ex-offenders and armed forces personnel.
- 13. The council developed detailed eligibility criteria in respect of those groups where it is determined there is the greatest need.
- 14. In particular the scheme was developed to complement eligibility criteria developed for Discretionary Housing Payments and existing arrangements for Section 17 payments in Children's Services.

Southwark's Emergency Support Scheme (SESS)

15. In partnership with Community Action Southwark (CAS) the council put in place a scheme supported by a number of key partners:

Requirement	Provision	Supplier
Food	Food parcels	Pecan (Peckham High St) Foodbank- charitable organisation currently in expansion to three other sites with volunteer assistance
White goods- fridge, freezers etc. Furniture – starter packs	Reconditioned white goods & furniture	London Re-use network, Staying FirstFamily Fund
Rent advance for those leaving care or prison	Up front payment & accommodation support for those leaving care and exoffenders	St Giles TrustLondon Mutual Credit Union
Grants for replacement household items / reconnection charges for services / living expenses / clothing	Cash payment	London Mutual Credit Union

Overview of the support provided to date

- 16. A review has taken place of the current scheme that has been in place since April 2013. This report details the position in relation to supporting information for the period from April 2013 to August 2013.
- 17. The review has focused on three key areas, the organisations referring cases to the scheme, benchmarking within London and the financial implications to date.

Referrals

18. The council is currently receiving referrals from a number of areas however the majority are still being referred from Job Centre Plus. The table below outlines the current referral groups:

Referral organisation	Number of referrals	% of referrals
Citizens Advice Bureau	37	3
Council services	209	15
Job Centre Plus	874	65
Other	175	13
VCS	53	4
Total	1348	100

- 19. The review of the application process confirmed that 65% of referrals related to a gap in benefit entitlement or a sanction from the DWP leaving individuals with little or no support for living expenses.
- 20. Since the 1 April 2013 the DWP changed their policy in relation to the application of sanctions. This has had a significant effect on a number of individuals resulting in people accessing the scheme due to insufficient resources to buy food or requirements for basic domestic needs.
- 21. On average the team receive 40 calls per day of which 15 result in applications. Of the 15 applications there is an award rate of 49%.

The position within London

22. As at the 30 June London Council's produced data providing an overview of the current position for local welfare provision schemes within London.

Borough	Applications	Awards	Award Rate	Expenditure	Average Expenditure per award
Southwark	939	419	49%	£145,743	£347.84
Averages	662	280	42%	£61,133	£369.84

23. Southwark's average award is not inconsistent with other boroughs that completed the data for the London Council's report.

- 24. The award rate for the scheme is marginally above the 42% award rate within London, but is not disproportionately higher.
- 25. Neighbouring boroughs were as follows:

Borough	Applications	Awards	Award Rate	Expenditure	Average Expenditure per award
Lambeth	800	91	11%	£40,000	£439.56
Lewisham	2024	695	34%	£54,000	£77.70
Croydon	1026	396	39%	£148,577	£375.19
Bromley	570	229	40%	£86,000	£375.55
Tower					
Hamlets	2500	1200	48%	£252,000	£210.00

Breakdown of awards

26. The awards can be further detailed as follows:

Category	Volume	%
Repair	1	
Flooring	13	
Rent	27	1
Clothing	36	1
Carpets	44	2
Household	115	4
Kitchen kits	159	6
Cash	291	10
Food	301	11
Furniture	420	15
Utility charges	460	16
White goods	488	17
Bedding	490	17
Total	2845	

Options for future delivery

- 27. The review has revisited the previous options for delivery and also taken into account the relationship between Voluntary and Community Sector (VCS) and neighbouring authorities.
- 28. Below is a summary of the review and the options for future delivery. The review has particularly taken account of the potential for disruption given fundamental changes to the scheme.
- 29. Discussion has also taken place with CAS in respect of their role in operationally managing the scheme. Whilst CAS are keen to develop the relationship between the VCS there are wider considerations in respect of operationally managing the service.
- 30. These considerations have been outlined by CAS as follows:
 - There is a need to maintain impartiality and independence particularly

when offering advice in the voluntary sector.

- The role of the VCS is also to offer advice to those who may not have been successful in applying for grant funding and therefore this could create issues in relation to the assessment process.
- There is limited infrastructure within the sector to handle the operational aspects of a service such as SESS.
- There could be significant development costs incurred in the set up of an operational service and funding has not been guaranteed beyond 2014/15.
- 31. In the context of these options and in advance of the June 2014 report to Cabinet, officers will consider the appropriate criteria required to select the most appropriate option.
- 32. These criteria will focus on directing the maximum resources available to the most vulnerable client groups on the basis of 2013/14 evidence and government funding available.
- 33. In reviewing the scheme there is a need to consider future delivery options. Below is a summary of the options explored as part of the six month review and the recommendation until a full review commences in April 2014.

Retain existing scheme

- 34. Continue with the existing operating model in terms of eligibility and assessment working with the voluntary sector through CAS.
- 35. The scheme is relatively new and currently confirmed funding is only until March 2015. The scheme has successfully assisted customers in crisis in the first six months. Feedback from existing partners does not suggest that the scheme is failing to meet demand.
- 36. The impact of welfare reform and the current economic climate may result in further hardship for customers particularly impact is currently being supported by temporary relief from discretionary hardship payments. Therefore it would be prudent to retain the existing criteria at least in the short term to ensure funds remain available for those with the greatest need.
- 37. Given these reasons it is recommended that this is the preferred option.

Shared Service approach to scheme with Lewisham and / or Lambeth

- 38. Seek to join the application and assessment process to gain economies of scale and consistency in terms of the eligibility criteria.
- 39. Currently each authority has contextual differences within their eligibility and awards policies which have all been approved through the governance processes within each authority. To harmonise the schemes would require collective agreement on policies and procedures and would require considerable effort. This needs to be balanced against the issue of guaranteed funding.

- 40. Each authority is using different support systems for their schemes which would mean a selection and open procurement process for the preferred solution.
- 41. The three authorities are working together on the wider welfare reform initiatives including developing a community budget approach to implementation of the local support services framework.
- 42. Given the complexities of developing this option, this is not the preferred approach at this stage.

VCS to take on more of the model delivery

- 43. VCS to develop the application/assessment process and operationally manage the service.
- 44. This model has been actively reviewed with the voluntary sector through CAS and for the reasons highlighted in section 30 it is not recommended as a viable option.

Delegate budgets to departments

- 45. Option to disband the existing scheme and delegate the allocated budget to children's services (section 17 payments) and the homelessness prevention fund.
- 46. Devolving the budgets would support existing support networks within services but carries considerable risks for the client groups currently accessing the scheme.
- 47. This could result in multiple assessment processes that do not offer a consistent approach to assessment of eligibility for crisis payments.
- 48. There would be potential for customers to contact the council several times via different services for assessment. This could lead to delays for fulfilment of the customers requirements in the context of their need.
- 49. It is not a recommended option at this stage however will be re-considered as part of the one year full review.

Southwark welfare hardship fund

- 50. As a consequence of council tax technical reforms (as approved by Council Assembly), on 12 February 2013 cabinet made provision for £800k in 2013/14 for the purposes of a welfare hardship fund. The hardship fund is separate to the Southwark Emergency Support Scheme.
- 51. The Strategic Director of Housing and Community Services and Strategic Director of Finance and Corporate Services were asked to develop a recommendation on the provision and criteria for delivery of this fund for future consideration by cabinet.
- 52. The council developed eligibility criteria to assist in protecting the most vulnerable within the community. The hardship fund therefore sought to provide protection for severely disabled customers affected by one or more of the government's welfare reforms.

- 53. Customer services and voluntary sector organisations were made aware of the scheme to ensure those requiring assistance could be referred to determine their eligibility status.
- 54. Whilst there have not been high levels of financial expenditure customers have been assisted through referrals to additional services.
- 55. It is anticipated that any unallocated funds will be returned to reserves.

Breakdown of enquiries received (April to August 2013)

Total enquiries	362
Number of New Enquiries	4
Number of hard to reach callers	40
Number of refusals	73
Number Due to be awarded	4
Number Awarded	222
Number of repeat calls	2
Issue Pending	17
Amount paid	£42,300

Financial Implications

- 56. As at August 2013 the grants issued in relation to the scheme equated to £311,000 which is 55% of the grant for crisis support allocated for the same period.
- 57. The forecast outturn is for a favourable variance of approximately £538,000 within the support grant. This is dependent on projections based on the current volume of take-up and existing service costs.
- 58. One supplier has indicated a possible price increase over the next 6 months which may vary existing support grant expenditure projections by a further £80,000 this financial year, reducing the variance to £458,000.
- 59. The anticipated annual spend for the set up and operational management of the service for year one is £312,000 against an administrative grant of £288,000. This is representative of the significant overhead of managing claims in an environment detached from mainstream benefits that the DWP administer.
- 60. Given the experience of 2013/14 these costs will be reviewed in 2014/15 on a quarterly basis particularly given the uncertainty in relation to ongoing welfare reform changes.

Audit and governance

- 61. It is anticipated that a full audit of the service provided to date will be undertaken within the next three months.
- 62. This is primarily to ensure that the decision making process is independently

audited and internal controls are reviewed.

Policy considerations

- 63. Southwark Council is committed to achieving a fairer future for all, as set out in the Council Plan that was agreed by Council Assembly in July 2011. The council recognised that in times of reduced funding from central government, there is a need to focus our resources on the areas where we feel we make the most impact.
- 64. Following engagement with local people through the council's budget process in 2010/11 the council plan identified a number of principles that guide the promises and objectives of the council plan. These principles are:
 - Treating residents as we would wish members of our own families to be treated
 - Being open, honest and accountable
 - Spending money as if it were coming from our own pocket
 - Working for everyone to realise their potential
 - · Making Southwark a place to be proud of
- 65. The continued provision of the Southwark Emergency Support Scheme is in line with the principles above, recognising the importance of ensuring that support is provided to those most in need.
- 66. Further, the continuation of the scheme is part of the council's overall approach to continue to support individuals and families as welfare reform changes take effect. In November 2011, cabinet agreed an economic well-being strategy for the borough. Two of the core priorities are to promote financial wellbeing and independence and narrow the gap between Southwark and the London employment rate by supporting people into work.

Consultation

- 67. As stated in the Cabinet report on the 19 March government have provided no legal requirement for public consultation on the introduction of a new Local Welfare Provision scheme.
- 68. The council continues to work closely with representatives from Community Action Southwark, Southwark Legal Advice Network, the CAB, St Giles Trust and Pecan (foodbank).
- 69. The eligibility criteria (with the exception of the additional support from the) for the scheme was issued to voluntary sector partners for consultation at the time of its development.

Community impact statement

70. The council must have due regard to the public sector equality duty under the Equality Act 2010 and is committed to ensuring the scheme is fair and equitable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 71. Cabinet is asked to note the findings of a 6 months review following the creation of the Southwark Emergency Support Scheme and agree the continuation of the current scheme.
- 72. Cabinet is reminded that the council's duties under the Equality Act 2010 are ongoing for the purposes of this scheme and the review. The council is required to ensure that the delivery of the fund complies with the duties outlined under s.149 of the Equality Act 2010.

Strategic Director of Finance and Corporate Services (FC13/068)

- 73. This report seeks cabinet approval to continue with the existing model of support by developing the ongoing relationship with Community Action Southwark. It also requests that the strategic director of finance and corporate services sets aside any unspent balances from this year's scheme for welfare and hardship needs. This will be reported to cabinet in future monitoring reports.
- 74. Financial implications are shown in paragraphs 56 to 60 and the strategic director of finance and corporate services notes the favourable variance forecast for 2013/14.
- 75. The reduction in grant for 2014/15, as shown in paragraph 7 (fig. 1) is noted. This reduction in administrative funding will need to be closely monitoring to ensure the costs of running the scheme can be contained within budget.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	SES Eligibility Criteria – Southwark's Emergency Support Scheme Final
Appendix 2	SES Eligibility Feedback Summary

AUDIT TRAIL

Cabinet Member	Councillor Richar	d Livingstone,	Finance,	Resources	and
	Community Safety				
Lead Officer	Duncan Whitfield, S	Duncan Whitfield, Strategic Director for Finance & Resources			
Report Author	Dominic Cain, Assi	stant Director (Rev	venues & E	Benefits)	
Version	Final				
Dated	11 October 2013				
Key Decision?	No				
CONSULTATION V	VITH OTHER OFFI	CERS / DIRECTO	ORATES A	CABINET	
MEMBER					
Officer Title Comments Sought Comments Included					ıded
Director of Legal Ser	rvices	Yes		Yes	
Strategic Director of Finance &		Yes		Yes	
Corporate Services					
Cabinet Member	Cabinet Member Yes Yes				
Date final report sent to Constitutional Team 11 October 2013					



SOUTHWARK EMERGENCY SUPPORT SCHEME – ELIGIBILITY CRITERIA/QUALIFYING CONDITIONS

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1. GUIDING PRINCIPLES

The guiding principles of Southwark's Emergency Support Scheme are:

- To provide emergency support following a disaster, or in times of crisis
- To allow people to return to or remain in the community, such as those moving out of institutional or residential care and those at risk of not being able to remain in their communities without additional support
- To help families who are facing exceptional pressure, to help keep families together and to safeguard children
- To support the most vulnerable in the community and to adopt a holistic approach in doing so

- To help safeguard severely disabled households and specifically where entry into employment is not possible
- To support the most vulnerable in emergency situations through signposting to appropriate support services, advice, or through provision and access to goods
- To engage individuals with appropriate support services where needed to prevent repeat applications, or as an alternative to an award from the fund
- To ensure the fund is fair and equitable in its distribution to those most in need within the community

2. ROUTE IN AND APPLICATIONS

- Southwark council will provide a process by which Southwark residents can make an application for an award from the fund
- Customer access will be via an online portal or via a telephone application process
- Facilities will be made available at the Council's "One Stop Shops" for customers to make free telephone applications and online applications via "assisted self-service"
- In exceptional circumstances it may be possible for a home visit to be arranged to assist elderly or vulnerable customers with their applications, but the council reserves the right to decline any request for a visit
- Advocacy and advice services will also be able to make referrals to the fund in respect of their clients
- Other Southwark Council departments such as Adult Social Care will also be able to make referrals to the fund in respect of their clients
- Awards from the fund will only be considered in respect of requests made via the above methods
- Verification of identity, address, income and circumstances may be required before assistance from the fund is offered
- All applications for assistance must include:
 - the name and current address of the person seeking assistance
 - details of how long the applicant has resided in Southwark
 - details of whether they have been placed in Southwark by another authority
 - what support is being requested

- details of why the request is being made and what consequences there will be if the application is not successful
- details of what other assistance the applicant has considered or sought before making the application, and the result
- o Details of the applicant's income, savings and capital
- The council may require applicants to be interviewed at their home, at the
 council's offices or One Stop Shops, or at some other place specified by the
 council at a reasonable time so that their application can be progressed
- Failure to attend an interview without good cause may result in the application being refused
- The council can require applicants to supply such information or documentary evidence within 14 days as it deems necessary in order to decide the application, including evidence of identity. Failure to supply the information or documentary evidence within the time limit without good cause will result in the application being refused (see "verification" section for more details)

3. ELIGIBILITY AND QUALIFYING CONDITIONS

3.1 QUALIFYING CONDITIONS

In order to make a decision to give assistance, staff administering the fund will need to be satisfied that qualifying conditions A or B or C below has occurred or is occurring:

A) There has been an unforeseeable, serious and significant emergency or crisis and failure to give assistance will mean there is a serious risk of significant harm to the person or the person's family. The council will take account of individual applicant's circumstances in assessing whether or not an emergency is considered to be serious and significant. In exceptional circumstances applications may be considered where, subject to evidence requirements, it can be demonstrated that a crisis has not yet occurred, but is imminent.

Examples of emergencies or crisis:

- o A family member has been taken seriously ill or died
- A member of the family has been a victim of crime
- Family possessions have been destroyed in a fire or flood
- o A person is fleeing domestic violence
- B) The person requires assistance moving into, or remaining in the community.
- C) A disabled household is unable to gain employment either as a result of the severity of the disability or because their household circumstances preclude this as a possibility.

3.2 PERSONAL ELIGIBILITY CRITERIA

Under qualifying condition **A** and **B**, a person is only entitled to assistance from this fund if they meet the following criteria:

- I. They are aged 16 or above
- II. They live in Southwark and have been resident in Southwark for at least six weeks prior to application ¹
- III. They are in receipt of a means-tested "passport" state benefit (Income Support, Job Seekers Allowance (income based), Employment Support Allowance (income based), or Guaranteed Pension Credit, or where it can be demonstrated that imminent receipt of such a benefit is likely ²
- IV. They are not an excluded person (section 6)
- V. They are not requesting assistance under circumstances which are listed as excluded (see section 5), or for an excluded item or need (see section 7)
- VI. They do not have the personal means, nor access to the means, for the provisions required.

Under qualifying condition \mathbf{C} , a person must meet all personal eligibility criteria set out above other than criterion III. from which they are exempt. However in order to qualify under condition \mathbf{C} an applicant must demonstrate that the disability in their household, or the household circumstances brought about as a result of that disability, precludes them from gaining employment.

Upon the introduction of Universal Credit, personal eligibility criterion III. above will be reviewed and amended. The Department for Work & Pensions have not yet notified councils as to whether "pass-porting" (receipt of the state benefit guaranteeing a particularly low income level) will be possible within the new Universal Credit system.

4. AMOUNT OF ASSISTANCE OFFERED

For successful applicants, the following factors may affect the amount of assistance offered:

- Their age and the extent of their need
- The significance and implications of the emergency or crisis and the cost to them as a result
- The level of their income, savings and capital
- If they are moving out of institutional or residential care
- If they a parent of children under 16 who live with them

¹ See "exceptional circumstances - residence" section 13.1

² See "exceptional circumstances - income" section 13.2

- If they are a person with a disability, restricted mobility, or mental or physical impairment
- If they are receiving assistance, financial or otherwise, from other sources

5. EXCLUDED CIRCUMSTANCES

Assistance will not be given for, or in, the following circumstances:

- Where the applicant is an excluded person (see section 6).
- Where the application is for an excluded item or need (see section 7)
- Where other statutory provisions are in place and are a suitable option for the applicant; including but not restricted to:
 - Department for Work & Pensions (DWP) budgeting loans
 - o DWP "alignment" or "advance" benefit payments
 - DWP statutory social fund payments (for example winter fuel allowance)
 - Section 17 payments
 - Homelessness Prevention Fund
 - o Finders Fee Scheme
- Where the applicant could gain assistance privately, either from their own money or resources, or where other people can support them.
- Where the council determines that an application would be more appropriate to an alternative discretionary fund, e.g. The Discretionary Housing Payment fund or Section 17 payments
- Where the application is for items which the council cannot reasonably provide.
- Where private insurance should cover the cost of damages.
- Where liability exists elsewhere which addresses the crisis (for example if liability for a flood lies with a neighbour or landlord).
- Where the application is to make up for a reduction in benefits which have been sanctioned, or where they are being paid at a reduced rate due to an overpayment being recovered.

6. EXCLUDED PERSONS

 Persons subject to immigration control, persons from abroad ³ or those with no recourse to public funds

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³ As defined in The Housing Benefit Regulations 2006

- Persons who could have applied for help to the DWP but have not done so
- Persons who have already had any award from the fund in the previous six months, or an award of the same item or an award for the same reason, within the previous 12 months ⁴
- Persons in receipt of financial assistance for the same purpose from friends, family or another charitable organisation
- Persons with income, savings and or other capital deemed sufficient to cover need
- Persons whom the council has reason to believe do not reside at the address which is stated on the application form
- Persons who are full-time students and who are not in receipt of a DWP means-tested benefit
- Persons who have been placed in housing in Southwark by another local authority as part of the discharge of a statutory duty (unless it can be evidenced that they fall outside the qualifying terms of that borough's equivalent scheme or where that borough has no such scheme)
- Prisoners on temporary release

7. EXCLUDED ITEMS & NEEDS

- Any need which occurs outside the United Kingdom.
- An educational or training need including clothing and tools.
- Distinctive school uniform or sports clothes of any description for use at school or equipment of any description to be used at school.
- Travelling expenses to or from school.
- Expenses in connection with court (legal) proceedings such as legal fees, court fees, fines, costs, damages, subsistence or travelling expenses.
- Removal or storage charges where an applicant is re-housed following the imposition of a compulsory purchase order, or a redevelopment or closing order, or a compulsory exchange of tenancies, or pursuant to a housing authority's statutory duty to the homeless.
- Domestic assistance and respite care.
- Any repair to property of any body mentioned in section 80(1) of the Housing Act.

⁴ See "exceptional circumstances – awards" section 13.3

- A medical, surgical, optical, aural or dental item or service.
- Work related expenses.
- Debts to government departments.
- Investments.
- Costs of purchasing, renting or installing a telephone and of any call charges.
- Any expenses which the local authority has a statutory duty to meet.
- Costs of fuel consumption and any associated standing charges (although assistance may be offered in a crisis situation where utilities supply has been disconnected).
- Council water charges, arrears of community charge, collective community charge contributions or community water charges.
- Rent (except for rent in advance). For assistance with an ongoing shortfall between Housing Benefit and rent, an application should be made for a Discretionary Housing Payment
- Any items deemed by the authority as non-essential

8. PROVISIONS/PAYMENTS

Where a decision is made to give assistance, the council will usually provide it in one or more of the following ways.

By working with Local Voluntary Sector organisations, the Council intends to award the required goods as oppose to a cash amount, such as the current DWP scheme.

The Council intends to use a mixture of pre-paid cards/vouchers and locally sourced replacement items to meet the needs of successful applicants to the scheme. As such, an applicant will be offered either:

- Locally sourced second-hand items (for white goods all second hand items will have been safety checked and guaranteed for a minimum of sixty days).
- A voucher for food to be used at a Local Voluntary sector organisation.
- A voucher or prepaid card loaded to the value of the resettlement package, which can be used at specified stores to purchase agreed items

The decision on whether to award items or vouchers will be made by the Council on the basis of the need for which the application has been made and the availability of specific second-hand items.

Where need cannot be met using goods or services, we will provide a cash grant in partnership with the Southwark Credit Union.

If none of the above payment or provisions can be made, The Council will use discretion including the use of internal transfers as appropriate.

The council will, in each case, consider whether it is appropriate to refer an applicant on to other support services, in addition to or instead of an award from the fund, where the circumstances suggest they may benefit from that support.

It is anticipated that there will be instances where a referral to other support services will be a more appropriate course of action than a payment from the fund, even if the applicant meets the eligibility criteria.

9. VERIFICATION

The council will takes steps to carry out its own verification of an applicant's identity, address and circumstances, but where this is not possible an applicant will be required to provide documentation or other evidence which is reasonably required for verification purposes, such as:

- Identification and proof of address
- Income, savings, bank accounts and proof of other capital held
- Where crime or lost property is involved, evidence (such as a crime reference number) that these have been reported to the police
- Other evidence as may be reasonably required to demonstrate the circumstances leading to an application; e.g. photographic evidence of fire or flood damaged items
- The council may require that one of its officers visits an applicant's property to establish and verify the circumstances of an application

The Council takes instances of fraud seriously and will conduct an investigation where instances of fraud are suspected. Appropriate sanctions will be pursued where fraud has been proven.

10. DECISIONS

- All decisions will be notified in writing.
- Awards made as a result of a disaster or crisis will be decided within 2 days (or as long as is reasonably practicable) of the completed application being received.
- All other decisions will be made within 9 days (or as long as is reasonably practicable) of the completed application being received.
- Notifying in writing includes notifying by e-mail (except in certain circumstances where the applicant has specified that they do not have an email address).
- The council can decide to
 - a) Award the application in full
 - b) Award the application in part

- c) Decline the application
- Where the council decides to decline an application, the council's decision notification will state the reason for that refusal.
- The council can decline an application if:
 - a) it has insufficient funds to make a payment, or
 - b) it has reason to believe it will run out of funds before the end of the financial year
- Where the council decides to make an award, the council's decision notification will state the type and/or amount of the payment

11. REVIEWS

- A customer who is unhappy about the outcome of their application is entitled
 to ask for a review of the decision provided that they have satisfied all the
 requirements set out within the scheme and can demonstrate that a material
 error has been made. All applicants will be advised of this right as part of the
 notification process
- There is no right of review against a decision made under sections 5, 6 or 7
- A request for a review must be made within 14 days of the decision notification letter being issued by the council
- The council has the discretion to extend the time limits specified above if special circumstances led to the delay in requesting a review.
- A review must:
 - o be made in writing
 - o be signed by the applicant or their representative
 - state the reasons why the applicant believes the decision is incorrect including any additional information which they believe should be taken into consideration.
- Any review will be heard by an officer of the council, of appropriate seniority, who is designated as a reviews officer and was not involved in the original decision
- The designated officer will make a decision within 2 days for those situations deemed a crisis and 5 days for all others, of a review request being received or as soon as reasonably practicable thereafter.
- The designated officer may request additional information or evidence in order to decide the review and the applicant must provide this within 14 days of the date of the designated officer's request.

- Failure to provide the information and/or evidence within the specified timeframe will lead to the review being declined
- The designated officer can
 - allow the review in whole
 - allow the review in part
 - o refuse the review
- There is no further right of review against the decision of the reviews officer.

12. EQUALITIES

An equality impact analysis will be carried out by the council in respect of the proposed scheme.

13. EXCEPTIONAL CIRCUMSTANCES

13.1 LOCAL RESIDENCE

The standard requirement to qualify for an award is that the applicant must live in Southwark and must have been resident in Southwark for a minimum of 6 weeks prior to applying. In certain exceptional circumstances, and subject to evidence requirements, an award will be considered without this criterion being met.

These circumstances are:

- The applicant has been placed in housing outside the borough by the London Borough of Southwark as part of the discharge of a statutory duty
- The applicant is fleeing domestic violence
- The applicant is a released prisoner who, immediately prior to prison, had lived in Southwark for 6 of the previous 12 months or 3 of the previous 5 years
- The applicant has been discharged from the armed forces, or is the former spouse or dependent of a recently deceased member of the armed forces and is about to move into Southwark (subject to Southwark Council being satisfied that the applicant will not qualify for an award under the terms of an equivalent scheme within the borough they are leaving)
- The applicant is leaving hospital or registered care and is about to move into Southwark (subject to Southwark Council being satisfied that the applicant will not qualify for an award under the terms of an equivalent scheme within the borough they are leaving)

13.2 INCOME

For qualifying condition A or B, the standard requirement to qualify for an award is that the applicant must be in receipt of a qualifying benefit as defined in section 3.2. In exceptional circumstances, and subject to evidence requirements, an award may be considered without this criterion being met.

These circumstances are where it can be demonstrated that the level of the applicant's income and capital is low enough that it is close to the qualifying threshold for those means tested benefits.

In exercising its discretion in such cases, the council will also take into account the size and significance of the emergency or crisis, the likely impact on and cost to the individual, and their ability to meet that cost.

13.3 AWARDS

As detailed in section 5, an applicant will be considered an excluded person, and therefore ineligible for an award, if they have had any award from the fund in the previous six months, or an award of/for the same item or for the same reason in the previous twelve months.

In exceptional circumstances, the council may use its discretion and consider making a further award to an individual if they have been subject to a series of crises or emergencies and the implications for the individual are considered particularly compelling.

13.4 GENERAL

All applications for awards will be judged against the criteria listed above. However, in exceptional cases, where the circumstances underlying an application are deemed extremely compelling, Southwark Council may, in accordance with the proper exercise of discretion, consider an award outside any of the provisions listed.

APPENDIX 2

Southwark Emergency Support Scheme – Voluntary Sector Eligibility Criteria Feedback

From	Summarised comments	Southwark Response
Southwark	"Face to face" and paper applications	1 Vulnerable customers can take
Pensioners	should be possible, particularly for elderly and	advantage of "assisted self-service" or
Centre	deaf clients.	make a free telephone application at One Stop Shops, or a home visit could be
	2. Awarda ahayid nat aniy ba mada far a	arranged to assist them in exceptional
	2. Awards should not only be made for a	circumstances.
	"serious and significant" crisis and it should	
	also include impending crises.	3. Individual circumstances will be
	3. The age of an applicant should be taken	factored into decisions and criteria now
	into consideration when deciding awards	include impending crises.
	3	4. Age will be considered a factor.
	4. Local connection rule should not be 6	3
	months	5. This criterion has been changed to 6
		weeks with exceptions.
	5. Scheme shouldn't be restricted to	6. An exceptional circumstances provision
	applicants on means-tested DWP benefits.	has been included in respect of applicants
	6. Customers should be able to apply for all	with other low incomes.
	statutory provisions at the same time	
		7. Not possible as provided by Local as
	7. Applications should not be declined on the	well as Central Government, but we will
	grounds of how many awards have already	seek to offer the correct advice at first point of contact.
	been granted.	point of contact.
	O Applicants should not be applied at his section.	8. See answer 3 below.
	8. Applicants should not be excluded because	
	they were housed in Southwark by another LA.	9. Such applicants should generally apply
	LA.	to the LA that housed them. An exceptional circumstances provision has
	9. Provisions in the scheme should not be	been included for when this is shown to
	vouchers/goods only but it should feature	not be possible.
	cash too. It should also feature a medical item	
	provision	10. The scheme will also feature an
		emergency cash provision, but it will not feature medical items. These will remain
	10. Decisions should be made within 1 day on	excluded.
	crisis applications and within 10 for other	
	applications	11. This is currently under consideration
	11. Notification should not be by email.	and we are working towards crisis
	The rectification should not be by email.	decisions being made within 24 hours.
	12. Decisions on eligibility for the social fund	12. Where applicants state they do not
	should not depend upon budgetary	have an email address, we will always use
	constraints	an alternative method.
	12. Signmosting to support somiless should	13. This is not our intention, but the fund
	13. Signposting to support services should not be a replacement for an award.	is finite. Following 6 months of operating
	not be a replacement for an awaru.	the scheme, we shall undertake a review
		to ensure we are meeting the needs of
		those most vulnerable and achieving
		value for money.
		The extent of financial support we can
		offer over the year will inevitably be
		budget dependant.
Citizana	1. How will poople know about the emplication	1. Dublicity and communications also
Citizens	How will people know about the application	Publicity and communications plan currently being developed.
Advice /		carreinty being developed.

APPENDIX 2

Southwark Emergency Support Scheme – Voluntary Sector Eligibility Criteria Feedback

SLAN / Faces in Focus / Community Action Southwark

methods?

- 2. There may be equality act implications if people are not able to claim in person.
- 3. In a crisis, customers should not be excluded due to previous awards.
- 4. Will customers be advised to make a claim to the DWP when there is a more suitable statutory provision to apply for there?
- 5. Re exclusion based on "savings". This may need definition otherwise open to challenge.
- 6. Re signposting and onwards referrals we need to agree clear referral criteria.
- 7. We would like the Equality Human Rights panel to be involved in the equality analysis
- 8. Exclusion due to immigration restrictions should this be clearer.
- 9. Any voucher system should be as nonstigmatising as possible.
- 10. There should be a cash fund.
- 11. Not all overseas needs should be excluded (such as travel to a funeral overseas).
- 12. How people are informed about the fund is key
- 13. Some Schemes distinguish between crisis payments and Community Care Grants to help people stay in their homes or resettle
- 14. There should be some discretion to assist people on low income even if not receiving the "passporting" benefits
- 15. We feel there needs to be the facility for people to complete the forms in person
- 16. Thought needs to be given to the role of 'trusted intermediaries' in terms of speeding up assessment of claims
- 17. We feel there needs to be some facility for payment on the day for rent in advance
- 18. The scheme should not overlap with planned resettlement for example social

- 2. There will be an option to claim over telephone or online with assistance at the One Stop Shops and local Job Centre Plus
- 3. There will be a max number of awards rule, but provision has also been included for particularly compelling scenarios.
- 4. We will always seek to signpost customers to the correct provision/fund.
- 5. We will have to clearly define the exact rules around exclusion based on savings/capital and on the level of savings that will affect awards.
- 6. CAB will be consulted further on this.
- 7. This request will be considered.
- 8. Definition has been expanded &clarified.
- 9. We are aware of the potential stigmatisation and will work with our fulfilment partners to alleviate. Details of voucher system are currently being devised but vouchers considered vital to protect funds.
- 10. There will be an emergency cash fund.
- 11. It is felt that this exclusion should remain in the scheme as funding so limited.
- 12. Publicity plan is currently being worked on.
- 13. These distinctions feature in the Southwark scheme
- 14. An exceptional circumstances provision is being included for others on low income
- 15. Applications can be made at One Stop Shops using assisted self service.
- 16. Scheme will feature referrals, so this may be possible. Requires further discussion.
- 17. Such a facility is planned. Further discussion/consultation required.

APPENDIX 2

Southwark Emergency Support Scheme – Voluntary Sector Eligibility Criteria Feedback

services responsibilities 18. Work is being done to establish clearly 19. Thought should be given as to how the drawn lines between different schemes. provisions and the council's statutory voucher system will not stigmatise duties. 20. The scheme needs to set out how much 19. Details of voucher system being will be given for emergency living expenses worked on and for how long 20. Exact amounts for living expenses 21. Needs some more definition of the kind of currently being devised. Likely to be items that will be considered based upon DWP figures 22. An appendix could set out the suppliers of goods to be used 21. Work in progress on this. 23. A small cash fund should be retained 22. As above. 24. The approach to residence test should align as far as possible with other London 23. An emergency cash fund is planned Boroughs. There should be the ability to exercise discretion 24. Exceptional circumstances provisions have been included re local connection 25. FEHRS would like to comment on the EA and one included as per what LA's have when this is available agreed with St Giles for released prisoners. 25. Will be considered St Giles 1. The residency/local connection criterion 1. Residency in Southwark being a condition has been amended to include a provision Trust will exclude many released prisoners who we covering St Giles' "released prisoners" have to house outside Southwark. client group, in line with their suggestion. 2. "Rent in advance" should not be excluded 2. "Rent in advance" can be claimed from from scheme as those not currently in receipt the scheme in such circumstances. of HB cannot claim it from the DHP fund. 3. Such provisions are being considered 3. In our view, this will need to include and St Giles will be consulted further on arrangements for direct payment of rent in these matters. advance to a private landlord. Plus decisions on such cases should be expedited and payment made within one day, so property is

not lost.

Item No.	Classification:	Date:	Meeting Name:	
10.	Open	22 October 2013	Cabinet	
Report title:		Policy and Resources Strategy 2014/15 to 2016/17: Scene Setting Report and Revenue Budget Options, including Budget Consultation Outcome		
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

In June, the cabinet received a report on the council's general revenue budget for the forthcoming year, 2014/15, identifying a budget gap of £23m as a result of government funding cuts. Subsequent decisions by government since that time have increased the size of that gap to £25.4m.

At the June meeting, cabinet agreed that the council should consult the community on what its priorities should be in addressing this gap by asking residents which areas of the council's work should be protected relative to others. This report includes the feedback from this exercise.

Cabinet is being asked to note this feedback and to agree the next steps in the budget process. This includes a recommendation to further explore some potential opportunities to make savings without directly impacting on services to bridge part of the budget gap.

RECOMMENDATIONS

That cabinet:

- 1. note the impact on 2014/15 resources identified by the government's consultation documents, and subsequent £2.5m increase in the budget gap for 2014/15 from £23m as notified 26 June 2013 cabinet to £25.4m.
- 2. note the provisional funding gap for 2015/16, subject to the funding settlement, of £40m.
- 3. note the available feedback from on-line consultation and community conversation events held at venues across the borough during summer and early Autumn.
- 4. instruct officers to explore options to address the 2014/15 budget gap including scope for additional business rates growth, improved council tax collection and recovery, use of unapplied New Homes Bonus, increased use of future NHB to support revenue, further strategic financing opportunities from the acquisition of Tooley Street, refinancing of PFI schemes, reduction in contingency and

- contributions to balances, and confirming further possible government funding such as for free school meals.
- 5. instruct officers to continue to work on budget options for a balanced budget in 2014/15 for presentation to the cabinet in the autumn of 2013.

BACKGROUND INFORMATION

- 6. Indicative figures from the government for 2014/15 show that Southwark faces a further £27.5m reduction in funding.
- 7. On 26 June 2013, the cabinet received the Policy and Resources Strategy 2014/15: Revenue Budget Initial Financial Remit report. This report informed the cabinet of an expected £24.5m reduction in government funding, leaving a budget gap of £23.0m.
- 8. This report provides updates on
 - Spending review
 - Government Consultations
 - Southwark Council provisional indicative budget 2014/15
 - Budget Consultations
 - next steps.

KEY ISSUES FOR CONSIDERATION

SPENDING REVIEW

- 9. On 26 June 2013, the Chancellor announced the 2013 Spending Review, and at this stage the proposals are high level and not specific to any local authority.
- 10. The main messages affecting local government coming from the spending review are as follows;
 - the local government resource budget will be reduced by 8.5%, (10% in real terms in 2015/16).
 - council tax freeze grant will be extended until 2015/16.
 - the government are committed to the creation of a single local growth fund (SLGF) in 2015/16.
 - an additional £4bn for social care and health integration.
 - a new fund of £330m for transforming services.

Reduction in local government resource budget

11. The government announced in the 2013 Budget speech that public spending needed to reduce by a further £11.5bn to help reduce the public deficit. This included a 10% reduction in government funding to local government in 2015/16 (in real terms).

Council tax freeze grant

12. The government will make funding available to allow authorities to freeze council tax in 2014/15 and 2015/16, at a level equivalent to a 1% increase. The threshold which would require an authority to hold a referendum if exceeded by a council tax increase has been set at 2%.

Single local growth fund (SLGF)

- 13. In response to Lord Heseltine's report "No Stone Unturned: in pursuit of growth", the government committed to the creation of a Single Local Growth Fund (SLGF) in 2015/16 and these funds will be devolved to the Local Enterprise Partnerships (LEPs) through a single pot.
- 14. It was subsequently announced that £400m of the £2bn would be made available through the top slicing of the New Homes Bonus grant, thus reducing local authority resources.

Health and Adult Social Care

- 15. The government's announcement on adult social care for 2015/16 includes three elements described below.
- 16. A £3.8bn pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services. The pooled budget includes:
 - Continuation of the existing transfer from the NHS to social care as set out in the 2010 Spending Review.
 - An additional £200m in 2014/15 to accelerate the transformation process.
 - £2bn a year through the NHS to join up local health and social care services.
 - Funds for carers and people leaving hospital who need support to regain their independence.
 - £350m of capital funding for projects to improve integration locally.
- 17. £335m for councils to prepare for reforms to the system of care funding which will be made available to local authorities in 2015/16 so that they can prepare for reforms to the system of social care funding, including the introduction of a cap on care costs from April 2016 and a universal offer of deferred payment agreements from April 2015.
- 18. A new fund of £330m for Transforming Services. This will be comprised of:
 - a £200m extension of the Troubled Families programme to support an additional 400.000 families.
 - £100m to enable efficiencies in service delivery
 - a £30m revenue fund, and £45m capital fund, to drive transformational change in the Fire and Rescue Service.

GOVERNMENT CONSULTATIONS

19. On 25 July 2013, the government announced two consultations that will impact on the amount of resources local authorities will be able to use in 2014/15 and 2015/16, these are the local government finance settlement 2014/15 and 2015/16 – Technical consultation, and the New Homes Bonus and the local growth fund.

Local government finance settlement 2014/15 and 2015/16 - Technical consultation

20. This consultation seeks views on a range of detailed and technical issues concerning the 2014/15 and 2015/16 Local Government Finance Settlements.

2014/15 Local Government Finance Settlement

- 21. In February 2013 the government published the illustrative 2014/15 Local Government Finance Settlement alongside the 2013/14 Local Government Finance Settlement.
- 22. Southwark's illustrative funding for 2014/15 was given as £229.0m, a £24.4m reduction on 2013/14 funding. Indicative figures from the consultation show a further £2.5m reduction to £26.9m.
- 23. The three factors contributing to the additional reductions are:

	England	Southwark
	£m	£m
An increase in RPI, used to uplift retained business rates and business rates top-up	21.1	0.2
The 2013 budget	(218.9)	(2.2)
An anticipated shortfall in the resources that the government will need to fund the safety net in 2014/15.	(45.0)	(0.5)
Total additional reduction	(242.8)	(2.5)

- 24. In the 2013 Budget, the government announced that a further reduction of 1% overall would be made from the total of Local Government Departmental Expenditure Limit (LG DEL).
- 25. Further information on the impact on the safety net for NNDR, and for Revenue Spending Power, the effect on the proposals on local government funding, and the impact on Southwark are shown in Appendix A.

New Homes Bonus and the local growth fund (2015/16)

- 26. As explained in paragraphs 13 and 14, of the housing component of the Local Growth Fund will be £400 million, and will be derived from local pooling of the New Homes Bonus.
- 27. The decision has already been made by the government with regard to the use of New Homes Bonus. This consultation looks at how local pooling of the New Homes Bonus can be achieved.
- 28. For London authorities, the government are proposing that the pooled element of New Homes Bonus funds should be transferred to the Greater London Authority, with advice on spending being offered by the London Local Enterprise Partnership.
- 29. £400m represents 35% of the anticipated total 2015/16 New Homes Bonus of £1.140bn, Southwark are currently forecasting NHB receipts of £12.9m in 2015/16. If 35% of this were held back for the pool, Southwark would receive £8.4m and the remaining £4.5m would go to the GLA.

Impact of the consultations on Revenue Spending Power

- 30. The 2013/14 Local Government Finance Settlement published in January 2013 included indicative 2014/15 figures. These figures indicated that (excluding Public Health) Southwark would lose £20.6m (6.02%) in Revenue Spending Power against 2013/14 figures.
- 31. These two consultations both negatively affect Southwark's 2014/15 revenue spending power.
- 32. The consultation on the Local Government Finance Settlement 2014/15 and 2015/16 indicates a further £2.5m reduction (0.73%) in revenue spending power.
- 33. For the New Homes Bonus consultation, the 35% top slicing of New Homes Bonus, further reduces revenue spending power by £3.8m (1.12%)
- 34. This gives a total additional reduction of £6.3m (1.85%), increasing the reduction (excluding Public Health) against 2013/14 to £26.9m (7.87%). This is shown in the table in Appendix A.

Announcement on Free School Meals

35. The Deputy Prime Minister has said all infants at schools in England will get free school lunches from September 2014. This will apply to children in reception, Year 1 and Year 2. At the time of writing there is no clear information as to how this will be funded, although it is possible that this will be by way of a specific grant, potentially with savings requirement as the funding is passed to local councils. On the basis that this is a half year effect in 2014/15 and applies to around 50% of the children who currently receive a free healthy school meal from Southwark, a figure around £1.5m is being modelled, and best information will be reflected in the next budget report.

Latest 2014/15 – 2016/17 indicative budgets

36. An initial financial remit report was received by cabinet on 26 June 2013 showing an indicative gap of £23m. The effect of the changes discussed above are to increase this to £25.4m. This is shown in the table below.

Provisional Indicative budget for 2014/15

	2013/14	Indicative 2014/15	
		as at 26/06/13	as at 22/10/13
	£m	£m	£m
Previous year budget ¹	341.2	334.0	334.0
Inflation ²	4.0	3.8	3.8
Commitments ³	9.6	1.5	1.5
Savings ⁴	(24.9)	(1.1)	(1.1)
Social fund	(1.7)		
Net change in council tax freeze grant.	1.4	0.0	0.0
Fall out of contribution (from) / to balances	4.4	0.0	0.0
Total Budget	334.0	338.2	338.2

	2013/14	Indicative 2014/15	
		as at 26/06/13	as at 22/10/13
	£m	£m	£m
Funded by			
Start up funding allocation (SUFA)	(253.3)	(228.9)	(226.5)
Growth in NNDR ⁵	0.7	(2.0)	(2.0)
Council tax ⁶	(74.3)	(75.2)	(75.2)
Collection fund (surplus) / deficit ⁷	(0.9)	-	-
Application of growth in new homes bonus ⁸		(2.9)	(2.9)
Total Funding	(327.8)	(309.0)	(306.6)
Budget shortfall	6.2	29.2	31.6
Contribution (from) / to balances 9	(6.2)	(6.2)	(6.2)
Revised budget shortfall	0.0	23.0	25.4

- Note 1 2012/13 budget (previous years budget for 2013/14) has been adjusted by £32.9m rolled in specific grants.(£341.2m = £308.2m + £33.0m)
- Note 2 Inflation Assumes a 1% pay award for 2014/15 (£1.6m), no general inflation, and a reducing level of contractual inflation of £2.2m.
- Note 3 commitments are an increase in concessionary fares at £0.5m and an increase in pension contributions of £1m
- Note 4 savings are £1.1m additional Tooley Street savings.
- Note 5 growth in retained share of NNDR of £2m
- Note 6 Assumes 0% increase in council tax, a 1% per annum increase in tax base giving £0.7m and a 0.25% increase in collection rate giving £0.2m
- Note 7 No estimate is currently available for 2013/14 collection fund (surplus) / deficit. This will be monitored through the year and reported as part of the quarterly revenue monitoring reports.
- Note 8 Application of an anticipated additional £2.9m new homes bonus in 2014/15 directly to revenue.
- Note 9 Use of £6.2m of balances
- 37. During the course of the summer and following the cabinet meeting of 26 June 2013 and in parallel with the consultation with the public described below, officers have been seeking to prepare proposals that will meet the budget shortfall of £23m, now £25.4m, for 2014/15. During this period officers have been made aware of interim feedback from the consultation process and have taken these issues into account together with financial performance within the current financial year across a range of services. In anticipation of being required to submit a balanced budget proposal officers have concentrated on a number of key areas. These include: scope for additional business rates growth, improved council tax collection and recovery, use of unapplied new Homes Bonus, increased use of future NHB to support revenue, further strategic financing opportunities from the acquisition of Tooley Street, refinancing of PFI schemes, and contributions to balances, reduction in contingency and further possible government funding such as for free school meals.

- 38. However, it is anticipated that after these measures have been explored, and in order to achieve a balanced budget, there is likely to be a remaining requirement to identify efficiencies and savings in council services, both thematically and in each department. Proposals for these will be informed by the results of the consultation process.
- 39. Any savings or efficiencies (other than one-off) identified in 2014/15 would impact on 2015/16 and future years.

Indicative 2015/16 Funding

- 40. The funding position for 2015/16 is still subject to considerable uncertainty.
- 41. As part of the Local Government Finance Settlement 2014/15 and 2015/16 consultation, the government published some indicative funding figures for 2015/16.
- 42. These indicative figures indicate that Southwark's funding will be reduced by a further £32.2m (14.2%) against indicative 2014/15 funding. This compares with a national reduction of 12.4%. Details are included in Appendix A, paragraphs 8 to 11.
- 43. Southwark's indicative reduction of £32.200m (14.2%) can be compared the London average of 13.8%, and other London authorities, ranging from Richmond upon Thames 8.1% to Hackney at 14.9%.
- 44. Southwark have the ninth highest percentage increase in London, but the second highest in cash terms, as with the percentage reductions, this ranges from Richmond upon Thames £3.611m to Hackney £32.208m.
- 45. It is understood that the extent of the reductions required may require fundamental changes in the management and structure of local authorities. Steps must be taken early in the new financial year in the context of spending round and funding announcements.

Budget consultation – engaging with the community

- 46. Following the publication of the government's spending review report in October 2010 which set out departmental spending for four years until 2014/15. Southwark began a spending challenge to cover the three year budget plan 2011/12 to 2013/14. The first Southwark Spending Challenge took place from late 2010 and early 2011, and the results of that process informed spending for three financial years from 2011/12 to 2013/14.
- 47. The second Southwark Spending Challenge took place over the summer and early autumn, and enabled residents to influence council spending priorities for two financial years, 2014/15 and 2015/16. It can be expected that the council will do its very best to implement spending cuts using the results of the second Spending Challenge as a guide, just as has happened previously.
- 48. In the challenge, people were asked to use 'protect', 'increase' and 'savings' cheques to demonstrate their preferences. Further details about the technique is given in appendix B.

- 49. The engagement plan included the following
 - Community conversation events held at venues across the borough
 - Presentations at community councils
 - meetings with community forums and vulnerable groups.
 - meetings with the voluntary and business sectors.
 - Holding community conversations, at locations across Southwark during August
 - On-line consultation.
- 50. The main messages arising from the consultation results are:
 - highest proportion of 'protect' cheques used for Children's services (30%).
 - significant proportion of 'protect' cheques used for Adult Services (20%) and Culture, Libraries and Leisure (14%).
 - 'increase' cheques were applied more to Children's services (23%), Adult Services (20%), and Culture, Libraries and Leisure (14%), and all of the remainder, except Central Support Services, were closer to the average.
 - 'savings' cheques were placed mainly with Central Support Services (30%), followed by Housing and Community Services (14%).
- 51. In addition to the direct engagement described above, the council placed an online consultation model on the council's website, where people could select reductions or increases in service budgets to achieve an overall reduction of 7%. Further details on the consultation given in appendix B.

Next steps

- 52. Further to this report, officers will consider further options and construct the basis of a balanced budget to be presented to cabinet on 19 November 2013. However it is unlikely that the provisional 2014/15 finance settlement will have been announced in time for this to be included.
- 53. A further report will be presented to cabinet on 28 January 2014, following agreement of the 2014/15 tax base (Council Tax and NNDR) at council assembly, and receipt of at least a provisional settlement.
- 54. This will be in advance of the Overview and Scrutiny Committee meeting to discuss the budget proposals in February 2014. A full report will be presented to cabinet on 11 February 2014. The budget will be proposed to council assembly on 26 February 2014.
- 55. A timetable of scheduled meetings leading up to council tax setting is shown below, as detailed on the forward plan.

19 November 2013	Cabinet	Draft 2014/15 budget	
		Council Tax Reduction Scheme	
10 December 2013	Cabinet	Policy and Resources Strategy 2014/15 - 2016/17: provisional settlement	
20 January 2014	Overview and Scrutiny Committee	To review the budget proposals	

22 January 2014	Council Assembly	2014/15 Council Tax Base and NNDR
		Council Tax Reduction Scheme
28 January 2014	Cabinet	Policy and Resources Strategy
		2013/14-2015/16 revenue budget
February 2014	Overview and	To review the draft revenue
	Scrutiny Committee	budget
11 February 2014	Cabinet	Policy and Resources Strategy
		2013/14-2015/16 revenue budget
26 February 2014	Council Assembly	Policy and Resources Strategy
	•	2013/14-2015/16 revenue budget
26 February 2014	Council Assembly	Setting the Council Tax 2013/14
·	·	

Community impact statement

- 56. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the 2013/14 budget, each department will undertake equality analysis on its budget proposals.
- 57. 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.
- 58. The equality analysis undertaken will build on previous analysis including the equality impact assessments carried out as part of 2013/14 budget setting 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.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 59. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
- 60. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:
 - Eliminate unlawful discrimination harassment and victimisation
 - Advance equality of opportunity between people who share protected characteristics and those who do not
 - Foster goods relations between people who share protected characteristics and those who do not.
- 61. Decision makers must understand the effect of policies practices and decisions on people with protected characteristics.

- 62. Equality impact assessments are the mechanism by with the council considers these effects. The report at paragraphs 56 to 58 sets out how it is proposed equality impact assessments will be undertaken in relation to the budget proposals.
- 63. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources 2013/14 to 2015/16: cabinet 12/02/13	160 Tooley Street	http://moderngov.southwark. gov.uk/documents/s35390/R
		eport%20Policy%20and%20 Resources%20201314%20to %20201516.pdf
Policy and Resources Strategy 2014/15 – Revenue Budget - Initial Financial Remit: Cabinet 26/06/13	160 Tooley Street	http://moderngov.southwark. gov.uk/documents/s38822/R eport%20Policy%20and%20 Resources%20Strategy%20 201415%20Revenue%20Bu dget%20- %20Initial%20Financial%20 Remit.pdf

APPENDICES

No:	Title
Appendix A	Technical Analysis
Appendix B	Spending Challenge 2013 report

AUDIT TRAIL

Cabinet member	Cllr Richard Livingstone - Finance Resources and Community Safety				
Lead officer	Duncan Whitfield - Strategic Director of Finance & Corporate Services				
Report author		eputy Finance Director			
Version	Final				
Dated	10 October 2013	10 October 2013			
Key Decision?	Yes				
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER					
Officer Title Comments Sought Comments Included					
Director of Legal Services		Yes	Yes		
Strategic Director of Finance and Corporate Services		Yes	Yes		
Cabinet Member		Yes	Yes		
Date final report sent to Constitutional Team 10 October 2013					

APPENDIX A

TECHNICAL ANALYSIS

Safety net shortfall

- 1. The rates retention system includes a "safety net" to protect local authorities from significant negative shocks to their income by guaranteeing that no authority will see its income from business rates fall below 7.5% of their individual baseline funding level. The safety net is funded by a levy on the disproportionate financial gains caused the uneven distribution of business rates bases and the different spending needs of local authorities
- 2. Forecasts of the expected income local authorities expect to receive from the rates retention scheme suggest that the £25 million held back to fund the safety net will not cover all of the demands on the safety net in 2013/14.
- 3. As final figures for 2013/14 from local authorities will not be available until August 2014, the government are intending to increase the amount Revenue Support Grant held back in 2014/15 to ensure they have sufficient funding to meet safety net payments in 2014/15.
- 4. Based on local authority estimates, the government considers that it will need to hold back an additional £95m in 2014/15 (a total of £120m), £45m coming from RSG and £50m of the £100m capitalisation funding already taken from the baseline in 2014/15.
- 5. These resources will only be used as needed and any funding not used will be returned to authorities as specific grants in proportion to their 2013/14 Start-Up Funding Assessment. However, once removed from the baseline, these resources no longer form part of the council tax requirement calculation and cannot be used within the budget setting process.

Effect on funding to local authorities in 2014/15

6. The table below shows the effect of the proposals on total government funding to local authorities in 2014/15.

England 2014/15	Retained business rates	Business rate top up	Total Baseline	RSG	Total
	£m	£m	£m	£m	£m
2013/14	10,888.016	10.538	10,898.554	15,175.402	26,073.956
2014/15 Previously announced	11,221.964	10.861	11,232.825	12,624.041	23,856.866
Annual Movement	333.948	0.323	334.271	(2,551.361)	(2,217.090)
Annual Movement %	3.1%	3.1%	3.1%	(16.8%)	(8.5%)
RSG increase on baseline 1	21.072	0.020	21.092		21.092
1% budget reduction ²			_	(218.864)	(218.864)
Safety net claw back ³				(44.999)	(44.999)
Change in funding ⁴	21.072	0.020	21.092	(263.863)	(242.771)
Revised 2014/15 Total	11,243.036	10.881	11,253.917	12,360.178	23,614.095
Total Movement	355.020	0.343	355.363	(2,815.224)	(2,459.861)
Total Movement %	3.3%	3.3%	3.3%	-18.6%	-9.4%

Note 1 - Baseline increased by £21.1m to match June 2013 RPI of 3.3%

Note 2 - Reduction of £218.9m for 1% reduction announced in SR2013.

Note 3 - Further reduction of £45.0m for additional safety net clawback.

Note 4 - Total funding reduced by further £242.8m (£263.9m - £21.1m)

Effect on funding to Southwark in 2014/15

7. The table below shows the proposed effect on Southwark in 2014/15 from the proposals.

Southwark 2014/15	Retained business rates	Business rate top up	Total Baseline	RSG	Total
	£m	£m	£m	£m	£m
2013/14	57.943	43.278	101.221	152.150	253.371
2014/15 Previously announced	59.720	44.606	104.326	124.628	228.954
Indicative Annual Movement	1.777	1.328	3.105	(27.522)	(24.417)
Indicative Annual Movement %	3.1%	3.1%	0.061	(18.1%)	(9.6%)
RSG increase on baseline 1	0.113	0.084	0.197		0.197
1% budget reduction ²				(2.198)	(2.198)
Safety net claw back ³				(0.488)	(0.488)
Change in funding	0.113	0.084	0.197	(2.686)	(242.771)
Revised 2014/15 Total ⁴	59.833	44.690	104.523	121.942	226.465
Total Movement	1.890	1.412	3.302	(30.208)	(26.906)
Total Movement %	3.3%	3.3%	3.3%	(19.9%)	(10.6%)

Note 1 - Baseline increased by £0.2m to match June 2013 RPI of 3.3%

Note 2 - Reduction of £2.2m for 1% reduction announced in SR2013

Note 3 - Further reduction of £0.5m for additional safety net clawback.

Note 4 - Total funding reduced by further £2.5m (£2.7m - £0.2m)

Effect on funding to local authorities in 2015/16

- 8. The government announced in the 2013 Budget speech that public spending needed to reduce by a further £11.5 billion to help reduce the public deficit. Included in this is a reduction in the amount available to fund local authorities of 10% when compared to 2014/15.
- 9. It was announced at the 2013 Spending Round that the 2013/14 Council Tax Freeze Grant was transferred into the funding baseline, and from 2015/16 will be rolled into Revenue Support Grant.
- 10. The table below shows the effect of the proposals on total government funding to local authorities in 2015/16.

England 2015/16	Retained business rates	Business rate top up	Total Baseline	RSG	Total
	£m	£m	£m	£m	£m
2014/15	11,243.036	10.881	11,253.917	12,360.178	23,614.095
RPI ¹	315.456	0.305	315.761		315.761
2013 Budget ² Roll in 2013/14 council tax freeze grant				-3,413.031 176.558	-3,413.031 176.558

2015/16	11,558.492	11.186	11,569.678	9,123.705	20,693.383
Total movement ³	315.456	0.305	315.761	-3,236.473	-2,920.712
Indicative Annual Movement %	2.8%	2.8%	2.8%	-26.2%	-12.4%

- Note 1 Baseline increase of £315.8m (2.8%) represents the governments forecast of 2014 RPI
- Note 2 Reduction of £3,413m (27.6%) reduced to £2,921m (26.28%) by inclusion of 2013/14 council tax freeze grant of £176.6m.
- Note 3 Further reduction of £3,413m (27.6%) reduced to £2,921m (26.28%) by inclusion of 2013/14 council tax freeze grant of £176.6m.

Effect on funding to Southwark in 2015/16

 The table below shows the proposed effect on Southwark in 2015/16 from the proposals.

Southwark 2015/16	Retained business rates	Business rate top up	Total Baseline	RSG	Total
	£m	£m	£m	£m	£m
2014/15	59.833	44.690	104.523	121.942	226.465
RPI ¹	1.678	1.254	2.932		2.932
2013 Budget ²				-36.062	-36.062
Roll in 2013/14 council tax				0.929	0.929
freeze grant					
2015/16	61.511	45.944	107.455	86.809	194.264
Total movement	1.678	1.254	2.932	-35.133	-32.201
Indicative Annual Movement %	2.8%	2.8%	2.8%	-28.8%	-14.2%

- Note 1 Baseline increase of £2.9m (2.8%) represents the governments forecast of 2014 RPI
- Note 2 Further reduction of £38.7m (31.1%) reduced to £35.1m (28.8%) by inclusion of 2013/14 council tax freeze grant of £0.9m.

Revenue Spending Power

12. The table below shows the effect Revenue Spending Power for Southwark.

	2013/14	2014/15	Change	Change
	£m	£m	£m	%
Revenue spending power (Excl Public	342.3	321.7	(20.6)	(6.02%)
Health)				
Less reductions from LGFS consultation	0.0	(2.5)	(2.5)	(0.73%)
Less reductions from NHB consultation	0.0	(3.8)	(3.8)	(1.12%)
Revised Spending power (excl Public	342.3	315.4	(26.9)	(7.87%
Health)				
Add Public Health	21.8	22.9	1.1	5.21%
Revised Total spending power	364.1	338.3	(25.8)	(7.09%)

APPENDIX B



Spending Challenge 2013

Results and analysis of consultation on 2014-15 budget

www.southwark.gov.uk

1. Introduction

This report documents the Spending Challenge consultation undertaken to inform the council's budget setting process for 2014-15.

The council held its first budget consultation exercise in 2010 which informed spending decisions for the next three years. Due to the positive feedback and valuable insights obtained from the first Spending Challenge, and the council's continuing commitment to engaging residents in decision-making, it was decided to run a similar process in 2013.

Consultation events took place from 10 August - 11 October 2013, with some 516 people taking part.

2. Methodology

The Spending Challenge methodology involved providing residents with information on departmental budgets and functions and inviting them to decide how to make £27m in funding decisions. This replicates – in a user-friendly, accessible format – the decision-making process the council will actually be undertaking in the coming months.

In order to take part in the challenge, participants were provided with a number of "cheques", worth £1m to allocate to relevant services:

- 25 red savings cheques (to allocate to the service/s where they would make savings if they were the council)
- 2 green increase cheques (to allocate to the service/s where they would make increases if they were the council)
- 1 blue protect cheque (to allocate to the one service they would spare from savings if they were the council)

Participants were also encouraged to write feedback on their cheques to specify which element of the service they were allocating savings/increases to, or protecting, or to explain their choices.

The following consultation methods and events were utilised to reach a broad cross-section of residents:

- Community Conversation events at high footfall locations across the borough
- Community councils
- Community group meetings
- Open discussions with voluntary sector partners
- Online budget calculator (which simulated the face-to-face exercise)

The conclusions that we draw from the exercise reflect, as before, the information that participants had to hand, along with their own personal experiences. It should be noted that people were asked to make decisions within a relatively short space of time given the complexities of local government finance. The exercise is therefore viewed as a reflection of how our residents view the way in which the council budget is presented and their overall priorities.

3. Data validity and Demographics

There have been 17 Spending Challenge events to date, with some 516 people from all age groups, ethnicities, income groups and neighbourhoods involved. These are broken down as follows:

- 302 people took part in the face-to-face Spending Challenge exercise
- 149 people took part through the online budget simulator
- 25 residents took part in a consultation at the Eid Festival in August
- 40 people (approx) took part through open discussions with voluntary sector partners namely Community Action Southwark and the Forum for Equalities and Human Rights in Southwark

Participants in the Spending Challenge were asked to fill in monitoring forms and this data was benchmarked against the census to check the extent to which the sample was representative.

Ethnicity

The 2011 census shows that the largest ethnic group in Southwark are White British and White European; at 54.3% of the community. The second largest broad ethnic category for residents is Black British/Black African/Black Caribbean; a total of 26.9% of the community. The ethnicity monitoring data from the Spending Challenge consultation exercise shows that 56% were White British and White European, and 24% were Black British/ Black African/Black Caribbean. This means that for both of the largest ethnic groups there is a very close match between who took part and total numbers of residents from that group. For all other ethnic groups, there are no significant divergences when participants are compared with census data.

Age

In terms of age, 6% of the people who took part were under 16s; compared to the census total of 18.5%. However, this difference can largely be explained by the fact that 10.6% of the population is under 8 (and therefore not the target group for this exercise). We can be confident that the exercise did reach many younger residents as 9% of those who took park were aged between 16 and 24, compared to the census total of 13.9%. On the other hand, 35% of respondents were over 60, compared to 10.9% of the Southwark population. All other age groups were broadly representative when compared with census figures.

The over-representation of older people reflects the age range of people who attend community councils, and those who are more likely to participate in council consultations. We do not consider this to detract from the validity of the findings as younger and other age groups were also well represented

Gender

Interestingly, 66% of participants in the Spending Challenge were female, compared to an average of 50%, although this is not uncommon for community engagement/consultation exercises. From the analysis, there is no appreciable gender difference in the responses made and the size of the sample of males (34%) is still large enough to give us confidence that they are representative of the whole population.

Disability

To ensure we heard from disabled residents a Spending Challenge event took place at Southwark Disablement Association, and 16 disabled people took part in that event, which equals 5% of all participants. 2011 census figures indicate that 4.9% of residents have a long term health problem or disability.

Table 1: Equalities Monitoring Data from Participants

Characteristic		% of those who responded
Characteristic		% of those who responded
Gender	Male	34%
	Female	66%
Age	Under 16	6%
Age	16 to 24	9%
	25 to 34	18%
	35 to 44	14%
	45 to 50	7%
	51 to 60	11%
	61 and above	35%
Ethnicity	White British	50%
Lumony	White European	6%
	Mixed/Dual Heritage	6%
	Asian or Asian British	
	Black or Black British	24%
	Latin American	5%
	Arab	1%
	Chinese	2%

Overall, the significant sample size and close correlation between the demographic breakdown of those taking part and that of the whole population of the borough gives us confidence that the consultation data can be regarded as representative.

4. Summary of findings

The data collected during the Spending Challenge consultation is mainly quantitative (i.e. numbers of cheques allocated to services), although some qualitative data was also provided by participants (this is included in full at the end of this report).

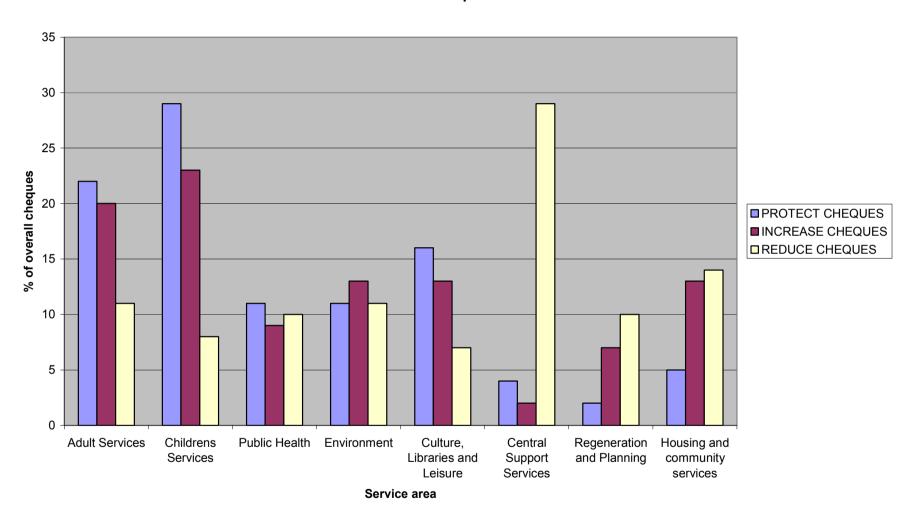
Some of the quantitative data is presented in this section in summary format, with the full range of comments divided up per engagement event and included at the end of this report.

Table 2: Results summary of 2013 Spending Challenge

Service/type of cheque and score	Adult Services	Children's Services	Public Health	Environment	Culture, Libraries and Leisure	Central Support Services	Regeneration and Planning	Housing and Community Services
Protect cheques	19%	30%	11%	11%	17%	4%	2%	6%
Increase cheques	20%	23%	9%	14%	14%	2%	7%	11%
Savings cheques	11%	8%	10%	11%	6%	30%	10%	14%

Results chart: 2013 Spending Challenge

Total for all events up to 11th October



In addition to the above results, 57% of cheques (overwhelming red savings cheques) were returned "unspent", with participants saying that the choices they faced about where to make savings were extremely challenging. There seemed to be no easy options or pain free choices, with budget reductions for most services implying adverse consequences for the community.

It is significant that each person taking part in the exercise took on average 20 minutes to complete the exercise, sometimes much more. Appropriately, the method used allowed people to consider their thoughts in relation to real departmental budgets and the associated service provided to the community.

Comparison with 2010

It is noteworthy that there is a very similar pattern to where savings cheques were placed to the results of the 2010 Spending Challenge (although departments were slightly different and protect cheques were not used in 2010):

Table 3: Comparison of 2010 and 2013 Spending Challenge consultations

Year/Type of cheque "spent"	Most Protect cheques	Second most Protect cheques	Most Increase cheques	Second most Increase cheques	Most Savings cheques	Second most Savings cheques
2010	n/a	n/a	Children's	Health and Social	Corporate	Transport, environment
			Services	Care	Services	& recycling
2013	Children's	Adult Services	Children's	Adult Services	Central Support	Housing and
	Services		Services		Services	Community Services

The other close similarity with 2010, which is pattern repeated nationally in terms of budget consultations, is the tendency of residents to:

- See anything that has a managerial label as an area for reductions, i.e. Corporate Services in 2010 and Central and Support Services in 2013.
- See anything that has a people focused label as an area to protect or increase, i.e. Children's Services and Health and Social Care in 2010 and Children's Services and Adult Services in 2013.
- Support for services on which the participants personally rely and which they have the most detailed knowledge of. So, the Pensioners Forum "voted" 48% of their Protect cheques to Adult Services, whilst the Youth Councils "voted" 67% of their Protect cheques for Children's Services.

Qualitative feedback: Which services do residents think the council should protect and why?

"The council should protect the easily overlooked and voiceless".

"Children's services must have the highest protection, they are our future".

""Public health, has to be paramount in the end".

"Protect Environment services in order to increase quality of life, leading to increases in community involvement = costs of council services fall".

"Libraries are a real help for older people, more should be spent on them."

"Protect the arts, and facilitate local people with money and resources to do more where this is their specialist field – Southwark has talent".

"Like all deprived areas across the country, more could be spent in this area of work to make Southwark 'physically' a nicer place to live".

"Families can't live a proper life without the proper housing to go with it".

Qualitative feedback – Where should the council make savings, and why?

"Customer experience, I don't think we're getting value for money".

"I suspect there is too much waste and bureaucracy – reusing older buildings and spending more money on maintenance might be useful".

"Make savings on salaries to 'professional' staff and consultants".

"Care for older people living in care homes – that's a responsibility for grown up children."

"Make cuts on free school meals for people who can afford to pay them"

"Human resources including learning"

"Cuts on care support for adults with learning disabilities"

"Too much spent on customer experience (except homelessness services); people need to take more responsibility."

Qualitative feedback - What ideas to people have about different ways to make budget efficiencies?

"These services can be combined. e.g. day care and residential homes".

"Engaging older people into the use of mainstream services and volunteering".

"Cut anything that spend time and energy on the division of departments, avoiding collaboration"

"Street cleaning, members of the community need to start becoming more responsible for the spaces around them".

"Work more collaboratively with neighbouring boroughs on shared services".

5. Online budget simulator results

The online budget simulator was set up so that participants could create a balanced budget by increasing or decreasing budgets for each of the eight service areas, with a minimum of -7% being the baseline that each person needed to end up with. This method also led to many people taking great care over their choices, and making sure that their choices of where to allocate savings did not damage those services they valued the most. The table below provides a summary view of the overall result, which supports and validates the other methods used to find out what people think.

Table 4: Online results

Service/type of cheque and score	Adult Services	Children's Services	Public Health	Environment	Culture, Libraries and Leisure	Central Support Services	Regeneration and Planning	Housing and Community Services
Percentage of savings allocated to this service	14.8 %	10.7%	10%	8.3%	9.5%	22.2%	10.7%	13.9%

6. Results from each engagement exercise

The tables located below show the results of each of the Spending Challenge consultation events. Once again a clear trend towards protecting frontline services that people have experience of in their everyday lives emerges.

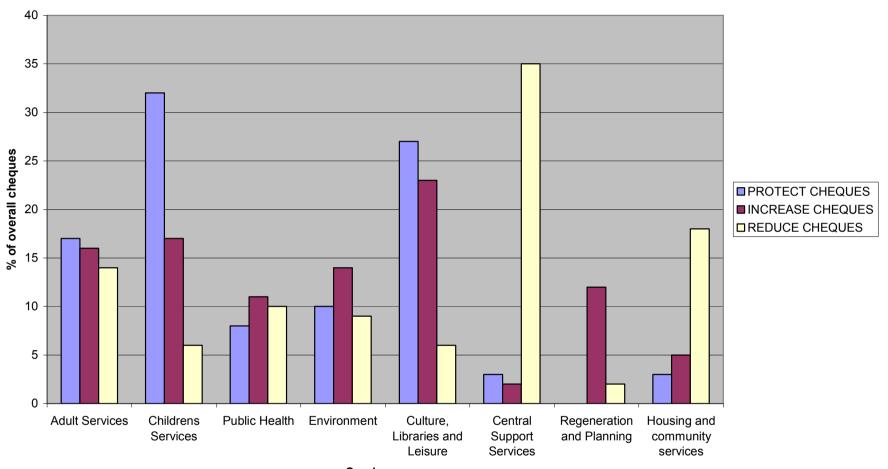
However, there is an interesting change of pace with the two Youth Councils that took part, where Central and Support Services were not given their customary first place in the line for savings cheques, and overall were only sixth highest out of eight for the allocation of savings cheques. From observing

and talking to the young people who took part there seemed to less of an idea that there is a significant difference between "frontline" and "back office" services, and most discussion was about the need to ensure that universal services that all young people can access are protected, and to suggest that high spending services save money by collaborating more with other services and other organisations.

It is also important to mention that many people did not understand the term Customer Experience, which is a £17.1m item of expenditure situated within Housing and Community Services. Even though staff consistently tried to draw everyone's attention to the detailed write up of this service (one-stop shops, registrars and coroners service, mobile alarm service, the customer service centre, e.g. the people who answer the telephones, and homelessness advice) many savings cheques were placed there based on the title of the service alone. The objection was more to the title of the service then to anything the service actually does, which was for the most part considered vital.

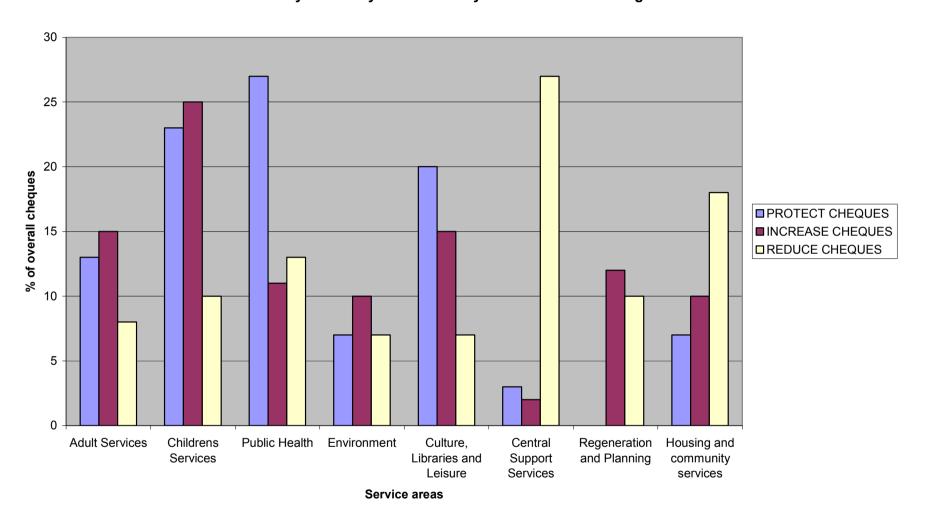
Finally, a difference observed between 2010 and 2013 is the relative lack of "challenge" to the overall concept of the council making cuts to its budgets. Three years ago some people who were consulted were urging the council to find a way to refuse to make cuts. Very few people expressed holding such views during this consultation. This may be a reflection of the impact of messages about budget cuts and service re-structuring that most of us receive on a daily basis through the media and in our workplaces. There did seem to be an increase however in the suggestions being made for finding a different way to implement budget reductions, as reflected in the qualitative feedback section below.

Nunhead Green community conversation 10th August

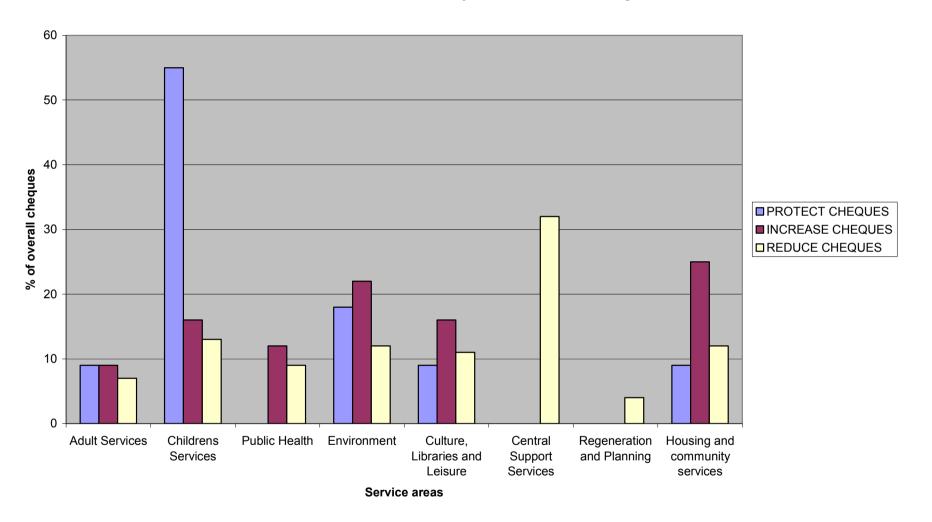


Service areas

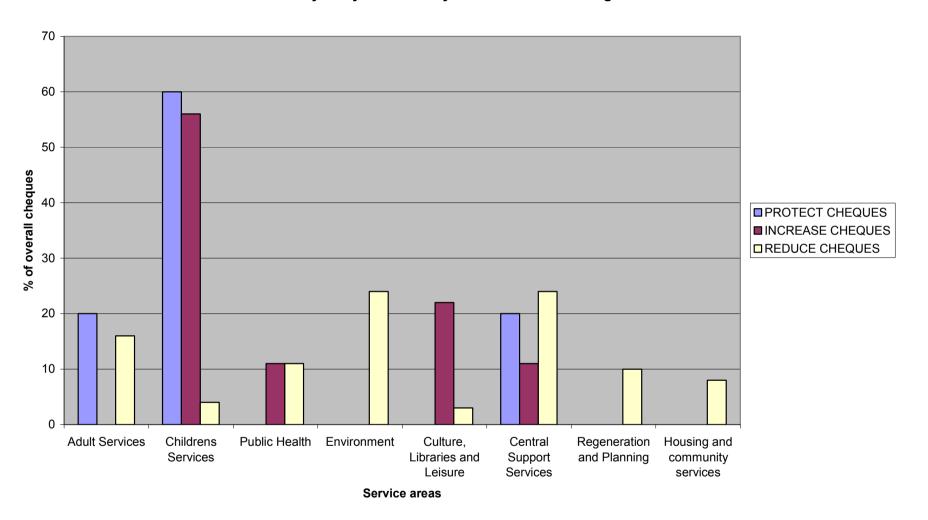
St. Mary's churchyard community conversation 10th August



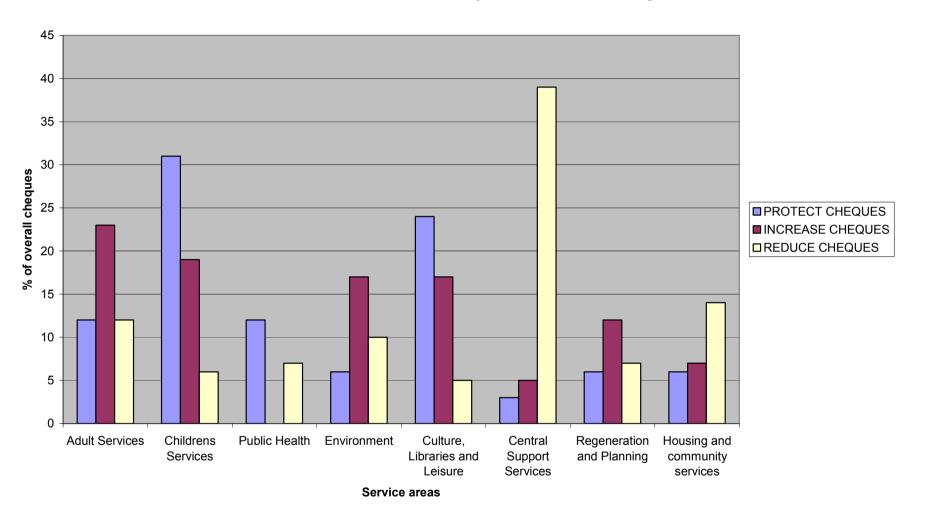
Camberwell Green community conversation 17th August



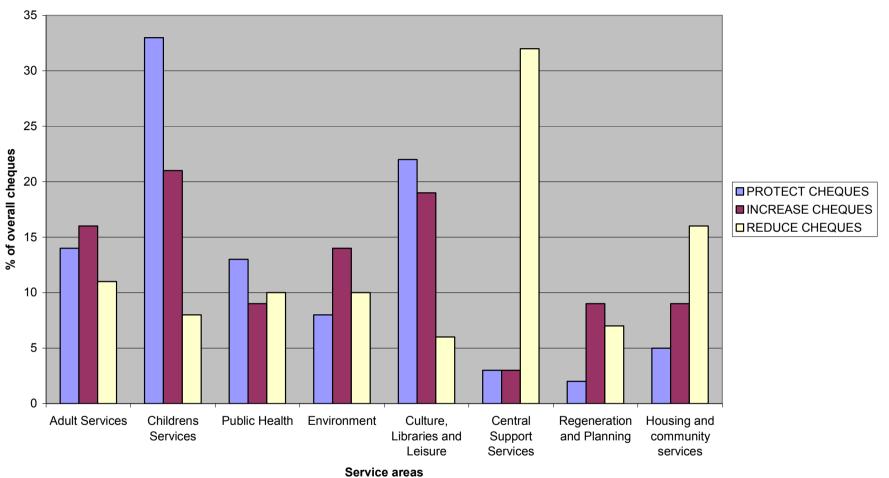
Surrey Quays community conversation 21st August



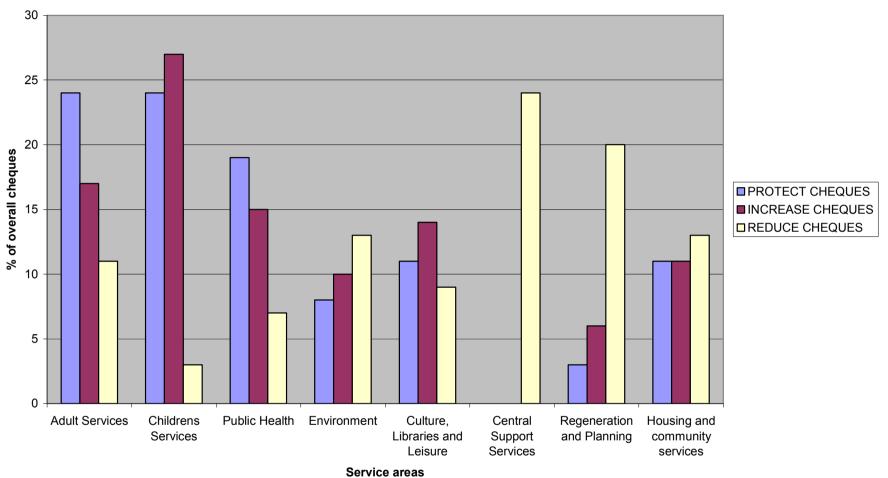
Northcross Road market community conversaation 24th August



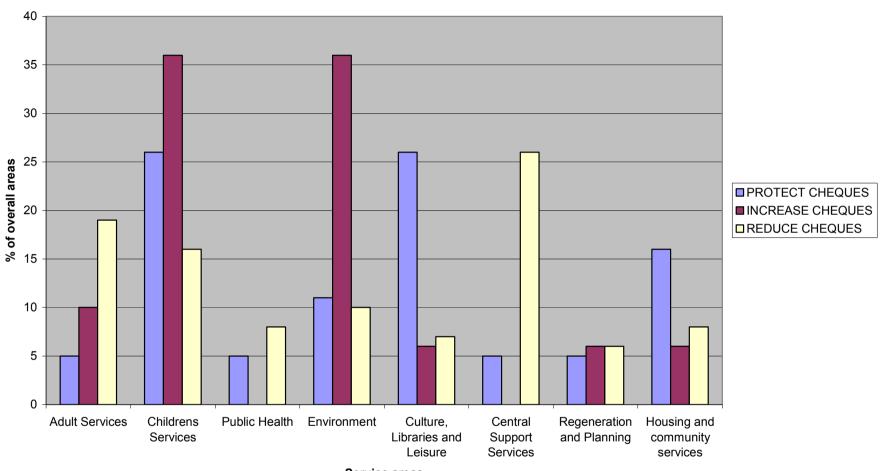
Totals for the 5 community conversations held during summer



Peckham & Nunhead CC 30th September

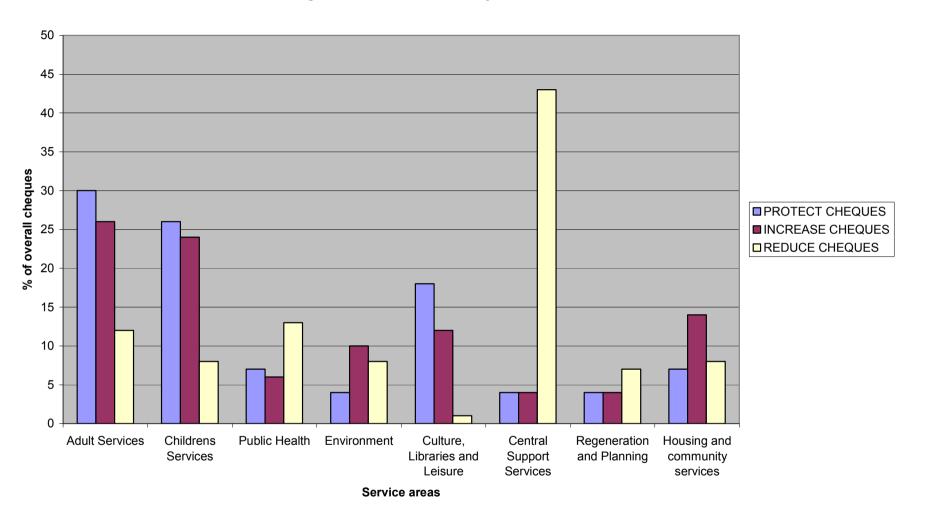


Camberwell community council 30th September

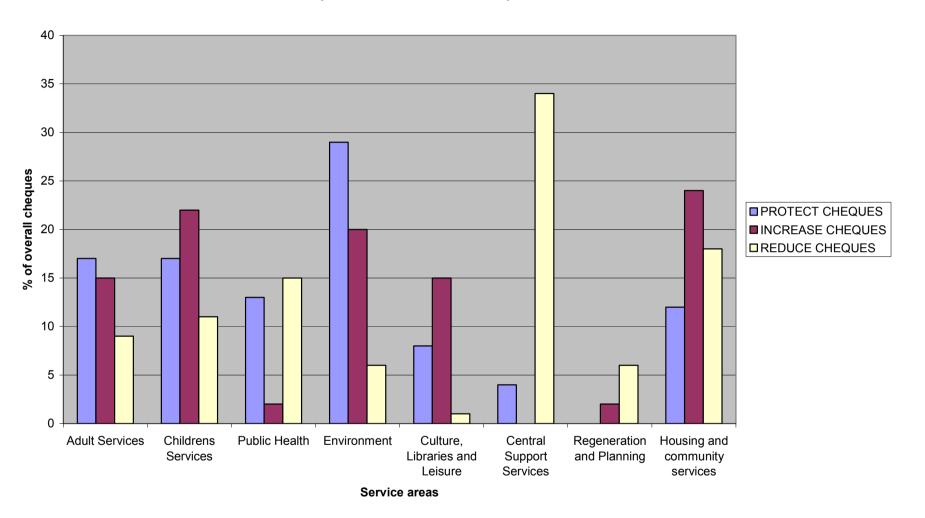


Service areas

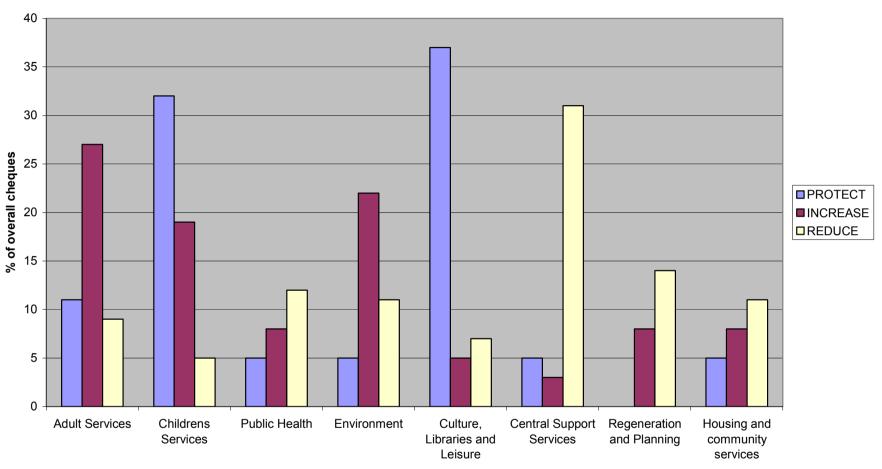
Borough & Bankside Community Council 2nd October



Bermondsey & Rotherhithe Community Council 2nd October

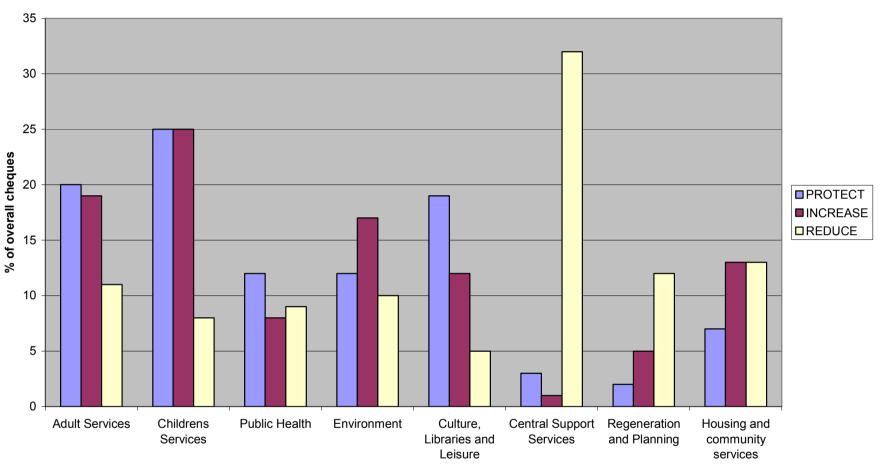


Dulwich Community Council 9th October



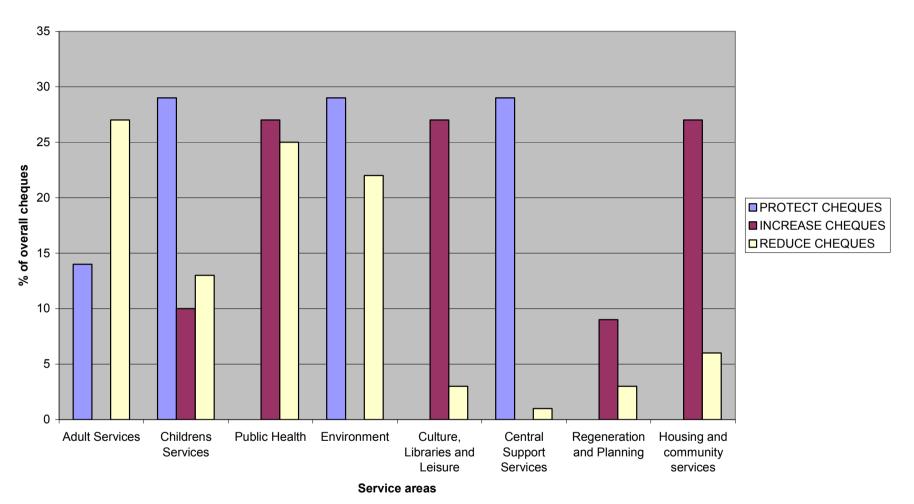
Service areas

Total for 5 community councils

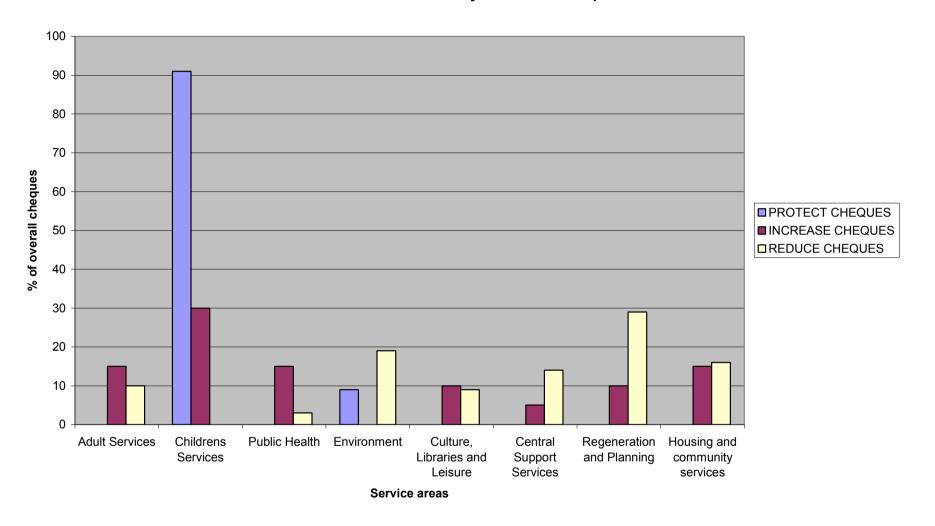


Service areas

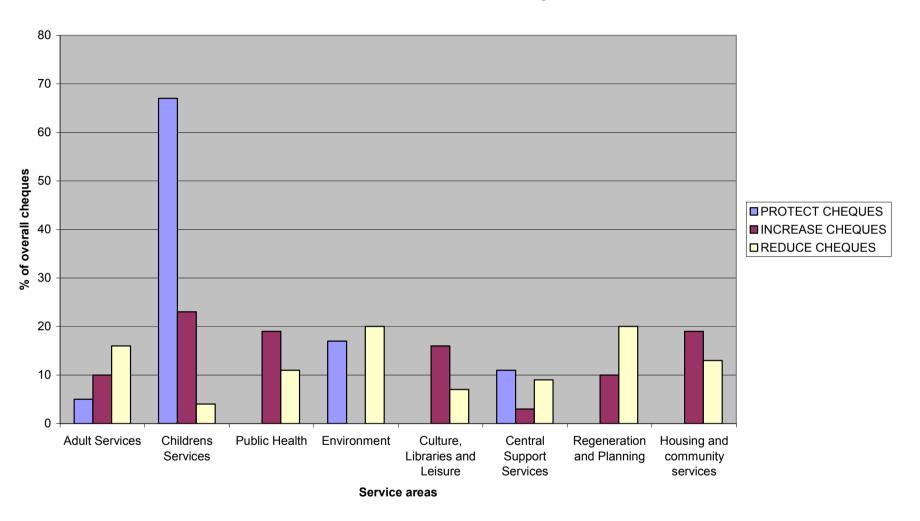
Youth Council 23rd September



Camberwell Youth Community Council 30th September

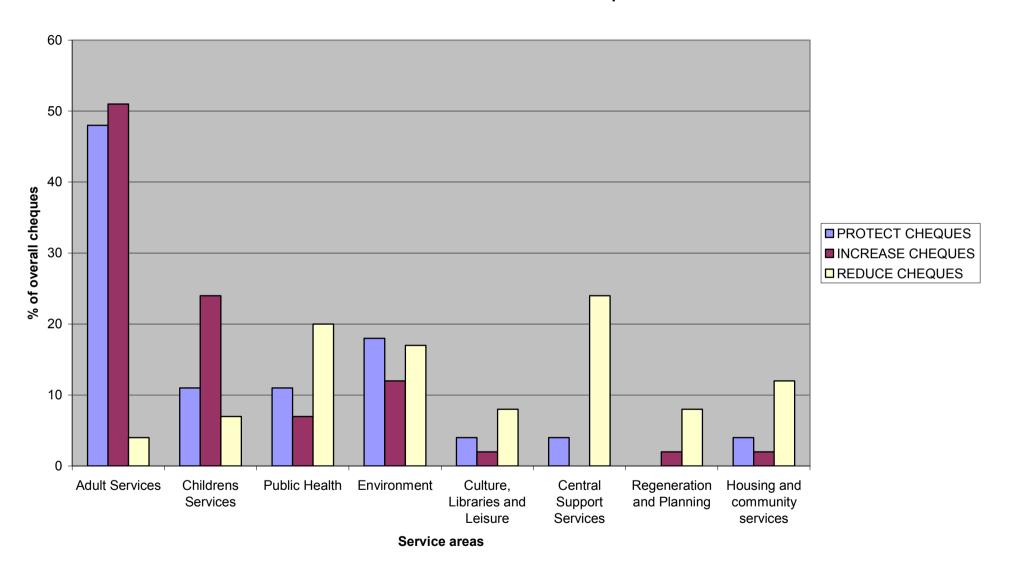


Total for Camberwell CC & the borough wide YC

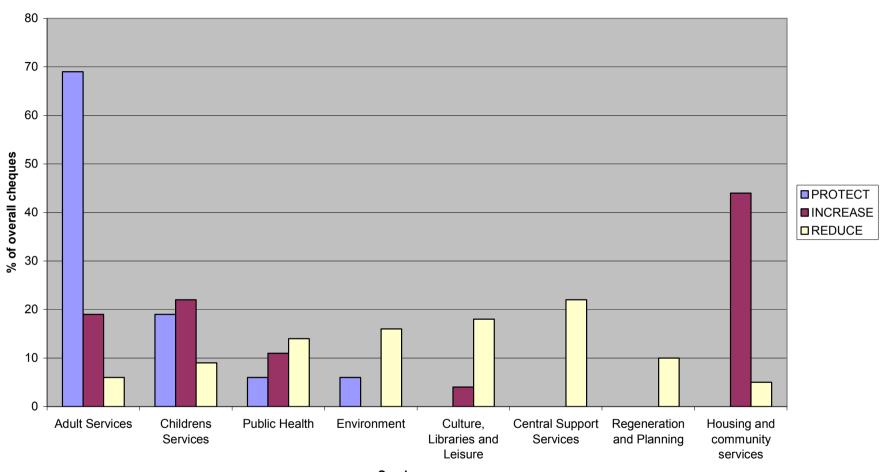


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Southwark Pensioners Forum 26th September



Southwark Disablement Association 11th October



Service areas

7. Eid Festival results

The consultation conducted at the Eid festival varied slightly from the full Spending Challenge exercise as the materials were not yet available. People were asked to prioritise which services should be protected from budget reductions. The five most important services that people through needed to be protected, in order of priority, were;

- Housing (we think many people wrote about the direct provision of council housing here)
- Libraries/leisure centres/parks/museums
- Education schools
- Youth and community services
- Street cleaning/rubbish collection

8. Community Action Southwark (Southwark Voice)

This was an open discussion with about 15 voluntary sector representatives, and much of the discussion was about the innovation and collaboration being discussed nationally. Following this discussion CAS have written up a paper presenting an argument that the voluntary sector can be a "strategic partner" with the council, arguing for a renewed focus on the prevention of needs arising or escalating. CAS consider that councils don't have much time to do the necessary innovation, but are offering to help think this through with us. CAS also advocate for the voluntary sector and argue against significant budget reductions for their members.

9. Forum for Equalities and Human Rights in Southwark

The discussion at the FEHRS meeting was about our consultation process and how well we include all sectors of the community and other equality considerations. Data from the Community Conversation events in August did indeed show that asking a sample of people who happen to be in a major public space to give the council their views equals asking a broad cross section of the community, with questions only about differentials in mobility and a sense of "civic duty". Continuous improvements will be made to how the council delivers future engagement and consultation programmes, and FEHRS's advice will always be very important to making this happen.

10. Qualitative data

A significant number of participants took time out to leave detailed comments in support of their choices and also to share their ideas about innovative ways for the council to make savings. These comments are recorded in full in the tables below.

Adult services

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
Nunhead Green, 10 th August	Not enough money goes to services for adults suffering with mental health illness.	Make savings here because too much is being spent on care support for adults with learning disabilities.	"Support old people who have helped to develop our community".
	Not enough money goes to day care and respite services for older people and adults.	Make savings here because too much is being spent on care for older people living at home or in residential homes.	"People with disabilities are vulnerable to negative press".
	"Care of the adult vulnerable often goes unseen" and yet they "help people build a life".		
	Increases needed for all areas of adult services		
St Mary's Churchyard, Elephant & and Castle, 17 th August	"The council should protect the easily overlooked and voiceless."	"Care for older people living in care homes – that's a responsibility for grown up children."	"These services are needed because not everyone can use computers or the internet."
	"Increases for vulnerable and elderly care services essential."	"Doesn't deserve cuts but that is a huge budget!"	"I think if we can use charities and local groups rather then big private companies it's a better use of public money."
Surrey Quays, 21 st August	"Build more day centres for people with physical disabilities".	Make savings here because a lot of money is spent on care for older people at home or in residential homes.	"Dial a Ride for disabled people is not good enough".
	"Because adult services are fundamentally important".	Make savings on safeguarding adults and assuring quality provision; because this shouldn't be necessary if everybody just did their jobs efficiently and conscientiously".	"People who work with disabled people need to be much better trained".
		"Making £1m savings on care support for adults with learning difficulties; because this would only be a small percentage cut from a budget of £35.7m".	
		"Make savings in the area of commissioning of services for older people and people with disabilities; because I suspect that money is wasted on helping people 'manage' personal budgets instead of just providing the necessary	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
		social services".	
		"Make savings in the area of commissioning of services for older people and people with disabilities; because it sounds as though money could be saved by cutting the number of service providers, so there wouldn't be such a need for monitoring and performance management".	
North Cross Road Market, 24 th August	"Cutting costs here will increase costs in the long term with the crisis in hospital admissions, etc."	"Safeguarding adults – is there a way to streamline this with other services?"	"Can care services be combined to provide for a variety of needs?"
			"Care support for adults – possible role for charities/community groups to deliver more efficiently." "Outsource adult services."
			"Invest in services that help people to care for themselves, and enable people to make a living for themselves, e.g. invest in new business ventures."
Youth Council, Success House, 23 rd September.	"Very important, somebody needs to look after them."	"Too much money being spent on learning disabilities."	"These services can be combined, e.g. day care and residential homes."
			"Combine services." "Combined services can be provided for disabled people."
Southwark Pensioners Forum, 26 th September 2013.	"Services for the elderly - are important because I am elderly."	"Make savings in costs for older people in residential homes – c-operate with the CQC to avoid over-lapping work and reduce work load."	"The council should pay for all residential care for older people and recover the money from those who can afford to pay."
	"We need more activities for the elderly in the Borough of Southwark."	"Use disabled transport more efficiently."	"Assess the living costs of unpaid carers".
	"I would like to see increases in integrated care – all carers at home."	Adults with mental health illnesses	"Transfer the meals on wheels service to in house management."
	"Unpaid carers who are not pensioners should also get expenses and a freedom bus pass."	Savings on care support for adults with physical disabilities x2	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
	"Increase the number of day centres for adults with mental health issues. There should be no semi compulsory activities, drops ins should be for relaxing, resting and friendly chats."	Care support for adults with learning disabilities	
	"The drop in for adults with mental health issues at St Paul's Church, Lorrimore Square, should be restored to 5 days per week. Mental health sufferers need regular "havens" to gain confidence to go to drop ins."		
	"Increase the amount of money spent on care for the elderly at home."		
	"Increase the money spent on travel support for older people." "Increases for carers (i.e. not care		
	workers)." "Increases in care services for mentally ill older people (and for all other age groups). I feel this group get less support then they deserve."		
	""We need a living allowance for all unpaid carers."		
Peckham and Nunhead Community Council 30 th September	Mental Health Services. "I have seen a lot of increased hardship"		
			Careful monitoring and collect regular, honest feedback from clients

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
	"The elders are among our most vulnerable citizens and cannot always speak for themselves"		
	"Vulnerable groups which are already under funded and under supported"		
	Care for older people daily at home		
	Mental Health Services		
	Older People Pensioners		
Camberwell Youth	Across the board "Because adults need care and	Intensive femily work and business support	
Council 30 th September	attention"	Intensive family work and business support functions	
	"It will effect me one day"	Safeguarding adults and assuring quality provision x2	
Camberwell	There should be in increase for care	There is a very big budget for care support for	
Community	support for adults with physical	Adults	
Council 30 th	disabilities. Care for elders and people		
September	living at home or in residential homes	I have an account of the back of the same	
Darmandaay and		Human resources including learning	Lindata Cayan lalanda and increase
Bermondsey and Rotherhithe Community Council 2 nd		Make savings here because adults should be at work all day	Update Seven Islands and increase day clubs for the elderly
October			
		"Too much expenditure"	Day Clubs for the elderly
		Council wastages, review wages and expenses	
Borough Bankside and Woolworth 2 nd October	Protect the Adult services and care support for the elderly as they have sacrificed so much in early years for our future we live in now	Care for older people living at home or residential- My reasons are down to experiencing first hand, neglecting workers with a lack of care and empathy for the elderly	Engaging older people into the use of mainstream services and volunteering
	Commissioning services for older people and adults with disabilities	Commissioning of services for older people and disabilities. Favoring 'caring organisations' rather than 'over expensive businesses'	Home help after 8pm because many of my neighbors are venerable from 8pm to 8am x2
	These adult services are paramount for our elderly residents	Safeguarding adults and assuring quality provision	NHS health checks. Do all adults 40-74 need/want health checks? target some specific groups

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
	Not enough is spent on Adult Social Care	Cuts on care support for adults with learning disabilities	
	Care for the elderly living in homes or residential homes x3		
	An increase in care support for people with learning disabilities because they are venerable		
	An increase of support for people affected by benefit cuts		
	Day care and respite services for older people and adults x4		
Dulwich Community Council 9 th October	It is very important	Care support for adults with learning disabilities x3	Care packages to support need in the home and day centres
	Increase in day acre centres	Savings for older people and adults with disabilities	
	More help services for the elderly in their homes	Older people living in homes	
	An increase in services for disables people		
Southwark Disablement Association 10 th October	Protect Adult services because disabilities are unseen and require help and encouragement		Increase people's awareness of the community with the lack of disability services. I was not aware of SDA in the area where I live so close
	Disabilities		
	Able bodied people with disabilities are not getting services from Southwark as funds are being cut		
	The elderly feel alone. Lack inclusion and encouragement due to a lot of their families living far away.		

Children's Services

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Nunhead Green, 10 th August	Because children and young people are our future.	Make savings here because too much is being spent on services for children at risk of abuse, harm, neglect or with disabilities – "can there be cuts without risking the wellbeing of kids?"	"Cut anything that spends time and energy on the division of departments, avoiding collaboration".
	Because helping schools to improve is vital.	Make savings here only if schools will continue to improve regardless.	"Can we be more clearly joined up about spending for children at risk services"?
St Mary's Churchyard, Elephant & Castle, 17 th August.	"Children's services, children must have the highest protection, they are our future."	"Helping schools improve; should be driven internally."	
	"Keep children off the streets."	£52m seems excessive for children – rather in charities."	
	"Increase services for at risk families."		
	"Specifically on youth clubs and playgrounds. These things keep children busy and hopefully decrease the likelihood of needing other services."		
Camberwell Green, 17 th August	"Ignoring the "As well as the 211m for schools, other services for children should also be protected."	"Let charities provide youth clubs, entertainment, etc."	
	"Children are the future."		
	"Important due to protection from crime."		
	"We need specific children's service to target the Hispanic community."		
Surrey Quays, 21 st August	"Don't close nurseries at all".		
North Cross Road Market, 24 th August.	"Helping schools to improve – big issue in Southwark."	"Repeal free school meals for all primary schools."	"Don't make schools dependent on the council; they should be accountable for their own destinies."
	"Schools to improve, important for people to succeed. All should have access to a good school."	"Services for children at risk have been expanded in recent years, so good time to look for efficiencies."	
	"Helping schools to improve – keep pushing to		

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
	improve services."		
	"Children – they are our future."		
	"Protect youth work and playgrounds."		
Youth Council,	"More children are going to school every year.		"Services can be combined and
Success House, 23 rd	Some children come from different countries to find		the £52m can be used for more
September.	a good education here."		universal things."
	"Supporting vulnerable and disabled children to		"Services for children at risk of
	access education services."		abuse, harm, neglect, etc – find
			cheaper ways of helping them,
			e.g. voluntary services need to be
			involved."
	"Youth services, invest in the youth."		
Southwark	"Please protect our lives, with all these bicycles	Supporting venerable and disabled	"Disabled children to learn a
Pensioners Forum,	flying up and down on pavements and not stopping	children	trade of some kind; there must be
26 th September	at traffic lights; need some training."		a way."
	"Increases for youth work, youth clubs, and adventure playgrounds."	Services for children at risk of abuse	
	"Protect children's services – vulnerable and disabled children and abused children especially."	Youth work, youth clubs and adventure playgrounds	
	"Protect education to help schools improve."		
Peckham and Nunhead Community Council 30 th September	Youth services community based, inclusive and safe	Make savings in Welfare education psychology.	
	Services for young people in care		
	More support for the homeless children less		
	fortunate than us		
	Help schools to improve £1.3million		
	Youth clubs and playgrounds		
	There should be more open air facilities for young people		
	Young people's well being- Mental Health		
Camberwell Youth	"The more that goes in to it the better future there		Increase number of volunteers

Location of community	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
conversation.			
Council 30 th September	is"		and services for children x2
•	Protect Children's Services because children need		
	something to do instead of joining gangs		
	Protect Children's services so children have fun		
	places to go		
	"I am a young person and Children's Services help		
	me. I do not want a cut as it helps me and my		
	family although it is not always direct"		
	Protect children's services so we have somewhere		
	to make friends and help children in need		
	Because I work with Children		
	Not enough money has been spent on Children's		
	services		
	Youth work, youth clubs and adventure		
	playgrounds- £4million		
	Youth Work x3		
	More fun things		
Camberwell	Provision and positive activity for young people to	School sand external funding	Limit free school meals to the
Community Council 30 th September	engage with is key to community development and cohesion		needy and only Southwark residents
·	To get kids doing positive in life	Helping schools to improve head teachers and staff, they are paid to do this, if they can't then they should be replaced	
	Children are our future generation, without services that is help them they will not be able to contribute successfully		
	Youth work clubs £500,000		
	An increase for youth work/ youth clubs and		
	adventure playgrounds x4		
Bermondsey and	Protect Children's services as it is important to get	Children's Service's- Too much being	If the Children are educated
Rotherhithe	to children early before they are venerable	spent	younger, you could perhaps save
Community Council 2 nd October			on other problems like drugs
	Education in Primary schools and Nursery's that	"Children's services is very wasteful"	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
	have closed because of funding		
	Protect Nursery's and Under 5's places as you		
	need to start the children on the right road		
	Riverside parents soft play		
	Spend on the younger children then they may not		
	go wrong at a later date		
	Increase under 5's nursery's; they are educational		
	and fun for small children		
	An increase of funding for Under 5's nursery's		
	which my son grandson when to that is now closed		
	La constant de la contrant		
Danasah Danbaida	Increase in youth centres	No. II. and	NA C TC
Borough Bankside and Woolworth 2 nd	Provisions for young people are vital within	Youth work	More facilities are needed for
October	community dynamics and cohesion. Positive focus,		young people, this will help cut crime etc
October	activity and education Protection of services for children at risk of abuse.	By making savings here hopefully	crime etc
	harm or neglect or with disabilities	alternative funding (lottery_ can pick-up	
	Training neglect of with disabilities	remainder	
	Schools- Southwark need to bring our kids up with	Inappropriate/ uninterested employees	
	a decent education	replaced. uninterested students removed	
	Children need protection because of what is	1	
	happening in the country		
	Protect especially services for disabled children		
	and their families		
	Youth work/Youth clubs and adventure		
	playgrounds. Our youth are the leaders of		
	tomorrow and a lot of them are falling behind		
	through lack of confidence. Many wanted to go on		
	to further education but lack vital support e.g. moral		
	support, lack of funding		
Dulwich Community	Increase in services for children with disabilities	Make cuts on free school meals for	Duke of Edinburgh's award made
Council 9 th October		people who can afford to pay them	more available in areas that don't
			know about it
	Supporting venerable disabled children with access	Savings on adventure playgrounds	
0.4	to education and training		
Southwark	Children services £86.3million		

Location of	Why protect or increase.	Why decrease.	Innovation and ideas and
community			suggestions.
conversation.			
Disablement			
Association 10 th			
October			
	An increase in youth work/ youth clubs and		
	adventure playgrounds		
	Youth work, helping schools to operate and		
	supporting children		

Public Health

Location of community	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
conversation.			
Nunhead Green, 10 th	"Long term benefit of reducing NHS costs	"Decrease sexual health – because	
August	by having better public health services."	people have enough information to take responsibility for themselves."	
	"Public health – has to be paramount in the end."	"I think less money should be spent on drug abuse and concentrate on rehab."	
	"Because public health can reduce the use of junk food and stop obesity."	"Individuals should take more responsibility for their actions."	
	"Public health – doctors and other services to stop the over-use of A&E."		
St Mary's	"If the population is healthy the borough will		"I personally have taken advantage of
Churchyard, Elephant and Castle,	thrive."		free exercise classes in the borough. More could be done to publicise these."
17 th August			·
	"Foundation of the country."		
	"It's a necessary and not a nuisance service."		
Camberwell Green, 17 th August		"intensive family work should be cut by 50%"	
Surrey Quays, 21 st August			
North Cross Road Market, 24 th August.	Protect the budget spent on preventing sexual diseases."	Make savings on NHS health checks."	
		"Make savings on substance misuse	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
		services."	
Youth Council, Success House, 23 rd September.	"It will benefit a lot of people."	"Lot of money is substance misuse – too much money spent, not needed as much, there are charities."	""Public health – merge some services.
	"This is a universal service that caters for the whole community."	"Some people's health issues are their own fault. They take advantage."	"Substance misuse can be combined."
	"This is due to the fact that it requires a lot of effort and expenditure, and the figure is lower then environment, which is equally important. Therefore the gap needs to be decreased."	"Sexual health – not enough people are using the service."	
		"They don't need to help people who smoke – they could get help from family and friends."	
		"People can buy nicotine patches themselves; don't think such a lot is needed."	
Southwark Pensioners Forum, 26 th September 2013.	"Support those people who cannot do it for themselves – mental health care."	"make savings on substance misuse, especially using drugs." X2	"Increase spend on alcohol, smoking and tobacco in order to reduce demand on other services."
	"Protect public health services as our health is most crucial to living a dignified life of good quality."	"Take £6m from public health".	"Public health £21.8m. There is probably an overlap with central government services and advice, e.g. chief medical officer – reduce overlap to make savings."
	"A healthier borough will reduce costs of other services."	Cuts on Sexual Health	
Peckham and Nunhead Community Council 30 th September	Services in Public Health £6.2million	Savings on substance misuse x3	This should have more funding from central government
	Public Health- The NHS in the UK should be protected at all costs, it is not a political issue	Smoking and Tobacco	
	Services in Public Health to do with prevention The current cuts are endangering people's	Older people's services	
	The current cuts are endangening people's		

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
	health and safety, particularly older people's services; they need funding for training of employees		
	Major new services for advice on diabetes by medical professionals only		
Camberwell Youth Council 30 th September	People's play	Smoking and tobacco. Other public health service, physical activity x2	
Camberwell Community Council 30 th September	Physical activity x2	Savings on health checks- no evidence x2	
		Everything has been sold off so save from that	
		Health services- (smoking £0.2million) (Physical Activity £0.4million)	
		Health Services	
		Smoking and Tobacco. Everybody knows it is bad and there are plenty of self help measures out there	
		Sexual Health Services	
Bermondsey and Rotherhithe Community Council 2 nd October	Health Education	Sexual Health Services x2 (important but this is a huge budget)	"Leave it to the NHS"
		Substance Misuse	
		Savings on public health advice	
Borough Bankside and Woolworth 2 nd October	Public Health- important areas which if successful would provide a healthier community overall	NHS Health Check Programme	Work with existing local departments to fund savings x2
	Sexual health service, public health and NHS Health Check	5-19 Public Health Programme	
	Public Health need to be proactive and increase life expectancy and well-being	Substance Misuse x8	
		Smoking and Tobacco x3	
		Sexual Health x5	
		Schools and Colleges sex-education and	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
		contraception's	
Dulwich Community Council 9 th October	Protect Health Service expenditure	Smoking and Tobacco	
	More money into GP's	Sexual Health Services	
		Drugs and alcohol; abusers know what they are doing, it is up to them to help themselves, don't waste our money on those that don't want to help themselves Why doesn't the NHS pay for it's health check programme?	
Southwark Disablement Association 10 th October	An increase in community physio. Recently I completed a course of community physio. This was very successful. There are only 2 full/part-time physios for the whole of Southwark	Smoking and Tobacco	

Environment

Location of	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
community			
conversation.			
Nunhead Green, 10 th August	"Increase in quality of life leading to increase in community involvement = costs of council services fall."	Recycling services – too much spent on bins! Streets are cluttered and not convinced being used correctly."	"Street cleaning – we do not get our moneys worth."
	"To keep areas clean and safe."		"Street cleaning – members of the community need to start becoming more responsible for the spaces around them."
	"If these services go it pulls the rest of everything down and leads to social disenfranchisement."		"Save on waste and recycling with more voluntary sector focus."
	"Make Peckham a more desirable place to live, and increase property prices."		
	"I live in Nunhead and want to continue to see it develop as a wholesome and safe place to live."		
St Mary's Churchyard, Elephant and	"I would like to see more open spaces and parks and open land."	"I think this is an important category but if I have to use all my cheques, then yes I think you could shave £1m off this,	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Castle, 17 th August		especially in light of all the recent excellent work."	
		"Inefficient use of £6.5m on street cleaning – must do better and get the borough clean with less then this."	
		"£7.8m is a lot for community safety – make £1m reduction?"	
Camberwell Green, 17 th August			
Surrey Quays, 21 st August			
North Cross Road Market, 24 th August.	"Keep up standards at parks, they are so good."	Reduce waste and recycling services – because savings need to be made and more responsibility should fall on people not the council."	"Improve types of bins so that they don't clutter up gardens."
	Protect here because "environment and leisure and culture are fundamental local govt duties that affect all people."	"Waste and recycling are great services, but look for savings."	"Encourage people to keep their own streets clean, community cleaning?"
	"Parks and open spaces are important in densely populated areas, and good parks can help make savings elsewhere, e.g. if children have nowhere to play there will be more crime."		"Develop pilot projects to find out how to increase the re-use of waste materials."
			"Waste and recycling services should sell of valuable materials to others who see it as a valuable resource."
			"Develop scheme for local communities and estates to take responsibility for their own communal areas and planting."
_			"It seems strange to me that when re-cycling everyone puts landfill waste into their green bins in black plastic bin bags. In this way,
			thousands of plastic bags are used every week. Surely the bin men could just tip loose waste into the collection vehicle."
Youth Council,	"An outstanding performance would help	"More bins introduced so less money	"Estate and small parks should be taken

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Success House, 23 rd September.	our community flourish"	spent on street cleaning and waste and recycling."	down so only big parks exist, e.g. Southwark park, Burgess park."
	"Very important though many disregard it at times."	"They should fine people harshly for litter – reduce street cleaning."	"They can definitely use money better – don't hire one person to take recycling bins and one to put bags through doors – have one person for both!!!!!"
			"may need to cut down the amount of days waste is collected."
			"We buy our own recycling bags anyway."
Southwark Pensioners Forum, 26 th September	"Increase money spent on taking care of street pavements – most pavements are broken, very loose and very dangerous."	"No more speed bumps, take them away."	"Please protect our lives, with all these bicycles flying up and down on pavements and not stopping at traffic lights; need some training."
	"Our green and pleasant borough is far too easy a target for planers and developers – protect environment services."	"Make savings by cutting money spent on children's play spaces by £2m."	"Check all public lighting in parks, etc, turn them off."
	"Increases for roads maintenance and street lighting."	"make savings by cutting street cleaning by £3m."	"All rubbish collections to be fortnightly not weekly."
	"Train traffic and cyclists how to drive, where to stop and go, also traffic lights."	"Too many cycle lanes."	"Clearer messages on responsible waste management."
	"Increases for road cleaning and maintenance and rubbish collection."	"Some health and safety law is 'politically correct' – sometimes unnecessary and impractical and not desirable, review this to make savings."	"Electricity lights to be switched off at playgrounds in the park after 11pm when not in use."
		"Cut community wardens and stop paying for officers who duplicate the Met Police."	
		Make savings on street cleaning	
Peckham and Nunhead Community Council 30 th September	Because there is discrepancy in the way the borough receives help	Removal of unnecessary traffic lights e.g. Wilson Road and outside Camberwell Baths	Our streets are far too dangerous due to speeding traffic
-	The present state of our environment is well below what the community needs	Waste/recycling x2	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
	Funding needed for safe and managed public toilet facilities (Peckham and Elephant and Castle)	Stop wasting money on blocking roads and speed bumps, you only move the problem elsewhere	
	Increase for open spaces, street cleaning and safety	Make cuts to Community safety	
		Unnecessary £6.5million on street cleaning	
		Provision of public toilets in Peckham and Elephant and Castle areas	
Camberwell Youth Council 30 th September		Make savings on some trees	
		Waste and recycling x3	
Camberwell Community Council 30 th September	Protect the environment- street cleaning, good even pavements and street lighting	Cuts on waste and recycling x2	Work more collaboratively with neighboring boroughs on shared services
•	To increase parks and open spaces		Increased pre-consultation on major projects to reduce ineffective and poor public consultations
	Street cleaning		
	Increase for community safety		
	Increased street cleaning to stop the spread of vermin and foxes on estates		
Bermondsey and Rotherhithe Community Council 2 nd October	Highways, parks and open spaces are all important for quality of life x2	There is too much unnecessary work on some roadsides	Running track at Southwark park
	Protect parks and open spaces		
	An increase for policing, lighting and roads, too many potholes left unfilled		
	An increase as there are too many potholes x2		
	Increase in lighting and more things for teenagers to get help with so they aren't		

	1	1	1
Location of	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
community			
conversation.			
	loitering		
Borough Bankside and Woolworth 2 nd October	Highways, parks and open spaces x2	Waste and Recycling	Non mixed recycling bags 'paper only' 'cans and bottles' less sorting required
October	Community safety	Reduce street sweeping of minor roads	Unemployed able people help maintenance as volunteers
	Street Cleaning	Community Safety x2	Noise team- does it need to be 24/7?
	Recycling	Recycling- waste of time and money x2	Ask residents to do more to keep their streets clean and tidy. Organise cleaning days
		Planning and Transport	
		Highway parks and open spaces x2	
Dulwich Community Council 9 th	Increase in community safety- police. Safer roads i.e. traffic calming measures	Why are street lamps replaced so often?	Remove parking controls from 6:30 to 5:30
October	Wests and association of	On an angular and he suit	Observa a seria ferra selica a
	Waste and recycling x2	Open spaces can be cut	Charge people for parking
	More road safety	Street cleaning- prevention/promotion instead x2	
	Highway improvements	Cuts in paper disposal	
	Community safety	Waste and recycling	
		parks	
Southwark Disablement Association 10 th October			

Culture, Libraries and Leisure

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Location of	Why protect or increase.	Why decrease.	Innovation and ideas and
community			suggestions.
conversation.			
Nunhead Green,	"Libraries are a real help for older people. More	"Make sports and leisure services, plus	"We need an additional culture
10 th August	should be spent on them."	arts, self funding by at least a min	department that facilitates
		charge."	collaborative projects."
	"This area keeps people hopes and desires alive in	"On-line resources may mean that	"Libraries, they are important but
	difficult times."	libraries are not as important."	more innovative ways to fund and

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
			support them need to be developed to ensure their sustainability."
	"Libraries need to be protected because they are an important centre of community learning for all ages."	"Stop sending free newspapers."	"More collaborative projects between departments, which could save money."
	"It is important that areas of social deprivation have access to culture and leisure services."	"Cut sports and leisure as private gyms provide many services."	
	"Libraries and sports are vital and necessary; culture is a right not a privilege."	"Cut libraries; most people will pay for what type of book they like."	
	"Arts and heritage make people more human, so then they need less 'human services'."	"With increased information on the internet could possibly reduce this area."	
	"Sports and Leisure - £2.6m seems a small amount of total budget."		
	"Nunhead library needs more support as it is the only library that is more child focused."		
St Mary's Churchyard, Elephant & Castle, 17 th August.	"Protect our heritage and store our knowledge and culture."	"Keep all libraries but reduce opening hours, could be we put them in buildings with other users?"	"Libraries – get volunteers to run them."
	"The libraries are all well used in Southwark for pleasure and education."	"Make savings with libraries as everyone has e-books and kindles."	
	"I don't think the description does justice to what these industries do in Southwark. Yes they make it more 'vibrant' but it's more important then that. They often support and provide education initiatives, work to reduce anti-social behaviour and work to make areas feel more of a community while creating interesting work."	"Make savings in libraries – I love the new Canada water library but don't see how it could be justified."	
	"I believe cultural development helps the community grow and improve."		
	"Arts and heritage is being cut nationally so it needs protection here in Southwark. I enjoy the arts and heritage of Southwark."		
Camberwell Green,			

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
17 th August			
Surrey Quays, 21 st August	"Protect the arts! And facilitate local people with money and resources to do more where this is their specialist field – Southwark has talent"	A lot of money is spent on libraries.	
North Cross Road	"Increase and provide more squash and badminton	"Remove the extensive film licensing	"Find a way to integrate services
Market, 24 th	courts, and a baseball diamond and batting cage in	process – I had to fill in 4 forms, an	and provide support services. Art
August.	a park!"	expensive panel of assessors and multiple letters – it is unnecessarily complex, especially for films that are freely available to watch on You Tube."	has a huge impact on health and wellbeing of children and adults. It allows them to experience the world."
	"Protect our libraries; young people need them so	"Libraries are very important but www.	"Give incentives for arts and
	much. So proud Southwark are not closing theirs."	Can really assist much more."	cultural activities for children."
		"Some libraries are not used, especially smaller ones."	
Youth Council, Success House, 23 rd September.	"Libraries in exam season are usually packed and inefficient and it makes Southwark more united."		"Gym could cost less then "2.70 per session for 16-19 year olds."
	"Sports and leisure centres and libraries are frontline services which are highly used."	"Don't cut libraries and sports but cut arts and heritage."	
	, , , , , , , , , , , , , , , , , , ,	"Don't decrease libraries and sports and leisure but decrease arts and heritage as I think it's a minority interest."	
Southwark Pensioners Forum, 26 th September 2013.	"Protect libraries".	"make savings in arts and heritage."	"Libraries to lend more sets of music scores to choirs and orchestras, making a reasonable charge for inter-library loans."
		"make savings in sports and leisure."	,
		"Libraries can be reduced – most people buy books or read online or kindles." X2	
Peckham and Nunhead Community	"Library services are great and vital to the community"	Make cuts to Arts and heritage x2	Cut funding for arts festivals and give a portion to the arts venue to run mini festivals instead

Location of	Why protect or increase.	Why decrease.	Innovation and ideas and
community			suggestions.
conversation.			
Council 30 th			
September			
	Sports and leisure x2	Sports and leisure services	Safeguard arts and heritage for
			investment purposes
	Swimming pools	Make savings by rationalizing libraries	
	Libraries x2		
Camberwell Youth	"Increase the money spent on libraries because both	Reductions	
Council 30 th	children and adult's love books"		
September			
Camberwell	Protect the excellent Southwark local history library	Technology- everyone can use a kindle	
Community	which I visit every week	even 80 year olds	
Council 30 th			
September			
		Sports and Leisure £1million	
		Possibly under used libraries	
		Declining priority of Libraries, everyone	
		is going digital	
		Highway, parks and open spaces. Sport	
		and Leisure services	
Bermondsey and	Protect Canada Water Library		
Rotherhithe			
Community			
Council 2 nd			
October			
	Should be an increase in funding as they are		
	important especially for you people		
Davauah Davidat-1-	We need these to meet others, exercise and learn	Courte and Lainung	
Borough Bankside and Woolworth 2 nd	Should be protected as it helps our quality of life and	Sports and Leisure	
October	values		
October	Arta and Haritaga v2	Librarios Arta and Haritaga	
	Arts and Heritage x2 Libraries x2	Libraries Arts and Heritage Leisure	
	Libraries x2	Leisure	
	Sports and Leisure Services		
	These services are already very small. There should		

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
	be an increase as these services are of value to all residents		
	Sports and Leisure services. Access to facilities to keep the community active and to priorities the importance of health along with physical activity		
Dulwich Community Council 9 th October	Provide an education service for many elderly people and children	Culture. We have too many festivals	Collect a higher promotion of council tax
	Protect areas of heritage	Cuts on libraries x2	
Southwark Disablement Association 10 th October	Libraries x3		Access for wheelchair users to public buildings

Central and Support services

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
Nunhead Green, 10 th August	Not enough money goes to revenue and benefits services.	Make savings here because too much is being spent on finance and financial services.	"Could systems be more efficient"?
	Because "scrutiny provides a vital democratic bulwark and helps to inform the difficult financial decisions the council has to make".	"It is important to have central services to oversee the council but should be reduced as far as possible"	"No awaydays, no taxis, no jollys".
		Make savings here because too much is being spent on corporate facilities management.	"Middle managers to go; and stop justifying their roles and costing frontline staff"
		Make savings here because too much is being spent on revenues and benefits.	"Use local voluntary organisations to fill areas of need".
			"Cut anything that specifically protects against employees taking pro-active risks with creative ideas".
St Mary's		"My dealings with the council lead me to believe	"Corporate facilities management –

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
Churchyard, Elephant & Castle.		that there is a lot of unnecessary bureaucracy in this area and could be streamlined."	should be profitable."
		"Bureaucracy is too expensive, money is too often wasted on decision making bodies that do very little."	
		"These cost a vast amount in comparison with other services."	
		"Human resources – can be streamlined – always some inefficiencies."	
		"Job seeking and setting up businesses should be the individual's responsibility."	
		"I think you could lose £3m from strategic financing and financial services."	
		"Duplication between corporate strategy and economic well-being and between financial services and strategic finances = an overhead to rate payers."	
Camberwell Green, 17 th August		"Cheaper bureaucracy needed."	
		"We should administer in a cheaper way." "Revenue and benefits, why so much?"	
Surrey Quays, 21 st August	Protect revenues and benefits.	Because both financial services and strategic financing cost too much.	"Call centres need to improve and people need to answer their phones".
	"Increases for human resources, including learning and development".		"The council's strategy since 2010 has been excellent, so it should continue in the same direction and save the cost of looking for change."
North Cross Road Market, 24 th August.	"Increase for revenue and benefit services – to help protect people from high impact cuts."	"Savings in the area of customer experience, £17.1m for a pop of about 280,000 equates to around £70 per year for each resident – this is crazy."	"Partner with the Open Data Institute, and enable others to make use of council data."
		"Tricky, perhaps cut central and support services, but then again these make other areas of work more efficient."	"Open up the 'preferred suppliers list' – there are other cheaper suppliers out there."
		"Cut useless admin and waste of time bureaucratic processes, not services themselves."	"Buy insurance as a group with other boroughs."

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
		"Corporate facilities management, look for more efficient processes."	"Electoral services, do this on-line."
		Make savings in the area of Corporate Facilities Management.	
		Make savings in the area of Financial Services and Strategic Financing.	
Youth Council, Success House, 23 rd September.	"This should be protected as it's a universal service that affects everybody."		
	"Finances are what everyone struggles with."		
Southwark Pensioners Forum, 26 th September 2013.		"Cut the expenses and wages paid to councillors."	"Employ more qualified and experienced accountants up to 65 years of age"
		"make savings in strategic finance and corporate strategy, co-operate with financial services."	"Downsize."
		"Make savings in councillor's transport and perks."	"Cut the number of contracts across all services and consolidate and cut all central and support services required to commission and manage contracts."
		"make savings on salaries to 'professional' staff and consultants."	"Council offices – sell some off and raise revenue."
		"Cut the community councils."	
		"Remove all glossy brochures, make sack clothe	
		and ashes look like sack clothe and ashes." "Cut out Southwark Life mag."	
		"make savings with council PR spending."	
		"Cut £6m from central and support services."	
		"make savings in central and support services,	
		especially electoral services."	
		Make cuts in corporate facilities management	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
		Strategic Financing x2	
		Corporate Strategy	
		Information and Data Services	
		Revenues and Benefits	
Peckham and		"Sell Tooley Street- problem solved! Huge	Protect front line services
Nunhead Community		amount of savings can be made by cutting	
Council 30 th		corporate services"	
September			
		Revenues and Benefits x2	
		"Too much time spent in the office, not enough	
		on the ground work"	
		Relocate to less expensive premises	
		"Too much money spent on these services"	
		Corporate strategy and economic wellbeing x2	
		Insurance	
		Customer experience	
		Information and Data Services	
		Strategic financing	
		Corporate facilities management x2	
		Electoral services	
		Business support	
Camberwell Youth Council 30 th September		Strategic Financing x2	
Coptombol		Youth workers are working services	
		Council tax, hate it	
		Other public services	_
Camberwell	Revenue and Benefits	Corporate facilities management	Benchmark contracted and internal
Community Council 30 th September	TOVORIDO DELICITO	Corporate raciities management	services to access their effectiveness and value for money, and compare with other councils
		Information data services	
		Insurance	
		"Community Councils and all this waste of	
		paper. They are a total waste of time"	
Bermondsey and		Safeguarding/ quality provision x2	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and interesting quotes.
Rotherhithe			interesting quotes.
Community Council 2 nd October			
		Community Engagement	
		Human Resources x2	
		Corporate safety	
		Information and data services	
		Strategic Financing x3	
		Corporate Facilities Management x2	
Borough Bankside		Revenues and benefits- My reason is to reduce	Less spread sheeting and data
and Woolworth 2 nd		this and use finances effectively for	analysing and more customer focus x2
October		apprenticeships to encourage a more proactive,	
		sustained and realistic path into employment	
		Central and support services as spending/	
		contributing an abundance of money	
		encourages some individuals to remain on	
		benefits who don't need to	
		Income generation through making	
		community/council buildings available to rent	
		Revenues and Benefits	
		corporate facilities management	
		Finance and Financial services responsible	
		department and require £11million? Down to	
		£10million	
		Strategic Financing x6	
		Corporate Facilities management x5	
		Corporate strategy x3	
		Finance and financial services x3	
		Human resources including learning and	
		development	
		Customer experience	
		Insurance	
		Electoral Services x2	
Dulwich Community Council 9 th October		Corporate Strategy x3	Reduce the pay of top officers
		Corporate facilities management	Reduce heating in council buildings and

Location of community	Why protect or increase.	Why decrease.	Innovation, ideas, suggestions and
conversation.			interesting quotes.
			ban additional personal heaters. Stays
			should wear a cardigan in winter when
			necessary not summer clothes
		Strategic financing x3	
		Housing Customer experience	
		Revenues and benefits x2	
		Insurance	
Southwark		Make savings on strategic financing	
Disablement			
Association 10 th			
October			
		Electoral Services	
		Insurance	

Regeneration & Planning Services

Regeneration & Flamin	ig dei vices		
Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Nunhead Green, 10 th	Because 'regeneration important for	'Improve planning control and at the same time	
August	Nunhead; lets get it done'	cut management costs'	
	Because 'more investment needed	'Possible cuts on super bike highways and	
	to regenerate our green spaces'	preference given instead to spending on public transport'	
St Mary's	"Like all deprived areas across the	"Very poor planning decisions taken in the north	"Sell assets to make up the deficit."
Churchyard, Elephant	country, more could be spent in this	of the borough."	·
& Castle, 17 th August.	area to make it 'physically' a nicer	_	
	place to live."		
	"More housing for people with jobs."	"I suspect there is too much waste and	
		bureaucracy – reusing older buildings and	
		spending more money on maintenance might be	
		useful."	
		"Stop engaging in ludicrous legal battles."	
Camberwell Green,		-	
17 th August			
Surrey Quays, 21 st			
August			
North Cross Road	"Protect this area because	"Cut bureaucracy around planning and	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Market, 24 th August.	Peckham and the Queen's Road area has been neglected for too long, especially important is the large former estate area near Meeting House Lane." Protect regeneration for zones 1 and 2 – to keep pace with the rest of London."	regeneration."	
	"Increases for the regeneration of empty council homes."		
	Increases for regeneration and planning as this secures the future well-being of the borough for residents; economically, environmentally and socially – effects the future for all."		
Youth Council, Success House, 23 rd September.	"Our community is constantly changing and developing, therefore regeneration needs to take place to support this development."	"You've done a fab regeneration job but most of it is done. They also wasted a lot of money."	
Southwark Pensioners Forum, 26 th September 2013.		"make savings for business support services."	"No compulsory purchase unless for social housing."
Peckham and Nunhead Community Council 30 th September	Providing refurbishment of Peckham Pulse Pools which is overdue, same applies to Seven Islands	Make savings on Planning and transport x2	
	"Investment in the borough to provide jobs and growth, we should be an investment borough not a welfare borough"	"Project at the Elephant and Castle is very wasteful"	
	Specialist housing services	Long term savings could be made by making the best of existing buildings	
	More affordable housing for the elderly	"Provide toilets at Queens Road Station"	
		Remove Bus lanes which contribute to death and injury	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
		Remove speed humps which damager vehicles	
Camberwell Youth Council 30 th September	An increase so you can have a better environment in your area	Too much property has been knocked down	
		Regeneration and planning	
Camberwell Community Council 30 th September	It makes the biggest difference to people's lives	Savings can be made on planning and transport, too much is spent on this	
•		All £3.1million is totally ineffective. People do what they want with no consequences	
Bermondsey and Rotherhithe Community Council 2 nd October	Increase in funding so we can become a flagship borough		
Borough Bankside and Woolworth 2 nd October	An increase in regeneration and planning which will increase new affordable homes for larger families on low paid incomes	Interpretation/ printing services	
	Regeneration and strategy	Planning and transport x2	
		Regeneration strategy	
Dulwich Community Council 9 th October	Regeneration and Strategy	Planning is insufficient. Why do you need to advertise when someone just wants to do basic work	
	Planning and transport		
Southwark Disablement Association 10 th October		Planning and Transport- £2.4million	

Housing and Community Services

Housing and Commu	ity oci vices		· · · · · · · · · · · · · · · · · · ·
Location of community	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
conversation.			
Nunhead Green, 10 th	"Protect voluntary sector grants."	"Customer experience – convince/educate	"Work more with local communities
August		people to go on-line."	and encourage more volunteers."
		"What on earth is £17.1m of 'customer	"Build more council homes."
		experience' all about? Is it hiding operations	
		costs."	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
		"Customer experience – WTF."	"Collaborate."
		"Less customer experience outlay and more	
		focus on planning."	
		"Customer experience – hire better people."	
		"Make savings, especially in customer experience." X2	
		"Too much spent on customer experience (except homelessness services); people need to take more responsibility."	
St Mary's Churchyard, Elephant & Castle, 17 th August.	"Decent housing services are everyone's first need."	"Learn from housing association's good practice."	
	"This informs quality of residential living in Southwark."	"Customer experience – I don't think your getting value for money."	
	"We need safe and secure housing	"Repairs – people should learn DIY and have	
	to live in to be healthy."	household insurance."	
		"Customer experience is vastly over-rated."	
		"Cut number of housing officers and put in buildings with other users."	
Surrey Quays, 21 st August		, and the second	"Illegal sub-letters costing a fortune".
			"Spending too much on expensive sub-contractors, so bring the work in house".
			"Call centres need to improve and people need to answer their phones".
North Cross Road Market, 24 th August.	"Protect customer "experience because this is an important relationship between the council and residents, often the only means of inter-action."	"Make savings for customer experience – better communication and more efficient delivery would reduce the number of 'return visits' where issues have not yet been resolved satisfactorily and quickly."	"Rents for social housing and shared ownership homes to be protected from rent rises."
	"Increases for council housing – not part rent/part buy."	Make savings in the area of customer experience	"Can we get the private sector to deliver and manage our existing and new stock?"
		Make savings in the area of community engagement.	

Location of community conversation.	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
Youth Council, Success House, 23 rd September.	"I think the council should spend more money on repairs and compliance, because it will help a lot of people who won't have to spend so much money out of their own pocket."	"I don't think money is well spent – there's always problems and I think they need to utilise it much better."	"Customer experience – may need to merge some services, e.g. email enquiry services and complaints section."
	"There are a lot of homeless in the borough."	"They do a bad job – customer experience aspect."	
Southwark Pensioners Forum, 26 th September 2013.	"Families can't live a proper life without the proper housing to go with it."	"Cut £4m from customer services."	"Outsource all housing services to community organisations."
		"Cut £4m from community engagement." "Make savings in the areas of community engagement, voluntary sector grants and customer experience."	
Peckham and Nunhead Community Council 30 th September	Southwark was densely council social housing which should be protected not in favour of right to buy	"This is a national priority which should get more support from central government"	Discretionary help for struggling residents
	There should be an increase for community safety x2	Repairs and compliance	Have more local connections
	Specialist housing service (Council house repairs)	Community engagement	
		Customer experience x2	
		Make savings in community engagement, voluntary sector grants and contracts	
		Better collection of rent	
		Bring repairs in house	
Camberwell Youth Council 30 th September		Savings on Council tax	
P. C. C. C.		Housing	
Camberwell Community Council 30 th September	One stop shop "because you can get help on the day which can settle your mind"	Community Engagement and voluntary sector grants and contracts	
	More Housing		
	A decrease in homelessness. You		

Location of community	Why protect or increase.	Why decrease.	Innovation and ideas and suggestions.
conversation.			
	need to be able to feel safe in your home		
Bermondsey and Rotherhithe Community Council 2 nd October	Protect Housing and Community Services as it's a main service for all		More Housing that is affordable
			More shops, cafes and refreshments in new builds around Canada Water
			Workshops for residents with equipment and help
Borough Bankside and Woolworth 2 nd October	I would like to see an increase in Housing and Community Services as finding a new property is very difficult in addition many families are living in overcrowded conditions	Call centers are expensive but not always effective	Build more council houses
	Without an increase in these areas we will be losing the structure of the community and living standards	Customer experience x6	There needs to be more help for young people to get on the waiting list
	Still too many families on the waiting list x2	Specialist housing services	Cut the fat off all call centers being money and time sinks of inefficiency. TRA housing officers help report directly x3
	It affects so many residents and it is fundamental to quality of life, happiness and wellbeing of individuals and society	Community Engagement x2	
Dulwich Community Council 9 th October		More control with voluntary sector	
		Customer experience x5	
Southwark Disablement Association 10 th October	Increase for repairs and compliances	Customer Experience- £17.1million-£16.1million	

Other Ideas

Other ideas	
Location of community	Innovation and ideas and suggestions.
conversation.	
Nunhead Green, 10 th August	'Merge all services with a neighbouring borough such as Lambeth or Lewisham or all three'
_	'How about leasing empty shops in the Nunhead and Queens Road areas for reduced rates to encourage new local business, this would help the council to increase its revenues to alleviate make up the gap of the cuts'
	"Make introductions, facilitate collaboration, form inter-departmental teams, work together, support each other".
	"Cut anything that spends time and energy on the division of departments, avoiding collaboration".
St Mary's Churchyard, Elephant & Castle, 17 th August	"Postage! I keep getting letters about planning permission requests, I don't need these!"
	"Non smokers to get free prescriptions from GPs, encourage people to give up."
	"Reduce the use of consultants and use experience in house."
	"Try to merge services rather than cutting, i.e. merge community safety with community engagement."
	"Look at funding from other sources, e.g. from Mayor Boris."
	"Use the voluntary sector better – support them and they will cost 50% less, allowing for other savings elsewhere."
Surrey Quays, 21 st August	
North Cross Road Market, 24 th August.	"Sell some council commercial property."
	"I would not like to see any cuts to services, other then efficiencies made by stopping the outsourcing of services to private companies."
	"We need more sustainable, systematic thinking. Integrated strategy and planning. Consider the long term trends and ensure services are future proofed – not reactive to now. This will offer new opportunities and see long term cost savings.
	"Invest in up-skilling people to create their own opportunities and not rely on others. Buy services from small businesses instead of an expensive contractor."
	"To ask for my recommendation for cuts or 'savings' is akin to asking turkeys to vote for Christmas. Perhaps you should be calling for more taxes, possibly from high earners??"
Youth Council, Success House, 23 rd September.	"Cheaper transport please."
•	"Contracts that are handed out to private companies need closer inspection, e.g. fines can be handed out or cut payments if a company fails to deliver the service or hit the targets set. You could also merge private company services – get a company to deliver 2 projects instead of getting 2 different companies to do the jobs."
Southwark Pensioners Forum, 26 th September 2013.	"Redistribution of disability aids, e.g. crutches, when no longer needed – recycle don't throw out."

Location of community conversation.	Innovation and ideas and suggestions.
	"Merge departments in the council and some back office costs – merge with Lewisham and Lambeth councils."
	"Advise all bidding consultancies and other contractors, especially the big four, G4S, etc, that Southwark council with other
	London councils, will only consider tenders whose per day professional fees are presented at 5% to 10% lower then all
	previous contracts. Analyse and compare all previous per day costs, Get fees down."
	"Reduce staff head count at Tooley Street."
	"make savings by more co-operation with community action groups."
	"Tender more services to the voluntary sector in Southwark."
	"Cut all salaries over £100,000 by 10%, cut all salaries of over £60,000 by 5%."
	"Merge up depts, less management, regen and housing to merge."
	"Increases for all services that make communities safer and that enhance people's health."
	"Decreases to council tax, decreases to rent."
	"Rent statements should not be sent if rents are registered on the rent cards.
	"Council wages should be capped, big fat wages should be scrapped."

Item No. 11.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report title): :	Workforce report and V	Vorkforce Strategy
Ward(s) or groups affected:		All	
From:		Councillor Peter John,	Leader of the Council

FOREWORD - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

The council has set out its vision to create a fairer future for everyone in Southwark. We will do this by protecting the most vulnerable; by looking after every penny as if it was our own; by working with local people, communities and businesses to innovate, improve and transform public services; and by standing up for everyone's rights.

Our employees are key to our success. Drawing on employees' skills, experience, commitment and potential, the council's leadership has charged staff to ask 'can we do it better?' to get things right first time, improve our customers' experiences and show users of our services the same care and consideration that we would show to our own family.

But these are challenging times. Over the three financial years, 2011-14, it is estimated that the council will need to have found £80 million worth of savings. Going forward, we know that we will face further budget cuts and it's difficult to envisage a position where significant investment to the public sector recurs. The demands for statutory services remain unabated and local council tax payers strive for high quality universal services to meet their expectations.

The council therefore has a responsibility to re-think how it can recruit, develop, motivate and manage a workforce able to deliver services in this challenging environment.

The Workforce report 2012-13 provides statistical information on areas of employee activity for the last year and therefore provides some useful background to what has happened in the workforce arena. But it is not the complete story.

The last 2 years have seen large scale cuts which have impacted across the workforce. The council's approach has been to make cross-cutting savings across all areas of the council and from top to bottom of the hierarchy (£1M saving has been made in the top management tier). We have aimed to protect service provision and have concentrated on customer service. We have insourced revenues and benefits service and, this year, customer contact; and have witnessed a clear improvement in quality. In reviewing staff levels we have minimised compulsory redundancy, controlled recruitment, reduced agency staff and consultants, provided redeployment opportunities and commissioned bespoke outplacement support.

Through the reorganisation process we have worked hard on consulting with staff and users. And we are determined to up our game on engagement across the board. I and the chief executive are embarking on a series of roadshows stemming from our

involvement in induction sessions. The 2013 staff survey had very positive results, we want to build upon that and show staff they are valued. We know the importance of staff enthusiasm and co-operation to maintain service levels and improve quality despite the tough economic times.

For learning and development the council achieved silver Investors in People standard, with a plan for gold award in 2014. We have maintained the level of resource in training and have new programmes underway: new customer care, refreshed management development.

Despite funding restrictions and the national pay freeze we have continued our commitment to the low paid: minimum £250 for those earning less than £21,000, minimum pay at the London Living Wage (now £8.55 per hour).

We have continued to support youth employment through the youth fund and have taken on increased numbers of apprenticeships and trainees; in excess of 100 over the last year. This is both important for the health of the community and ensures refreshment of the workforce.

The council's record on equalities is good and we have continued to place a high emphasis on ensuring the workforce reflects the community we serve. We have more to do, especially in achieving this balance throughout the hierarchy. We have a commitment to aim for higher numbers of professionals and senior managers from diverse communities. We have retained resources to support development opportunities especially for staff from BME communities.

The council prides itself on having best practice and fair employment processes. But it is important we remain vigilant to ensure proper application at all times. We have built in some extra layers of monitoring to make sure staff are always being treated fairly and equitably.

Southwark's sickness absence level is relatively low but this is an important area to focus on not least as it directly links to productivity. We have developed a health & well-being strategy which aims to harness activities and place and develop new ones which will assist staff to improve and maintain their health.

The crucial message remains that the challenges ahead are best confronted collaboratively and through careful attention to the engagement of staff. I'm confident together we can improve the quality of our services despite the severe resource restrictions we are experiencing.

RECOMMENDATIONS

- 1. To note the information contained in the workforce report for 2012/13 and endorse the action contained.
- 2. To agree the workforce strategy as the medium term aims for the council's management of its staff.

BACKGROUND INFORMATION

3. The Equality Duty 2010 is supported by specific duties, which require public bodies to publish relevant, proportionate information annually demonstrating their compliance with the Equality Duty. Information must be published in a way which

makes it easy for people to access it and, (for public bodies with 150 or more employees); to consider how their activities as employers affect people who share different protected characteristics. Information to be published is not laid down but it is suggested could the following, where this is attainable-

- make-up of the overall workforce;
- pay equality issues; in Southwark this is shown by profile at different grades;
- recruitment and retention rates;
- learning and development opportunities
- grievances and disciplinary issues for staff with different protected characteristics.

Published information could also include details of policies and programmes that have been put in place to address equality concerns within the workforce, and information from staff surveys.

- 4. In meeting this requirement, the council produces an annual workforce report which includes a range of Human Recourses (HR) related data which is published on the council's website. For the 2012-13 the report is attached (appendix 2).
- 5. A commentary from the Leader will be included with the report on the website for the first time, based on the foreword to this report.
- 6. Additionally the Workforce Strategy is produced which is a forward medium term view of the council's aims and ambitions in the area. Inevitably it is a dynamic statement which needs to change subject to prevailing circumstances (eg economic climate). It is reviewed at least each year to ensure it is appropriate to changing circumstances.

KEY ISSUES FOR CONSIDERATION

7. The final pages of the Workforce report includes a commentary from the HR director which outlines action points to be undertaken in the coming year. For ease these are reproduced below:

Profile Data - Workforce

Action point: to look at how different factors may be affecting the numbers of people with disabilities, (slow down in self declaration, impact of redundancies, recruitment etc). We will aim to put in place measures to encourage better self declaration so that people have access to support that they need.

Action point; we must ensure that we are properly capturing all ethnic origin, including those details missing for TUPE'd staff. During the coming year we will ask all staff to re-check the data held on them and make any amendments. (Note staff can amend their records at any time via Employee Self Service)

HR Processes

Action point; during 2013 we will promote an employee health & wellbeing strategy in accordance with the National Wellbeing Charter

Disciplinary / Capability

Action point; monthly monitoring of disciplinary and capability outcomes will continue to ensure proper application of council procedures

Agency Workers

Action point: To continue to scrutinise the use of agency workers ensuring recruitment to substantive employment (permanent or temporary basis as appropriate).

Performance Management of Staff

Action point: To propose changes to pay scales for 2014/15 that opens up incremental progression for all.

Some of these action points are already in place.

8. Equally the HR strategy has some key aims to be achieved. These will form part of a HR plan to be implemented over the next year+. Following cabinet endorsement the plan will be discussed with the Management team and Trade Unions.

Policy implications

9. Some action points will require changes in HR policy, or more likely our approach to policies. Where necessary this will be subject to consultation and appropriate governance decision-making.

Community impact assessment

10. Any policy changes will be subject to impact assessments.

Resource implications

11. There are no specific implications arising from this report. Existing resources are already in place to meet the strategic aims. Any actions arising which have resource effects will be subject to separate decision-making process and reallocation within existing budget allocation.

Consultation

12. The Trade Unions have been consulted on the attachments and this is ongoing as outlined in 8 above.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Corporate Services (FC13/072)

13. The strategic director of finance and corporate services notes the recommendations in this report, particularly around the workforce strategy given in Appendix 2. Costs arising from training will be contained within the existing budget for organisational development.

- 14. Proposals for changes to the pay scales for all staff for 2014/15, other than those driven by London Living Wage are contained within existing departmental budgets. The council has set aside separate provision within the base budget for the impact of low pay and these budgets will be allocated as appropriate.
- 15. Proposals to achieve LLW in all contracts are already underway. The council has included funding in the 2012/13 and 2013/14 budgets for the application of LLW. Further budget commitments may be required over the next two to three year period as existing contracts are awarded and renewed. This commitment will be subject to rigorous procurement processes linked to quality improvement in the services being delivered.
- 16. Pension membership attracts an employer's contribution. The effects of autoenrolment regulations are being monitored. The Strategic Director will work with the Director of HR to establish the costs associated with each of the proposals and the timeframe involved to ensure that costs can be contained within the existing budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Workforce Report 2012-13
Appendix 2	Workforce Strategy

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council			
Lead Officer	Eleanor Kelly, Chie	Eleanor Kelly, Chief Executive		
Report Author	Bernard Nawrat, Hu	uman Resources Directo	or	
Version	Final			
Dated	10 October 2013			
Key Decision?	No			
CONSULTATION	WITH OTHER OFF	FICERS / DIRECTORAT	ES / CABINET	
	MEN	MBER		
Officer Title Comments Sought Comments included				
Director of Legal Services		No	No	
Strategic Director of Finance and Corporate Services		Yes	Yes	
Cabinet Members No No		No		
Date final report sent to Constitutional Team10 October 2013				



Workforce Report 2012-13

This report looks at the profile of employees and at human resources management activities over financial year 2012–13

Scope

- 1. It covers all departments of the Council and directly employed substantive employees. It therefore excludes those under the management of schools.
- 2. All departmental details will relate to organisational structures as at year end 2012-13 and reflect the significant movement of staff between departments following changes to top management arrangements during the year.
- 3. All workforce profile data will be at the end of the year 2012 -13.
- 4. All data related to the outcomes of HR activity will cover the period April 2012 March 2013, unless stated.
- 5. For completeness, information is given on the numbers of agency workers engaged. They are an important addition to our workforce resources but do not have a direct contractual relationship with the Council and therefore details are limited.

Content

The report -

- 1. Begins with key data. This includes an overview of employees' profile and some comparative data from previous years.
- 2. Looks at the profile of the Council's employees against each protected characteristic where information is available (gender, ethnic origin, age, disability).
- 3. Includes a commentary by HR Director on the findings of the report and proposed actions (appendix 2)
- 4. Will be discussed with the constituent trade unions and with the staff equality and diversity group.

The report will be published on the Council's intranet, (the Source), and the Southwark website; www.southwark.gov.uk

Contents

Please click on the inks below

- Key data Workforce 2012 -13
- Workforce Numbers & Employee Profiles
- Changes in the Workforce
- Performance Management
- Sickness
- Learning & Development
- <u>Disciplinary Investigations & Outcomes</u>
- Capability Action & Outcomes
- Staff Complaints
- Respect at Work
- Recruitment
- Agency Workers

Appendix 1 Information on the community in Southwark & other London Boroughs

Appendix 2 Concurrent report from HR Director

Key data - Workforce 2012 - 13

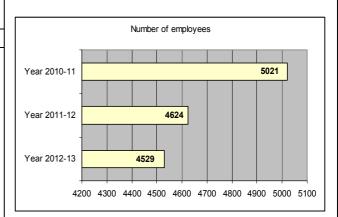
The details below pull out some key information from the report that follows about the workforce. It aims to provide a quick reference and to give context by looking at details from previous years where comparisons can be made.

Year 2012-13

Number of employees (headcount)

4529

Context



Gender Profile of Employees

	Number	%
Female	2358	52%
Male	2171	48%

Broad Ethnic Profile

	Number	%
BME employees	2134	48%
White employees	2313	52%
Total	2171	100%

No ethnic origin stated = 82 employees

Employees with Disabilities

	Number	%
Employees	179	4%

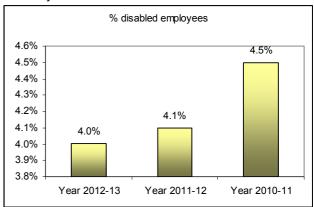
Gender Profile

Year	% Female Employees	
Year 2012-13	52%	
Year 2011-12	53%	
Year 2010-11	53%	

Broad Ethnic Profile

Bread Etrinie i Terre				
	% BME	% White		
Year	employees	employees		
Year 2012-13	48%	52%		
Year 2011-12	48%	52%		
Year 2010-11	48%	52%		

Disability



Average age of the workforce

44.9 years

Δ	α	Δ

.99		
Year	Average age (years)	
Year 2012-13	44.9	
Year 2011-12	44.5	
Year 2010-11	43.7	

Section 1: Workforce Numbers & Employee Profiles

- 1. As at year end 2012-13 the headcount of employees was 4529. This excludes casual workers and non staff resources such as agency workers. A workforce population of 4529 is slightly less than 2011-12, but is 8% less than 2010/11. (Key Data)
- 2. Employees in the three service departments make up 79% of the Council's workforce (Children's & Adults; Environment & Leisure; Housing & Community Services). (Reference data 1)
- 3. The highest percentage of part time employees are in Children's & Adults Services. Overall 14.9% rounded of all employees work part time. Three times as many women than men work part time. (Reference data 2)

Reference data 1 Employee numbers by department

	Numbers	% of
	(headcount)	total
Chief Executive's department	372	8%
Children's & Adults Services	1367	30%
Environment & Leisure	1253	28%
Finance & Corporate Services	593	13%
Housing & Community Service	944	21%
Total	4529	

Reference data 2 Distribution of full time & part time employees per department & Council wide

	Female		Male	
	Full	Part -	Full time	Part –
	time	time		time
Chief Executive's department	48.7%	9.4%	39.2%	2.7%
Children's & Adults Services	52.5%	20.3%	20.8%	6.3%
Environment & Leisure	18.9%	9.3%	68.3%	3.5%
Finance & Corporate	47.6%	6.2%	45.5%	0.7%
Services				
Housing & Community	44.3%	5.9%	49%	0.7%
Service				
Total across the Council	44.6%	3.33%	40.54%	11.53%

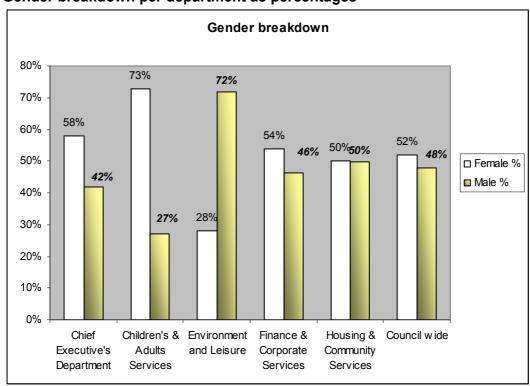
Gender

- 4. The percentages of female and male employees are similar; 52% of employees are female; 48% are male. (*Reference data 3*). The gender split shows no significant changes from previous years, (*Key Data*). The gender breakdown in Council employment is similar to the female population in Southwark (50.5%) & the female population across London (50.8%). (*Appendix 1*)
- 5. There are significant differences in the gender breakdown when looking at a departmental level. (*Reference data 3*)
- 6. There are higher percentages of male employees than female employees in the grades 1-5, in Building Services, and in the higher grade bands.

 Although the total numbers of employees grade 14 and above are relatively small (Reference data 4)

Reference data 3

Gender breakdown per department as percentages



Reference data 4

Grade distribution, gender and disability

Grade distribution, gender and disability								
Grade band	Total	Female	Male	Disabled staff				
Grades 1-5	1114	370	744	30				
%	100%	33%	67%	3% ¹				
Building Workers	91	2	89	2				
%	100%	2%	98%	2% ¹				
Grades 6 - 9 (or equivalent)	1818	1119	699	84				
%	100%	62%	38%	5% ¹				
Grades 10-12 +SW's	1197	711	486	52				
%	100.00	59%	41%	4% ¹				
Grades 14-16	199	83	116	8				
%	100%	42%	58%	4% ¹				
Grades 17 & above	25	9	16					
%	100%	36%	64%					
Teacher conditions	40	32	8					
%	100%	80%	20%					
Soulbury conditions	35	29	6					
%	100%	83%	17%					
Other ²	10	3	7	1				
%	100%	30%	70%	10%1				
Total	4529	2358	2171	175				

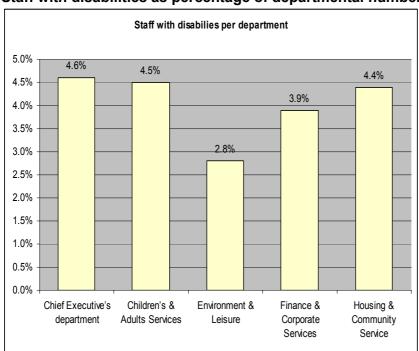
¹ Percentage in that grade band ² TUPE conditions (various)

Disabilities

- 7. The percentage of people with disabilities has dropped slightly when compared with previous years. (Key Data). There are not significant differences between departments. (Reference data 5)
- 8. The London wide figures suggest that the percentage of employee with disabilities is lower than the average across other boroughs which is 5.2%. (Appendix 1) However, Southwark records actual employee declarations of a disability. Since the introduction of the Disability Discrimination Act when the use of strict externally determined criteria to determine "disability" ceased; self declaration is appropriate. It is known that some other boroughs determine the disability average by extrapolating from survey data or use sickness absence rates as a marker.
- 9. The percentages of employees with disabilities are not significantly different through the grade bandings. (*Reference data 4*)

Reference data 5

Staff with disabilities as percentage of departmental numbers



Ethnic Origin

- 10. Only a small percentage of employees do not have an ethnic origin record, 82 employees =1.8%. (Key data).
- 11. The percentages of employees who classify themselves as "White" and from black and minority ethnic groups are largely unchanged from previous years. (Key Data). There some significant differences between departments in the percentages of staff who classify themselves as White and from BME communities. (Reference data 6)
- 12. When looking at broad ethnic groups the percentages of employees from White and from BME communities are:-
 - Very similar to the percentages in the Southwark community. Where 54% of the population classify themselves as White. (Appendix 1).
 - More evenly balanced than the percentages across London boroughs where on average 61% of employees classify themselves as White. (Appendix 1)
- 13. The percentages of White employees compared to BME employees change significantly through the grades. Putting aside those in Building Worker grades; up to grade 9 there are higher percentages of BME staff than percentages of White staff. Percentages of BME employees are low in grades 10-12 & grade 14-16; but recover slightly at top manager level. (Reference data 7)

Reference data 6

Broad ethnic origin of employees as percentage of departmental numbers

					BME	
	Asian	Black	Mixed	Other	employees	White
Chief Executive's Department	5%	25%	3%	4%	36%	64%
Children's & Adults Services	4%	44%	3%	3%	55%	45%
Environment and Leisure	4%	30%	2%	4%	40%	60%
Finance & Corporate Services	7%	30%	3%	3%	43%	57%
Housing & Community Services	3%	46%	4%	3%	56%	44%
Total across the council	4%	37%	3%	3%	48%	52%

Reference data 7

Grade distribution, broad ethnic origin

Grade distribution,	D. Oud O.		,			ı	ı	
0 1 10		5		0.11	51.45		Not	
Grade /Group	Asian	Black	Mixed	Other	BME	White	Stated	Total
Grades 1-5	41	446	43	46	576	530	8	1114
% of ethnic origin ¹					52%	48%		
Building Workers								
	0	28	1	3	32	58	1	91
% of ethnic origin ¹					36%	64%		
Grades 6-9 or								
equivalent	92	815	45	68	1020	739	59	1818
% of ethnic origin ¹					58%	42%		
Grades 10-12 +								
SW's	48	338	39	26	451	736	10	1197
% of ethnic origin ¹					38%	62%		
Grades 14-16	5	13	2	3	23	174	2	199
% of ethnic origin ¹					12%	88%		
Grades 17 & above	0	2	2	1	5	20	0	25
% of ethnic origin ¹					20%	80%		
Teacher Conditions	1	13	3	2	19	21	0	40
% of ethnic origin ¹					48%	53%		
Soulbury								
Conditions	2	3	1	1	7	27	1	35
% of ethnic origin ¹					21%	79%		
Other ²	0	1	0	0	1	8	1	10
% of ethnic origin ¹					11%	89%		
Total	189	1659	136	150	2134	2313	82	4529

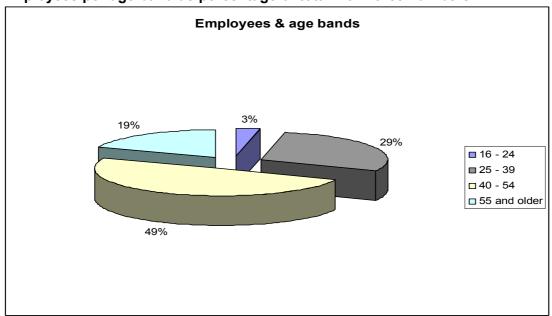
Excludes those where ethnic origin not supplied.

TUPE conditions (various)

Age

- 14. The average age of employees (44.9 years) is typical across London boroughs (45 years). (Key Data & Appendix 1)
- 15. Predominately employees are in the 40-54 years banding. (Reference data 7)

Reference data 7
Employees per age band as percentage of total workforce numbers



Length of Service

16. Employees' length of service is on average 10 years. This suggests no retention issues. It must be noted however that the average service will be impacted by the large percentage of employees who have over 20 years service. (Reference data 8)

Reference data 8 **Employees' length of service & service bandings - total workforce numbers**

Average (mean) length of service	10 years
Length of service - bands	% of employees
Less than 1 year	10%
1 to < 2 years	5%
2 to < 3 years	9%
3 to 5 years	12%
5 to < 10 years	29%
10 to 15 years	14%
15 to 20 years	6%
20 + years	15%
	100%

Section 2: Changes in the Workforce

Starters

- 1. Despite budget reductions a significant number of people (439) commenced work with the Council. This table below shows the person's department at the end of the financial year not necessarily the department at appointment. (Reference data 9)
- 2. As noted in the previous section; those starting during this period have not result in any notable changes to the profile of the workforce in terms of gender, age, disability or ethnic origin.

Reference data 9

Number of starters & department

	Numbers	% of total
	(headcount)	
Chief Executive's department	32	7%
Children's & Adults Services	97	22%
Environment & Leisure	112	26%
Finance & Corporate Services	81	18%
Housing & Community Service	117	27%
Total	439	100%

Leavers

- 3. This section provides a detailed look at the reasons why people leave the organisation and their profile.
- 4. The two dominant reasons for people leaving were; resignation & redundancy. Any other reason; attracted relatively small numbers of employees.
- 5. Further scrutiny of those who left on the basis of dismissal; discipline or capability, appears in the relevant section later in this report.
- 6. In an environment of austerity it is notable that over half of leavers left on a voluntary basis (resignation; career breaks, retirement age).
- 7. Those that left on redundancy represent year 2 of a three year programme. Reference data 12 shows the picture over the two years. (Whether the leavers event fell in year 1 or year 2 is not material). Looking at the two years the percentage of women who left through redundancy is high compared to percentage of women in the workforce. Over the two years other indicators (broad ethic origin & disability) are closer to the workforce. Unlike some Authorities the Council has not operated a cross-department voluntary severance scheme in the period. The profile of those leaving on redundancy will be therefore be significantly influenced by the profile of the workforce in those areas that have been subject to review.

Reference data 10

Leavers by reason, gender and disability

		•		Total	Of
					those
		Female			disabled
Reason for Leaving	Number	%	Male %		%
Career Break	14	71%	29%	100%	7%
Deceased	4	0%	100%	100%	
Dismissal - Capability	9	22%	78%	100%	
Dismissal	9	33%	67%	100%	33%
Expiration of Contract	39	49%	51%	100%	
Outsourced	3	33%	67%	100%	
Redundancy	162	69%	31%	100%	5%
Resignation	243	60%	40%	100%	2%
Retirement Age	26	54%	46%	100%	36%
Retirement Early	6	50%	50%	100%	33%
Retirement III Health	5	60%	40%	100%	
Other	10	30%	70%	100%	
Total	530	60%	40%	100%	5%

Reference data 11

Leavers by reason, BME employees, White employees

	•	BME	White		
		employees	employees	Not	
	No.	%	%	Stated %	Total
Career Break	14	29%	71%	0%	100%
Deceased	4	25%	75%	0%	100%
Dismissal - Capability	9	33%	67%	0%	100%
Dismissal	9	89%	11%	0%	100%
Expiration of Contract	39	64%	36%	0%	100%
Outsourced	3	33%	33%	33%	100%
Redundancy	162	65%	35%	0%	100%
Resignation	243	45%	54%	1%	100%
Retirement Age	26	12%	89%	0%	100%
Retirement Early	6	17%	83%	0%	100%
Retirement III Health	5	20%	60%	20%	100%
Other	10	60%	40%	0%	100%
Total	530	51%	49%	1%	100% ¹

¹(rounding)

Reference data 12

Redundancies Year 1 (2011-12) + Year 2 (2012-13)

Reduited Tear 1 (2011-12) · Tear 2 (2012-10)							
	Ethnic						
Total	Origin ¹		Gender		Disabled		
	BME	White	Female	Male			
533	276	251	313	220	29		
	52%	48%	59%	41%	5%		

*Excludes 6 people with no ethnic origin recorded

Reference data13

Leavers by reason & age bands

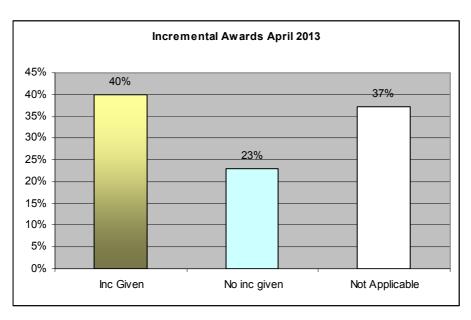
	Number	16 - 24	25 - 39	40 - 54	55 +	Total
Career Break	14	0%	64%	21%	14%	100%
Deceased	4	0%	25%	50%	25%	100%
Dismissal - Capability	9	0%	11%	56%	33%	100%
Dismissal	9	11%	22%	67%	0%	100%
Expiration of Contract	39	18%	46%	15%	21%	100%
Outsourced	3	33%	33%	0%	33%	100%
Redundancy	162	2%	22%	46%	30%	100%
Resignation	243	4%	47%	45%	5%	100%
Retirement Age	26	0%	0%	0%	100%	100%
Retirement Early	6	0%	0%	0%	100%	100%
Retirement III Health	5	0%	0%	60%	40%	100%
Other	10	10%	40%	40%	10%	100%
Total	530	4%	35%	40%	21%	100%

Section 3: Performance Management

This monitor looks at incremental awards from 1st April 2013. The following information has been drawn from August's payroll.

- 1. A high proportion of staff are not eligible for an increment. This will be because they are at the maximum of their grade. (Reference data 14)
- 2. More eligible staff have been awarded an increment than those who have not received. (Reference data 14)
- 3. Looking at increments awarded they are broadly line with-
 - the proportion of women / men in the workforce. (Reference data 15)
 - those who have not declared a disability and those that have declared a disability. (Reference data 16)
 - the proportion of people in different/ broad ethnic groups. (Reference data 17)

Reference data 14 Incremental awards – Council wide position



Reference data 15

Incremental awards by gender

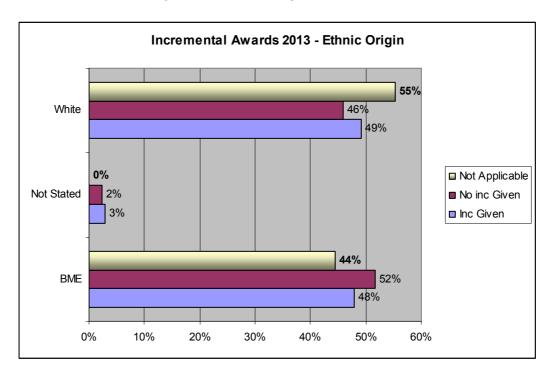
meremental arrange by genaer						
Outcome & % of employees	Female	Male	Total			
Increment Given	51%	49%	100%			
No increment given	54%	46%	100%			
Not applicable	54%	46%	100%			
Total	53%	47%	100%			

Reference data 16

Incremental awards by disability

more manage	y aloubility		
Outcome & % of	Not		Grand
employees	disabled	Disabled	Total
Increment Given	98%	2%	100%
No increment given	95%	5%	100%
Not applicable	95%	5%	100%
Total	96%	4%	100%

Reference data 17 Incremental awards by broad ethnic origin



Reference data 18

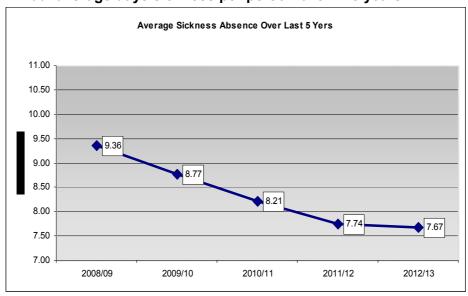
Incremental awards by age band

Outcome & % of employees per age band	16 to 24	25 to 39	40 to 54	55 & +	Total
Increment Given	3%	41%	43%	13%	100%
No increment given	7%	36%	45%	12%	100%
Not applicable	0%	14%	59%	27%	100%
Total	3%	30%	50%	18%	100%

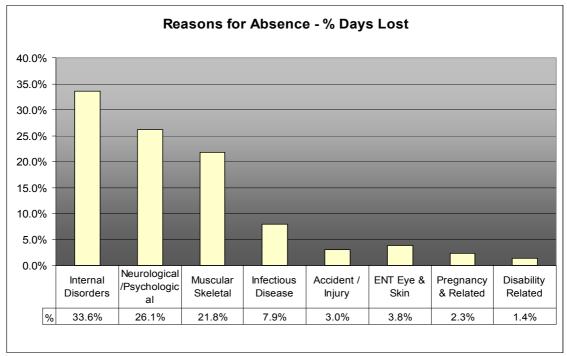
Section 4 - Sickness

- 1. The average sickness absence rate per person show a positive downward trend year on year. (*Reference data 18*)
- 2. The council performs well compared to the average sickness rate noted across London boroughs which is 8 days. (*Appendix 1*).

Reference data 19 Annual average days sickness per person over five years



Reference data 20 Recorded reasons for sickness absence 2012-13 (1)

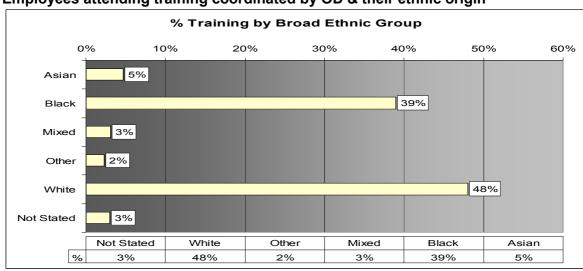


¹ Excludes where not stated

Section 5 – Learning & Development

- 1. It is stressed that the data below shows training activities coordinated by Organisational Development. Managers and staff record all other training/learning and development locally.
- 2. The data suggests that when looking at training days:-
 - The proportion of those attending is broadly in line with; the proportion of people from different ethnic groups in the workforce, (reference data 21), the proportion of people who are disabled in the workforce. (Reference data 22)
 - The proportion of women attending training occasions/ days is higher than the proportion of women (52%) in the workforce. (*Reference data 23*)

Reference data 21 Employees attending training coordinated by OD & their ethnic origin¹



¹ Data relates to the number of training days and attendees on each of those training days, someone attending a 5 day training programme will be represented 5 times etc.

Reference data 22

Employees attending training coordinated by OD & whether they have a disability ¹

	Numbers attending	% of those attending
Disabled	65	4%
Not Disabled	1566	96%
Total	1631	100%

Reference data 23

Employees attending training coordinated by OD & their gender¹

	Numbers attending	% of those attending
Female	1057	65%
Male	574	35%
Total	1631	100

Section 6 - Disciplinary Investigations & Outcomes

Note – two separate activities are described in this section; staff subject to disciplinary investigation and the outcomes of disciplinary hearings. The information below is not necessary linked, i.e. some of the cases are captured in "investigations" would not have reached the stage of a completed disciplinary hearing.

1. The numbers subject to disciplinary investigation and disciplinary action are a very small percentage of all employees. On 23 occasions disciplinary actions resulted in either a warning or dismissal. (References data 26 & 27). Those subject to such actions are 0.5% of all employees, (key data). Where there are such small numbers drawing conclusion based on more detailed levels, e.g. gender, ethnic profile or disability is questionably statistically valid.

Reference data 24

Investigations by gender & by disability

	Female	Male	Total	Of those -
				Disabled
Disciplinary Action Pursued	12	31	43	4
In Progress	6	3	9	0
Total ¹	18	34	52	4

¹ Note in addition 19 investigations resulted in a guidance interview; on 18 occasions there was no further action.

Reference data 25

Investigations by broad ethnic origin

	BME	White	Not Stated	Total
Disciplinary Action Pursued	27	15	1	43
In Progress	5	2	2	9
Total ¹	32	17	3	52

Reference data 26

Disciplinary action by gender & by disability

				Of those –
	Female	Male	Total	Disabled
Dismissal	4	5	9	
Final written warning	2	8	10	2
Written warning	3	1	4	1
Total ²	9	14	23	3

² Note in addition

- 1 discipline resulted in a guidance interview;
- On 4 occasions there was no further action.
- On 3 occasions the employee resigned during a disciplinary process and on 1 occasion the person took redundancy.

Reference data 27

Disciplinary action by broad ethnic origin

	BME	White	Total
Dismissal	8	1	9
Final written warning	4	6	10
Written warning	3	1	4
Total ²	15	8	23

Section 7 - Capability Action & Outcomes

1. The numbers subject to capability action are a very small percentage of all employees. Putting aside those still in progress at year end, (2), 13 cases (References data 28 & 29), represents 0.3% all employees, (key data). Where there are such small numbers drawing conclusion based on more detailed levels, e.g. gender, ethnic profile or disability is questionably valid.

Reference data 28

Capability action by gender & by disability

				Of those
				-
	Female	Male	Total	Disabled
Dismissal	2	7	9	3
Transfer		1	1	1
Written warning	1		1	
In Progress	2		2	1
Set Targets		1	1	
Efficiency Transfer	1		1	
Total	6	9	15	5

Reference data 29

Capability action by broad ethnic origin

	BME	White	Total
Dismissal	3	6	9
Transfer		1	1
Written warning	1		1
In Progress	1	1	2
Set Targets	1		1
Efficiency Transfer	1	•	1
Total	7	8	15

Section 8 - Staff Complaints

Note this data relates to individual employee complaints that require a formal process to resolve. Many complaints can be resolved informally or through mediation; all parties are encouraged to pursue such actions as a first step.

- 1. The numbers of staff that submit a formal complaint at stage 1 are very few. (Reference data 30 & 31); 28 employees represent less than 1% of the workforce. (Key data).
- 2. Stage 2 complaints are those where the employee is not satisfied with the outcome at stage one and identifies valid grounds for appeal.
- 3. Where there are such small numbers drawing conclusions at a more detailed level, e.g. gender, ethnic profile or disability is questionably valid.

Reference data 30

Stage 1 complaints by gender & by disability

	Female	Male	Total	Disabled employees
Informal Resolution	2	1	3	
Not Upheld	14	6	20	3
Upheld	3		3	
Partially Upheld	1	1	2	1
Total ¹	20	8	28	4

¹ In addition 10 stage 1 registered complaints were withdrawn.

Reference data 31

Stage 1 complaints by broad ethnic origin

	BME employees	White employees	Total
Informal Resolution	2	1	3
Not Upheld	14	6	20
Upheld	2	0	2
Partially Upheld	0	3	3
Total ¹	18	10	28

Reference data 32

Stage 2 complaints by gender & by disability

	,			
				Disabled
	Female	Male	Total	employees
Not Upheld	7	4	11	2
Upheld	1	1	2	0
Total	8	5	13	2

Reference data 33

Stage 2 complaints by broad ethnic origin

Stage & Complaints by	y bi bau etiiii	broad ethine origin						
	BME	White						
	employees	employees	Total					
Not Upheld	9	2	,	11				
Upheld	1	1		2				
Total	10	3	-	13				

Section 9 - Respect at Work

Note; the procedure will cover complaints on all forms of harassment, bullying or victimisation on the basis of someone's profile.

- 1. Once again the numbers of employees making a formal complaint are very few; 12 employees represents less than 0.3% of the workforce.
- 2. Where there are such small numbers drawing conclusions at a more detailed level, e.g. gender, ethnic profile or disability is questionably valid.

Reference data 34

Complaints by gender & by disability

	Female	Male	Total	Disabled employees
Informal Resolution	1		1	
Not Upheld	4	2	6	
Upheld	2	3	5	1
Total ¹	7	5	12	1

¹ In addition 5 complaints were withdrawn.

Reference data 35

Complaints by broad ethnic origin

<u> </u>				
	BME	White	Not	
	employees	employees	Stated	Total
Informal Resolution	1	0	0	1
Not Upheld	5	1	0	6
Upheld	2	1	2	5
Total ¹	8	2	2	12

¹ In addition 5 complaints were withdrawn.

Section 10 - Recruitment

Note; during 2012-13 work has been undertaken to replace our back office recruitment system. This has meant that there has been some interruption to the collation of recruitment statistics at a global level. Further the recurring issue in the compilation of recruitment data is being able to represent the impact where there are high volumes, (100s of applicants) compared to those where response rates can be below 10 applicants.

- 1. The numbers responding to advertised posts suggest that the Council does not have difficulties in attracting large numbers of people of different profiles. (Reference data 36). Future reports should include the numbers of posts advertised, i.e. response rates to give a better picture of activity and where there are large numbers which skew statistical outcomes.
- 2. Reference data in tables 37-39 provide a snapshot of the outcome where the recruitment activity has been concluded with an offer made to an external candidate. Overall the impact has not been to change the overall profile of the Council's workforce which as evidenced in the Key data is largely unchanged.

Reference data 36 All recorded response to advertisements & profile of applicants

	Number	As a % of applicants
Female	4285	53%
Male	3787	47%
Total	8072	100%
BME	4735	59%
White	3203	40%
Not known	94	1%
Total	8032	100%
Disabled	383	5%
Not disabled	7649	95%
Total	8032	100%

This shows the profile of all applicants to all advertisements that appeared during 2012-13; -

- Internally or externally advertised.
- Whether the recruitment exercise had been completed by transition to the revised recruitment system or not.
- Whether an appointment was made or not.

Reference data 37
Recruitment concluded to offer stage – where external candidates offered & gender

	Mal	Fem	Tota I
Applications	1712	1871	3583
As % of applicants	48%	52%	100%
Attending interview	423	503	926
Offered post	153	180	333
% of those offered post	46%	54%	100%

This table & those that follow show the profile of those applicants where-

- The recruitment activity exercise had been completed by transition to the revised recruitment system.
- Where the activity resulted in the appointment of an external candidate
- This excludes all occasions where the advertisement was "internal only" or had not been concluded.

Reference data 38

Recruitment concluded to offer stage – where external candidates offered & broad ethnic origin

			Candidates	
	BME	White	– No	
	candidates	candidates	details	Total
Applications received	1996	1555	32	3583
As % of applicants	56%	43%	1%	100%
Attending interview (No.)	484	434	8	926
Offered post (No.)	158	175	0	333
% of those offered post	47%	53%	0%	100%

Reference data 39

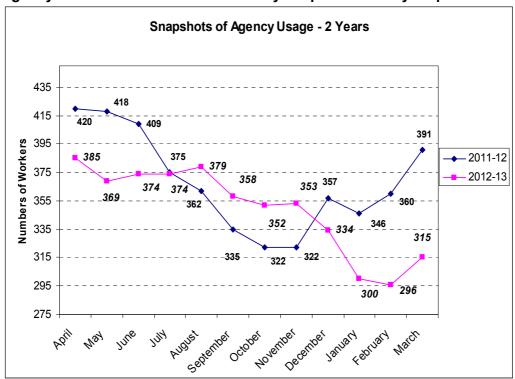
Recruitment concluded to offer stage – where external candidates offered & disability

	Not Disa bled	Disa bled	Tota I
Applications received	3426	157	3583
As % of applicants	96%	4%	100%
Attending interview	889	37	926
Offered post	326	7	333
% of those offered post	98%	2%	100%

Section 11 – Agency Workers

- 1. Whilst agency workers remain an important resource in the delivery of the Council's services, the data shows that their numbers have steadily decreased over the last two years. In both years 2011-12 & 2012-13 numbers increased in the month of March. (Reference data 40)
- 2. These workers' contractual relationship rests with individual employment agencies not the Council who are responsible for the retention of relevant profile information.

Reference data 40 **Agency Workers – numbers via monthly snapshot over 2 year period** ¹



¹ The numbers of agency workers in used as at the monitoring date, i.e. first working Monday of each month.

Appendix 1

Information on the community in Southwark & other London Boroughs

Southwark's workforce is drawn from across London & the South-east of England, in April 2013 approximately 26%¹ of our staff were Southwark residents. It is however interesting to look at how the profile of the workforce compares to the Southwark community and where possible across London.

This Section provides some basic information about the Borough drawn from the 2011 census.

It also includes key data comparing the Council's workforce with other London boroughs. Albeit this must viewed with caution. Increasingly the services provided will differ between boroughs. This will, for example, impact on the gender profile where particular services remain male or female dominated. Service type and organisation size is also known to affect how organisations perform, for example sickness absence tends to be higher in large multi functional organisations.

Some key data is as follows.

Census data - Southwark borough

All data drawn from ONS census 2011 – key statistics

1. Population figures, gender & economically active comparisons

	Southwark borough	England
	information	Country
2011 Population: All Usual Residents	288,283	53,012,456
2011 Population: Males	142618	26069148
	49.5%	49.2%
2011 Population: Females	145665	26943308
	50.5%	50.8%
Economically Active; Employee; Full-Time	42%	39%
Economically Active; Employee; Part-Time	9.9%	13.7%
Economically Active; Self-Employed	10.0%	9.8%
Economically Active; Unemployed	6.0%	4.4%
People aged 16 and over with 5 or more GCSEs grade A-C, or equivalent	10.2%	15.2%
People aged 16 and over with no formal qualifications	16.3%	22.5%

¹Borough residency is not an indicator on HR records and this figure has been compiled from home address/ post code information.

2. Occupations of all people in employment, March 2011

	Southwark	England
Managers, directors and senior officials	11%	11%
Professional occupations	26%	18%
Associate professional and technical occupations	17%	13%
Administrative and secretarial occupations	10%	12%
Skilled trades occupations	7%	11%
Caring, leisure and other service occupations	8%	9%
Sales and customer service occupations	7%	8%
Process, plant and machine operatives	3%	7%
Elementary occupations	12%	11%

3. Ethnic Origin

	Southwark –		London –	England
	Borough	(%s)	Region	–
	(Numbers)	(//	(%s)	Country
	, ,		` ′	(%s)
All Usual Residents	288283			
White; English/Welsh/Scottish/Northern Irish/British	114534	39.7%	45%	79.8%
White; Irish	6222	2.2%	2%	1.0%
White; Gypsy or Irish Traveller	263	0.1%	0%	0.1%
White; Other White	35330	12.3%	13%	4.6%
White		54.2%	59.8%	85.4%
Mixed/Multiple Ethnic Groups; White and Black Caribbean	5677	2.0%	1%	0.8%
Mixed/Multiple Ethnic Groups; White and Black African	3687	1.3%	1%	0.3%
Mixed/Multiple Ethnic Groups; White and Asian	3003	1.0%	1%	0.6%
Mixed/Multiple Ethnic Groups; Other Mixed	5411	1.9%	1%	0.5%
Mixed		6.2%	5.0%	2.3%
Asian/Asian British; Indian	5819	2.0%	7%	2.6%
Asian/Asian British; Pakistani	1623	0.6%	3%	2.1%
Asian/Asian British; Bangladeshi	3912	1.4%	3%	0.8%
Asian/Asian British; Chinese	8074	2.8%	2%	0.7%
Asian/Asian British; Other Asian	7764	2.7%	5%	1.5%
Asian		9.4%	18.5%	7.8%
Black/African/Caribbean/Black British; African	47413	16.4%	7%	1.8%
Black/African/Caribbean/Black British; Caribbean	17974	6.2%	4%	1.1%
Black/African/Caribbean/Black British; Other Black	12124	4.2%	2%	0.5%
Black		26.9%	13.3%	3.5%
Other Ethnic Group; Arab	2440	0.8%	1%	0.4%
Other Ethnic Group; Any Other Ethnic Group	7013	2.4%	2%	0.6%
Other		3.3%	3%	1.0%
Totals		100.0%	100.0%	100.0%

Other Boroughs

The following information relates to year 2011/12, i.e. the previous financial year from the council's workforce data contained in the body of this report. The results across London for 2012/13 will not be available until December 2013 - January 2014.

In considering this information –

- Unless otherwise stated this is based on; responses from 30 boroughs, uses headcounts and **the mean of data**.
- It must be re-emphasised that there are significant differences in the organisations presenting data, e.g. Richmond noted a workforce of just under 1,500 staff, Newham 5,800.
- Organisations collect and define data in different ways, e.g. looking at some Councils extrapolate from survey information others such as Southwark rely on actual declarations. Only data which links to Southwark's statistics is shown.

1. Headcount of employees

• 3,156 staff

2. Average age

• 45 years.

3. Gender profile

- Male 36.9%
- Female 63%

4. Disabled staff

• 5.2% of the workforce

5. Broad Ethnic Origin

Broad Ethnic Origin	%
Asian	9.5%
Black	19.1%
Chinese	0.5%
Mixed	2.5%
White	61.1%
Other	2.1%
Not known	5.4%

6. Sickness Absences

Based on 27 responses & relates to FTE/ FTE days lost

Average sickness days per person - 8 days

Most frequently reported reason for sickness absence; excluding "other" and unknown - *Stress/depression/anxiety/mental health*.

Appendix 2

Concurrent Report from HR Director

Year 2012/13 was the second year of a three year budget cuts programme. In 2011/12 we lost 371 staff through redundancy; this year a further 162 people left on this basis. To enable the council to manage the challenges ahead, and achieve a further £1m of budget cuts, we have re-cast the top manager structure. This meant that during 2012/13 the numbers of departments reduced and some staff moved under the leadership of a new Strategic Director.

Profile Data - Workforce

Despite the significant changes, the data shows that overall the workforce is broadly stable in terms of its profile (gender, ethnic origin, age, disability). To assist comparison we have included in the key data summary information from 2012/11 and 2011/12. There is a slight reduction over the period (0.5%) in the percentage of people declaring a disability; 4.5% in 2010/11, down to 4% in 2012/13.

Action point: to look at how different factors may be affecting the numbers of people with disabilities, (slow down in self declaration, impact of redundancies, recruitment etc). We will aim to put in place measures to encourage better self declaration so that people have access to support that they need.

We have also included for comparison information on the Southwark community and data on workforce profiles in other London Boroughs, (Appendix 1). This data suggests that in comparison with the Southwark community, the gender profile and the ethnic origin profiles of staff are not out of step, although the proportion of staff who classify themselves as Asian or Mixed is slightly low compared to the community and other London boroughs.

Action point; we must ensure that we are properly capturing all ethnic origin, including those details missing for TUPE'd staff. During the coming year we will ask all staff to re-check the data held on them and make any amendments. (Note staff can amend their records at any time via Employee Self Service)

HR Processes

Encouragingly sickness absence rates are slightly lower than the averages of London boroughs; this must be viewed with some caution as the size and shape of organisations will significantly impact on absence rates. More importantly for us, averages are marginally less than the previous two years; a significant achievement in view of the organisational changes. We know, however, that sickness management and opportunities to promote health screening and healthier life styles are essential in maintaining low averages.

Action point; during 2013 we will promote an employee health & wellbeing strategy in accordance with the National Wellbeing Charter

Disciplinary / Capability

The 2011/12 Workforce Report noted that whilst statistically small, the profile of those subject to disciplinary action appeared to be out of step with the workforce and I committed to getting below the top line statistics on disciplines to establish any identifiable causes for the profile results and corrective actions to be taken immediately and for the future.

As a baseline, the Council has agreed, robust, legally-compliant procedures. Panels are independent and profile balanced, employees represented and appeals processes are in place. Quarterly monitoring of disciplinary and capability cases and outcomes, ensures application is compliant with Council procedures, action is justifiable, and no perversities are apparent.

The data shows that over the course of 2012/13 there were relatively few staff dismissed under disciplinary and capability procedures, 18 in total, of whom 11 are BME (61%) and 7 White (38%). This is more balanced than 2011/12. There was a reduction in the number of disciplinary hearings from 70 to 43.

In terms of disciplinary action arising from the 23 disciplinary outcomes concluded during the year, there were 10 final written warnings (43%), 4 written warnings (17%) and 9 (39%) disciplinary hearings resulted in dismissal for gross misconduct. Of these, 4/10 final written warnings were to BME staff and 8/9 disciplinary dismissals were of BME staff. Of the 9 Capability cases, 8/9 related to attendance at work and significantly, no capability dismissals were appealed.

With such small numbers of staff subject to formal procedures it is not possible to draw any broad evidence based equalities conclusions on the quantitative data. However a qualitative overview of the management of individual cases is possible. Scrutiny and monitoring of these outcomes has not shown any perversity and that the disciplinary dismissals have been for legitimate reasons. Disciplinary sanctions are for the right reasons and proportionate to the misconduct. Dismissal cases have been as a result of physical assault; threatening behaviour; safeguarding; fraud; and contractual issues relating to police checks. None of the charges relate to the personal characteristics of the individual.

Dialogue continues with the Trade Unions to ensure fair and proportionate treatment of all staff subject to formal procedures.

Action point; monthly monitoring of disciplinary and capability outcomes will continue to ensure proper application of Council procedures

Agency Workers

Whilst not employees, the other notable change this year compared to previous reports is the numbers of agency workers engaged. Year on year the numbers have reduced; this has been particularly challenging for some services when concurrently undergoing significant organisational changes. Usage is increasingly restricted to hard to fill & front line services or short term whilst changes are being implemented. We know that there is likely to be some increases during the first few months of 2013/14 eg as Customer Services and Public Health services bed in. Organisationally agency usage will be a continuing area of scrutiny.

Action point: To continue to scrutinise the use of agency workers ensuring recruitment to substantive employment (permanent or temporary basis as appropriate).

Performance Management of Staff

The monitors of incremental awards do not raise any significant issues in relation to the profile of staff. What the monitors do show is the percentage of staff who are "not eligible", i.e. because they are at the maximum of their grade. This is 37% of the workforce overall, as high as 43% in one department. The impact of this in terms of the motivational impact of incremental reward needs to be considered further.

Action point: To propose changes to pay scales for 2014/15 which opens up incremental progression for all.

The council is continuing to face many challenges in how it delivers services. This report suggests that these are being achieved without negative impact on the overall profile of the council's staff and few adverse indicators of HR activity – sickness is not high; agency worker numbers are lower; few are subject to discipline or capability action. This is only achieved through sound people management policy and procedures, alongside a challenging workforce strategy.

Bernard Nawrat **HR Director**

A fairer future for all workforce strategy 2013-16

Recruitment	Development & career opportunities	Resource management
	Fairer future Delivering our promises	
Reward, recognition & support	Engagement	Management skills



Our promises -

Underpinned by our fairer

future principles -

- 1 Provide value for money.
- 2 Make the borough safer for all.
- 3 Make every council home warm, dry & safe.
- 4 Improve our customer services.
- 5 Introduce free healthy school meals, champion improved educational attainment.

·Being open, honest and

accountable

- 6 Support vulnerable people to live independent, safe and healthy lives.
 - 7 Encourage healthy lifestyles
- 8 Open Canada Water Library and conduct a thorough review of the library service.

·Working for everyone to realise

their potential

 Spending money as if it were coming from our own pocket

- 9 Bring the full benefits and opportunities of regeneration to all Southwark's residents.
- Double recycling rates and keep our streets clean.

Supported by our employees through best practice in –

Recruitment

wish members of our own families

to be treated

·Treating residents as we would

Resource management

Employee development & career opportunities

Reward, recognition & support

Engagement and communications

·Making Southwark a place to be

proud

Identifying and developing leaders

Recruitment

It is essential that Southwark is an employer of choice and we recruit staff of sufficient numbers and talent to deliver our fairer future promises

Objectives

- Enhance the council's reputation as a modern employer.
- Aim to recruit the best.
- Recruit more quickly and seamlessly.
- Offer more opportunities for people to take up apprenticeships, trainee posts & compete for permanent employment.
- Develop a vocational learning framework for new entrants
- Work with partners, e.g. in safeguarding areas to set common standards.

Ambitions

3% workforce are apprentices or first entry each year

90% of posts filled in 3 months; (advert to appointment) by 2015

Activities

apprentices in 2013-14, increase trainee opportunities, career pathway tools, improve methods Revised back office system - set common standards - best advertising practice - engage 100 and outcomes of selection.

Resource management

Ensuring we use every penny as if it were our own through striving to do things better.

Objectives

- Maximise employment of staff in directly managed services.
- Reduce reliance on agency workers and consultants.
- Maximise redeployment of staff with associated support.
- Intelligent reorganisation of structures to deliver better efficient services.
- Build confidence in how we manage staff.
- Improve employee wellbeing & manage sickness absence
- Continuous improvement and streamlining HR processes.

Ambitions

- •Agency to be no more than 5% by 2015
- •5% reduction in sickness absence each year
- All redeployees have planned support programmes

Activities

Induction arrangements – equality analysis – employee health promotion – managing matters of Controlling non staffing resources (agency, consultants) - divisional resources plans -greater discipline & capability quickly and fairly - supporting staff in reorganised services through to automation of back office transactional tasks - increase in e-learning offer - comprehensive mplementation.

Employee development & career opportunities

Develop people's skills & knowledge so that they enjoy productive careers & deliver innovative high performing services and excellent customer care.

bjectives

- Reinforce liP¹ standards.
- Dynamic departmental learning & development plans
- Deliver a comprehensive suite of corporate training (notably customer service) and maximise e-learning offer.
- Increase "grow your own"; trainees & access posts.
- Provide tools to support career pathways and breaking down barriers for those under-represented.
- Support staff through organisational change.
- Provide work-life balance options to maximise employment opportunities.

Activities

review use of development standards - promote flexible working - redeployment opportunities interview/selection training - structured change programmes - career planning tools - structured Learning & development plans – optimise learning management system - housing academy – support programmes to enhance careers.

1 liP - Investors in people

Ambitions

- Attain IiP gold 2014
- 100% front line staff have customer services training by 2015

Reward, recognition & support

Pay & non financial rewards are powerful motivators of our staff. They must be fair, seen as fair & robust to external scrutiny.

Objectives

- Recognise the good work our staff do.
- Continue to pay London Living Wage as a minimum.
- Support the lower paid by applying minimum award (£250 for under £21,000 full-time).
- Manage expenditure & create "feel fair" environment.
- Publish an approved annual pay policy.
- Promote benefits of working with the Council.
- Promote membership of Local Government Pension
- Ensure market sensitivity of pay packages for hard to fill posts

Activities

Market intelligence of pay – promote whole employment offer; leave, work life balance, training saying thank you to our employees - publicising individual / team achievements excellence awards - robust controls on discretionary elements of pay – review potential of "no cost" benefits for staff -target communications on pension benefits.

Ambitions

- Reduce non pension membership by 25% by 2015
- Achieve LLW in all contracts by 2016

Employee engagement & communication

Employees must trust the organisation and be committed to its goals. They must be empowered to believe their views count and will be acted upon.

biectives

- Respond to key findings of the staff survey 2013.
- Senior and Middle managers actively engage with their staff on the range of key issues
- Deliver effective internal communications which reach all staff.
- Encourage channels for feedback of staff members' views.
- Ensure effective industrial & employee relations especially to undertake meaningful consultation at times of change.
- Deliver training in team settings to secure commonality of understanding and consistent application.

Ambitions

- Improve staff
 satisfaction on key
 measures by 10% in
 survey 2015
- By end 2014 all staff will have the opportunity to meet their Chief Officer and portfolio member

Activities

Action plan staff survey 2013 - reviewing use of Source and other IT communication channels top manager listening groups - setting standards on team meetings and structured conversations – team based customer care training – delivering consultation.

Identifying & developing leaders

Employ & develop managers who can demonstrate the courage, energy & capability to deliver organisational goals, and in partnership with others

biectives

- New governance arrangements for senior management activity and decisions.
- Roll-out of refreshed management development standards.
- Develop those in feeder posts for managerial roles (succession).
- Support & facilitate staff to gain promotion; increasing representation of people from BME communities in senior posts.
- Introduce accredited line manager training.
- Ensure all training is linked to business objectives.

Ambitions

- Increase the proportion of BME top managers by 10% by 2015
- All middle managers to have attended accredited training by 2016

otivition

standards - Southwark as an ILM accreditation centre - redesigned development programme Modernise groups – broader CMT membership - Leadership Group – defined development for middle and line managers – development framework – new induction arrangements.

Item No.	Classification:	Date:	Meeting Name:
12.	Open	22 October 2013	Cabinet
Report title):	Increasing Tenant and Homeowner Participation in	
		the Delivery of Council Housing Services	
Ward(s) or) or groups All		
affected:			
Cabinet Me	Cabinet Member: Councillor Ian Wingfield, Deputy Leader and Ca		d, Deputy Leader and Cabinet
		Member for Housing Management	
			-

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

The Independent Housing Commission (IHC) produced a challenging report in October 2012 which the council then consulted extensively on with residents of the borough. The findings of that consultation, and subsequent next steps, were reported to Cabinet at our meeting in July. I am delighted to present this report about how we can increase tenant and homeowner participation in the delivery of council housing services as one of the agreed actions from that meeting.

Residents of Southwark rightly demand first class services from the council. Although the past three years have already seen the council make major strides towards delivering a much improved housing service for its residents, we believe that we can still do much more to improve satisfaction levels and meet residents' aspirations.

It was clear from the findings of the IHC that residents want a much greater say in the delivery of the housing service. We already have strong evidence that the tenant management service model is one that can meet these aspirations. The council is strongly committed to the development of more tenant management organisations (TMOs) across the borough. We can deliver this by growing the existing high performing TMOs as well as helping residents develop new TMOs.

However, the tenant management model is sufficiently flexible to enable different degrees of management responsibility, dependent on the appetite of residents themselves. This doesn't always have to mean a fully standalone TMO, but can include lighter touch structures that enable residents to have a much greater say in how services are delivered and financed and what the priorities should be for their area.

This report sets out the direction of travel to enable different areas of the borough to develop localised approaches to tenant management but also to increase the quality of resident involvement in all areas of council housing services.

RECOMMENDATIONS

- 1. That cabinet tasks officers with exploring the options for increasing tenant and homeowner management of and involvement in council housing services as set out in paragraphs 26 35 in consultation with residents.
- 2. That work is undertaken to identify suitable estates, subject to the provisions of paragraph 53 (a-b), which can be transferred to the management of existing

tenant management organisations (TMOs) should the residents so wish. Any proposal in this area would utilise the voluntary development process already established.

- 3. Where the number of properties wishing to join an existing TMO exceeds the percentage proposed in paragraph 53 (a-b), that the tenant management initiatives (TMI) team in the Specialist Housing Services division develop a shortened process, under the provisions of the Right to Manage regulations 2012 (paragraph 20 post refers).
- 4. That the strategic director of housing and community services ensures that there is a clear route of progression for any residents group which wishes to provide one or more element of a landlord service themselves.
- 5. That officers undertake promotional work on tenant management across the borough, specifically targeting areas not yet represented in existing consultation and participation forums.
- 6. That work is undertaken to identify and map individual street properties located in the vicinity of existing TMOs and to seek agreement with residents for future management functions to be carried out by an identified TMO (paragraph 63 post refers).
- 7. That officers promote the take up of the 'Community Cashback' scheme with residents groups in the borough and utilise available funding from central government to devolve limited housing functions to local residents groups (paragraph 64 post refers)
- 8. That officers undertake a continued project that seeks to identify where it is appropriate for new homes, developed under the initiative to build 10,000 new council homes, to be either under the management of existing TMOs or to create new TMOs from the outset as the new homes are let (as set out in paragraph 66).
- 9. That cabinet notes the proposed approach to increase resident involvement, both in the short and long terms, as set out in paragraphs 36 51, and tasks officers to work up options for further consideration by the cabinet.

BACKGROUND INFORMATION

- 10. On 13 December 2011, the council's cabinet made the decision to establish the independent commission on the future of council housing in Southwark. The commission's brief was to explore options for the future financing, ownership and operation of the housing stock in Southwark beyond 2015/16. The report of the independent commission was presented to the council cabinet in October 2012 and it set out the Commission's views on the challenges Southwark faces in creating, sustaining and maintaining housing provision to meet the growing needs of the borough's residents over the next 30 years.
- 11. In December 2012, the cabinet agreed a wide ranging community engagement plan on the key issues raised in the commission's report. This encompassed not just those living in the council's stock, but also other residents who may, for example, be living close to Southwark's estates, or who are registered on the housing list.

- 12. On 16 July 2013, cabinet were presented with the report *Independent Housing Commission Conclusions and next steps following community and stakeholder engagement.* This report laid out the findings of the wide-ranging housing commission community engagement. Through the engagement process residents were asked their views on three key questions: who council housing should be for and for how long? How much council housing should we have? And how should we manage our council housing services. This report focuses on the council's response to residents' feedback on this last question.
- 13. The following table shows the most popular answers given by the residents who responded via the open questionnaire.

Rank	How should council housing services be managed?	
1 st	Should be council managed	
2 nd	Increase resident involvement	
3 rd	Explicitly wants more TMOs	
4 th	More partnerships	
5 th	By combination of TMOs, council and partners	

14. The report of the Futures Steering Board also made specific recommendations in relation to the council's future approach to resident involvement in particular:

Recommendation 7: this is the start, not the end. The FSB is extremely keen that this report, and the wider engagement, marks the start of a conversation about the future of housing in the borough. Beyond its July meeting, Cabinet should set out a clear roadmap for the next few months and beyond showing how residents will continue to be involved in mapping out the future of housing in the borough, working alongside officers and councillors.

Recommendation 8: while not directly connected to this piece of work, FSB members feel that there is a role in Southwark's future housing management model for greater co-regulation of its housing services, notably through the establishment of a resident scrutiny panel/committee that would work alongside existing structures. The scrutiny function would give residents the chance to work closely with staff to look at how services can be improved.

- 15. In response to this feedback, the cabinet approved a number of recommendations, including instructing the strategic director of housing and community services to bring back proposals to cabinet on how to increase resident involvement in managing council housing and, in particular, how to encourage more tenant management organisations.
- 16. Southwark has an excellent reputation nationally for tenant management. It is widely recognised as a leader in the field with a strong tenant management team and officers who are widely respected amongst their peers. The borough has a strong history of tenant management. At the annual conference of the National Federation of Tenant Management Organisations (NFTMO) in 2013, Southwark received the award for the most supportive landlord. The largest TMO in Southwark, Leathermarket JMB, has been similarly recognised for innovation with the development of the self-financing initiative.

- 17. Leathermarket Joint Management Board (JMB) was established on 19 August 1996. The JMB provides a housing management service to 1451 tenanted, leasehold and freehold properties on behalf of the council. They do so under the Right to Manage regulations 1994 and a management agreement dated 9th October 1996 (varied in May 2008 to allow direct employment of staff). The JMB is a company limited by guarantee controlled through a Board of Directors. The Directors are nominated by the five Tenant and Residents' Associations within the area covered by the management agreement, and are endorsed at the Company's Annual General Meeting.
- 18. Self financing is the reversal of the methodology used to calculate management allowances for TMOs. Leathermarket TMO is the first TMO in the country to enter into a unique arrangement with the council, which means that the JMB retains the £6 million rent and service charge it collects and pays the council for servicing the housing debt and for the central services it provides e.g. pest control, Home Search, legal services etc. It ensures that residents have total control over planning, services and stock investment.
- 19. The council has devolved to the JMB total control and responsibility for budget and service planning. The JMB is responsible for operational and strategic housing management and services functions to support and fund the full implementation of its 30 year asset management strategy and JMB self build affordable homes programme to meet local housing need.
- 20. Despite the regulations governing the Right to Manage (RTM), which were initially introduced in 1994, being updated in 2008 and 2010 with the intention of speeding up the development process and encouraging the development of more TMOs, few TMOs have been successfully developed over the past ten years. The bureaucracy which has accompanied the revisions has effectively negated any gains achieved by the streamlining of the regulations themselves.
- 21. Southwark is one of the few authorities nationally where TMOs continue to be developed and at the current rate of progress we anticipate an additional 750 homes becoming managed by TMOs by the summer of 2014.

KEY ISSUES FOR CONSIDERATION

22. While the comments received during the housing commission community engagement made clear residents' preference for increased involvement, how, and the extent of that involvement vary widely. For example while some saw tenant management organisations as key to any future service delivery...

"I am a tenant at a TMO and I couldn't be happier. I think devolving more housing services to TMOs and Housing organisations will give tenants some sort of ownership over the decisions made about their homes". [Housing Commission Survey respondent, May 2013]

...others, while agreeing that there should be more tenant and homeowner involvement, were cautious about the potential negative consequences of tenant management organisations and felt that the council and residents should work together more to deliver services.

If the council and tenants could work together and discuss the problem together, I believe they will be able to resolve the problem as to how council

housing should be managed. "[Housing Commission Survey respondent, May 2013]

- 23. Any approach to increasing resident involvement in the management of council housing services has to acknowledge one central premise— that one size does not fit all and as such the council must develop a menu of options, which, in consultation with residents can be adopted and agreed on a localised basis. The proposals contained within this report are therefore divided into four key categories:
 - i. Increasing tenant management of services via the use of tenant management organisations.
 - ii. Exploring in consultation with residents what degree of increased tenant and homeowner management of services is appropriate in Southwark, noting that there may be a mix of approaches to this depending on residents views and the detailed circumstances.
 - iii. Improvements to resident involvement delivered in the short term.
 - iv. Improvements to resident involvement delivered in the long term.

Increasing tenant management of services via the use of tenant management organisations

- 24. With over 3,500 homes currently managed by TMOs, and a further 750 in development, there are few authorities who can match Southwark in terms of the number of homes under tenant management. These homes are currently managed by 13 tenant management organisations (plus 3 developing) which range in size from 40 homes to almost 1,500. The range of services delivered by TMOs is similarly varied but usually encompasses the cleaning, repairs, tenancy management and rent collection functions. With the exception of Leathermarket JMB, major investment programmes are retained by the council. In recent surveys results show that tenants of tenant managed homes have satisfaction levels 14 percentage points greater than those in homes directly managed by the council.¹
- 25. The development of the self-financing arrangement with Leathermarket JMB has seen Southwark at the forefront of tenant management development in recent years and the borough recently led on the production of national guidance for landlords on developing TMOs.

Developing options for increasing tenant and homeowner management of services

26. There are a range of options for increasing tenant involvement in the management of council housing. At one end of the scale there are light touch approaches such as surveys, complaints and feedback through ward councillors. In the middle of the spectrum are approaches like service review groups similar to those currently in operation in Southwark that help to shape and improve services such as repairs. At the other end of the scale is full blown devolution of budgets and/or service planning and delivery to panels of residents working in partnership with the council or full control of housing services as represented by the TMO and JMB models. In most cases what will be appropriate is a stepped approach to self-management where residents

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¹ Housing and community services satisfaction survey 2012

want this. The experience of developing TMOS shows that what is needed is an approach that over time builds the capacity and provides the support to residents to ensure that they succeed in the longer term.

- 27. The success of tenant management in Southwark provides some evidence for increasing the level of devolved control given to residents across the council's housing stock. What matters is residents appetite and capacity to take this on. As is stated above the central premise is that one size does not fit all and this work is about developing the full menu of options for residents so that the council can work with them on the most appropriate mechanism(s) for increased resident involvement in each circumstance.
- 28. Despite changes to legislation intended to reduce the time taken to develop TMOs there has been limited success in attracting new groups to initiate their Right to Manage (RTM) either locally or nationally. Southwark, with three developing groups, is one of the more successful authorities in this respect it is notable that no new groups have emerged since 2009.
- 29. In response to the findings of the Housing Commission, and in line with stated council policy, this paper considers ways in which more control of the housing service can be devolved to local residents through the creation of an environment more conducive to residents' developing TMOs in Southwark.
- 30. In seeking to develop a more devolved empowerment structure for residents the council is moving away from the traditional management structures for social housing.
- 31. One issue that will need to be considered as part of exploring the options concerns the design and implementation of any new structure and its relationship with the current involvement structures employed by the council. Consideration needs to be given as to how the resident body across Southwark can influence the design so as to maximise its impact in different areas of the borough.
- 32. In considering the options it is not proposed to bring forward options that lead to a reorganisation of the staffing structure of the housing and community services department. The proposals would only look to implement changes to the strategic management of the department through greater localised resident management/involvement.
- 33. One possible option for further consideration is to build on the successful devolution of decision making to the council's community councils structure to establish a structure that builds on the existing area housing forums where, decisions on local housing priorities from major works to estate cleaning could over time be devolved to resident led management boards. See paragraphs 68- 72 for consideration under policy implications.
- 34. It should be noted that in their recent finance and housing stock options appraisal, Savills highlighted a number of key next steps required if local strategic decision making structures are to be introduced:
 - The establishment of an overarching framework of governance to ensure the development of local decisions while managing the impact on the overall housing revenue account.

- A policy framework for decisions on how a local management area is defined. These areas must make sense to residents on the ground, and must be of a scale and with a balance of properties which enable viable proposals to develop. The area based asset analysis work identified above may be one way of ensuring that viable property portfolios are established, alongside appropriate levels of debt and funding to sustain long term improvement. This needs to sit alongside resident engagement to ensure these areas reflect existing communities and will enable the establishment of a clear local focus which balances the views of tenants and council homeowners.
- Resident engagement which allows each area to explore options for the management model that suits their appetite for involvement and partnership, drawing up local service standards to inform any contractual arrangements required. The balance of leaseholder and tenanted stock in each local area will influence the culture of the management service developed.
- A programme of soft market testing, visits to other providers, and in the case of external partners, procurement, with resident involvement.
- The establishment of a service structure, with local delivery alongside shared support services, enabling the financial strength of the HRA to be maintained, while devolving delivery to a local level.
- 35. This report therefore recommends that cabinet task officers to consider the issues as per paragraphs 26-34 and report back to cabinet in February 2014.

Improvements to resident involvement delivered in the short term

- 36. In March 2013, after consultation with tenant and homeowner representatives, the council published its revised resident involvement strategy (Appendix 1) with an overarching objective that all residents are able to have a genuine say, and where appropriate, control over the services they receive. Central to the strategy are five key aims.
 - i. We will engage with residents in achieving our key departmental objectives

 for example a key housing and community services department objective is to improve the council's repair service as service users, residents are best placed to advise the council on such improvements and their input is crucial to the council's success.
 - ii. We will increase overall resident engagement the more residents who get involved the more we understand the different needs of our tenants and homeowners, and we can ensure the services the council provides meet those needs. This includes reaching and actively engaging our residents across the protected characteristics of the Equality Act 2010.
 - iii. We will introduce new ways for residents to engage the council has a strong and hardworking formal consultation structure but one size does not fit all. While one resident may prefer to make their views known to the council via a formal meeting another may rather take part in a short online survey or mystery shopping exercise. It is important that we broaden the menu of engagement options to reach out to our increasingly diverse residents.
 - iv. We will deliver better quality engagement both by making sure residents have the tools they may need to hold the council to account such as training or peer support but also by ensuring a consistent quality of consultation and

engagement across the council as a whole.

- v. We will demonstrate the value of our engagement by working more in partnership with the voluntary and community sector, by attracting external funding and supporting tenant and homeowner groups to do also as well as ensuring ongoing assessment and reflection of all our resident involvement activities we will seek to show not just the financial value of our work but also the social.
- 37. In response to residents' desire for increased resident involvement, officers, in collaboration with housing and community services department managers, have prepared a draft action plan which sets out key actions which, when delivered will go some way in successfully meeting the 5 key aims above. The actions, in the main, can be delivered in the short to medium term of the next 12 months. The draft plan includes the following key actions.
- 38. **Embedding resident involvement as a performance improvement tool** all agree that residents, as service users, are best placed to identify the strengths and weaknesses of our services as well as make suggestions for improvement. We will plan to ensure resident involvement is a core aspect of any review of a service, policy or procedure. For example we will ensure that our sheltered housing tenants play a key role in the 6 month review of the new sheltered housing structure. Similarly when we look to review our housing operations anti social behaviour processes we will commit to engaging directly with council tenants and council homeowners who have experience of the current system.
- 39. **Improving the formal consultation structure** To ensure the maximum numbers of residents are involved in the formal structure, and benefit from the funding available, the council needs to ensure the system works for residents first and foremost. This may involve looking at anything from reviewing the standard model constitution used for tenant and resident associations (TRAs) to remove barriers of onerous qualification criteria [thereby decreasing the burden on those who join the tenant and homeowner movement] thereby increasing the number of resident able to access the funding to reviewing the awarding mechanism of other funding streams such as the joint security initiative to improve efficiency and in turn the number residents who can benefit from them.
- 40. Making resident involvement a core work area for all housing community services department staff— officers specialising in resident involvement will support colleagues across not just the housing and community services department, but the council as a whole, to spread best practice consultation and engagement tool including Participatory Analysis. Resident involvement will also be considered as a key component of all frontline staff with further training provided for example in the area of area housing forum support.
- 41. **Identifying gaps in resident representation** we will introduce a structure of estate/block representatives in geographic areas which lack representation due to the traditional absence of a tenant and resident association; this includes for tenants and homeowners living in street, rather than estate, based properties. Furthermore, we will undertake two research projects. Firstly one on the barriers to involvement in our current formal consultation structures facing young people. This will be followed up by the production of a guide to consulting and engaging with our young tenants which will be drafted by young people themselves with support from resident participation officers. Secondly,

using the 2011 Census data as a baseline we will undertake analysis of the demographics of all residents who we consult or are involved. Where any demographic group is under-represented we will work with that group to put in place actions that increase their participation.

- 42. **Increasing the use of social media** we will set up a pilot Southwark resident involvement Facebook page with three key aims, that of sharing information with tenants and council homeowners regarding engagement opportunities, encouraging tenant and leaseholder representatives to use social media and finally to encourage peer to peer support between TRAs. We have set ourselves an ambitious target of increasing the number of council tenants and homeowners via social media by 500.
- 43. **Provision of clear accessible information –** in collaboration with our tenants and homeowners we will audit the resident involvement information and tools that are available on our public website. By improving the range and quality of information available, for example introducing online toolkits for residents to use when setting up a TRA, we can further increase residents' ability to participate, similarly we will review the resident involvement information given to tenants at their six week settling visit so new tenants understand the opportunities for involvement and the benefits getting involved on their estate and/or block can bring.
- 44. **Feedback, feedback** we will commit to ensuring that residents understand the value of engagement and the time they have donated. For example, if a resident completes a satisfaction survey we will always report back to them the result of the survey and the actions the council plans to take.
- 45. It is envisaged that the draft action plan and the actions outlined above will be presented to tenant and homeowner representatives for comment and recommendations for additions or amendment throughout September and October. It is hoped that this consultation will result in an even more challenging action plan which meets the needs of all our tenants and homeowners.

Improvements to resident involvement delivered in the longer term

- 46. To complement increased resident involvement in decision making as detailed above, the council could consider how best resident scrutiny can work in Southwark. The introduction of a resident scrutiny function was supported by the tenant and homeowner steering group the Futures Steering Board. While the council has already take small steps in this direction with the creation of the Performance Review Group a group of council tenant and homeowners who examine in detail performance data from the housing and community services department, officers are seeking approval from cabinet to explore other more wide ranging models in partnership with residents.
- 47. One example of this is resident scrutiny. Resident scrutiny supports the idea of self regulation as detailed in the Tenant Services Authority's [now Homes and Communities Agency's] *The Regulatory Framework for Social Housing in England from April 2012,* resident scrutiny is a simple premise residents hold their landlord to account by scrutinising their performance and/or decision making. However, in reality where resident scrutiny has been introduced by social landlords, local authority or otherwise, the functions and powers

bestowed vary wildly.

- 48. For example, in some local authorities and housing associations it is as light touch as a small group of residents being presented with, officer selected, performance data. On the other end of the spectrum there are resident scrutiny panels which have the same scrutiny powers (that of requesting persons, papers and evidence) and functions (such as monitoring service delivery, scrutinising performance and decision making; establishing priorities for reviewing performance; and directing and overseeing scrutiny activities) as traditional member led scrutiny committees.
- 49. The relationship between any such resident scrutiny panel and a current formal member led scrutiny structure could also vary widely. Two such bodies could operate entirely separate from one another or there could be formal requirements for joint working embedded into the council constitution (or other relevant official document). Similarly, resident panel members could be elected borough wide by all tenants and council homeowners, or nominated via established structures.
- 50. As there is such broad scope for what resident scrutiny could look like in Southwark, it is recommended that Cabinet task officers, in consultation with residents, to consider and propose potential models for introduction in Southwark.
- 51. Regardless of what models are proposed, our future approach to tenant scrutiny will be based on the specific principle that the priorities and views of tenants and council homeowners should be at the heart of our framework for directing, monitoring, assessing and modifying our performance and services. Research demonstrates that successful organisations in any sector have a common theme they know, understand and respond to their current and future customers. They do this by engaging with and involving service users, because this is aligned to their organisational strategy and there is a business case for involvement and engagement.

Policy implications

- 52. The proposals in this paper support the Fairer Future Principles of:
 - Treating residents as we would wish members of our own family to be treated
 - Being open, honest and accountable
 - Spending money as if it were coming from our own pocket
 - Working for everyone to realise their potential
 - Making Southwark a place to be proud of

Community Engagement Framework

- 53. In December 2012, the cabinet approved a community engagement framework that contained 9 key principles the council will use in carrying out community engagement activities, these are:
 - i. Be clear about what the scope of our engagement is, whether we are communicating, consulting, deciding together or acting together.
 - ii. Engage when we know it will make a difference, when there is a real opportunity for people to have an impact and influence decisions on issues

- that local people care about.
- iii. Engage at the right time, at an early enough stage for there to be an opportunity to genuinely influence a policy or service
- iv. Allow sufficient time for good quality engagement to take place.
- v. Be clear about what we are asking, what opportunities there are to shape services and be honest about what can and can't be achieved.
- vi. We will ensure that our engagement is accessible and targeted to those it needs to reach using a variety of engagement methods to broaden participation and overcome any barriers people may have in engaging with us
- vii. Aim to engage as widely as possible so that we increase engagement with those who are not already in touch with the council.
- viii. Tell people what has happened as a result of their engagement.
- ix. Our engagement will build the capacity of the community to deliver services where they can do this better than us, and being prepared to take risks and try out new ways of working. Where we can we will devolve responsibility and power to the community to deliver

Housing Act 1985

- 54. Under the Housing Act 1985 the Council has the ability to delegate control of the housing service to a housing co-operative (e.g. TMO). One proposal for consideration is to identify blocks/estates which could be incorporated within existing TMOs in Southwark, with the agreement of both the TMO and residents of the block/estate. In order to do this it is proposed that;
 - a. this is limited to estates/blocks of no more than 20% of the size of the existing TMO. In this way Kennington Park House (40 homes) could only look to 'add' 8 homes to its management whilst Leathermarket JMB (almost 1500 homes) could consider areas up to 375 homes.
 - b. the council would only agree to this taking place with TMOs where it is satisfied that an agreed quality threshold in their performance has been met.
- 55. Whilst the proposal in paragraph 18 can be undertaken entirely under the voluntary route introduced by the 2008 Right to Manage regulations, it is suggested that LB Southwark seeks to develop a shortened version of the statutory RTM process for estates above the 20% limit suggested above, to join existing TMOs. The figure of 20% is considered by officers to be one above which the nature of the existing TMO will be sufficiently altered as to require the greater certitude of the RTM regulations
- 56. Officers do not believe that this proposal falls outside of the existing regulations and statutory guidance but would engage with DCLG in order to reach agreement on the process to be followed in such circumstances. In addition, a precedent exists in that LB Lambeth have used this method in the past and officers have obtained guidance from DCLG in this matter previously.
- 57. The current RTM process seeks to establish independent companies capable of delivering the areas of the housing service that the TMO wishes to manage. If a block/estate wishes simply to be managed by an existing TMO then the level and depth of competency required is drastically reduced. Development work would be confined to ensuring residents were aware of a proposal and the

implications of the management of their homes being undertaken by a TMO, and a simple ballot to approve the decision. Crucially any change to the process, which has emerged mainly through custom and practice, can be accommodated within both the Right to Manage regulations and the statutory guidance which accompanies the regulations. In joining an existing TMO much of the work required in the current development phase can be ignored (e.g. incorporation of a company, development of a new management agreement, development of a business plan etc.) Similarly work during the implementation phase, such as the provision of a TMO office and employment of staff can also be bypassed, although there may be TUPE implications in the case of larger estates.

- 58. In some circumstances, e.g. where the new block/estate will have a reserved number of places on the TMO board there will be a need for development of the capacity of residents but this could be achieved post transfer ballot as part of an induction process that the TMO will carry out for all new board members.
- 59. The council would again expect to put in place a quality threshold to ensure that only high performing TMOs are permitted to expand in this manner.
- 60. Experience shows that government (DCLG) will need to 'buy in' to this proposal for it to be successful but, with the success of the self-financing initiative, officers believe that there is a high possibility of an agreement being reached.
- 61. In order for either of the previous proposals to be effective a much greater emphasis on outreach work to estates, particularly those with no TRAs, is required. The establishment of a clear growth of involvement through existing structures is essential to clearly promote tenant management as an option supported by the Council. In order for this to be successfully, and consistently, applied, colleagues within Community Engagement division will need to be fully aware and briefed on the availability of the RTM regulations and the Councils policy to actively encourage the growth of TMOs.
- 62. Presentations have been made to T&RAs through the Area Housing Forums with some success. Whilst such presentations can be repeated they are limited to the T&RA representatives who attend these meetings. This doesn't address the remaining committee members. It is only the support work delivered to TRAs through the Community Engagement division which can ensure the consistent promotion at TRA level.
- 63. In order to kick-start the referral process as outlined above it is proposed to engage an independent company experienced in the area of tenant management, to consult with residents across the borough and identify a minimum of two groups who are interested in exploring the option of tenant management by the end of the current financial year. The company would be overseen by officers of the council in the TMI section. To drive this initiative forward, a working group would be set up in conjunction with Community Engagement and Housing Operations officers to develop a model whereby interested groups can receive the appropriate information and support to develop tenant management in their area.
- 64. Across the borough there are many street properties which are not readily identified as being part of a current estate or block. Subject the views of residents, the council could identify street properties that are obviously not

aligned to any estate to either form a new TMO or join an existing one. Often isolated from mainstream housing services TMOs offer the advantage of a localised service and are able to build up a degree of knowledge that is difficult to replicate through a centralised approach. Street property specific TMOs could enable the delegation of repair budgets to a level beyond that to which the council is capable of achieving and enable residents to control, expenditure more effectively.

- 65. It is proposed that the Tenant Management Initiative team (TMI) identify areas undergoing extensive regeneration and seek to utilise government funding through the Tenant Empowerment Programme (known as Exploring the Options) to enable resident groups to consider the full range of involvement options available to them within Southwark. There is no obligation on residents to accept this but should tenant management be the desired outcome the groups will then be supported to serve a Right to Manage Notice and through the development phase to establish a TMO. Even where the group decides not to pursue tenant management the project will be able to provide external financial support to develop the existing TRA.
 - a. Additional small grant funding (up to £3,000 per project), known as Community Cashback, is available to groups who wish to take on a specific service below the European procurement threshold and can be used to finance the establishment of a Local Management Agreement (LMA). This would see a local group take on the responsibility for a single service element e.g. block cleaning and has been shown to assist in the development of TMOs to deliver a wider range of services in the longer term. Control over one service area can lead to increased levels of satisfaction overall.
 - b. The Community Cashback scheme has recently been launched and the government are keen to see this scheme taken up by local communities. To support this three Regional Meetings are being programmed form Autumn 2013 and Southwark has been approached to host the London meeting to be attended by senior officers from the social housing sector across London and the South East and which will be attended by the Under Secretary of State for Communities and Local Government, Don Foster MP.
- 66. The Council is currently embarking on a programme of development to deliver 10,000 new Council homes by 2043. Consideration could be given to ensuring that larger developments (over 25 units) are set up from the outset as a TMO where residents want it. Smaller scale developments could be devolved to the control of TMOs as is proposed for the development in Long Lane, SE1. Crucial to delivering these homes is the ability of the lettings policy to enable existing local residents to access the new homes and the ability to ensure that the tenants have a high degree of 'co-operability' i.e. that they are committed to the ethos of residents delivering local services to their homes. Where these developments fall within the immediate proximity of existing TMOs those TMOs should be allowed to assume the new homes within their portfolio. As noted above it would not be appropriate or possible to impose this on residents in every case. They key is to identify places where it would work.
- 67. The growth of tenant management and the devolution of control over areas, such as repairs expenditure, to a local level, enables residents to achieve

greater satisfaction with the services they receive, as has been evidenced by tenant surveys in 2010 and 2012. In addition the ability to control expenditure is popular with leaseholders as all expenditure is directly reflected in the service charge. This should form part of the consideration of longer term options for increased resident involvement/management.

- 68. In considering changes to the internal arrangements to involve residents in the devolved control and oversight of management performance for an agreed area a substantial amount of consultation is required. As there is the potential with this model to fundamentally change the relationship with residents in Southwark a substantial level of detailed consultation is required to ensure that all residents, not least those represented in the current involvement structure, have an opportunity to contribute to the final structure.
- 69. Considering the options could include looking at building on the community councils or existing area housing forums to support residents to be more involved in their local housing services on a geographical basis. It could also consider other alternatives, such as considering street properties and/or small blocks as one or more internal TMO. The optimum level in terms of property numbers for a TMO is usually considered to be between 3-500 units. In terms of replicating TMO type structures within the internally managed stock this is considered by officers to be impractical due to the sheer number of structures that would be required. In aligning practicality with service provision areas of 6-7000 units is achievable. Areas of this size could enable residents to control delegated budgets and performance manage effectively without necessitating major internal restructuring to support the areas.
- 70. One possible model would see areas taking a phased approach towards establishing a resident board that as is noted above builds on the existing structures to oversee performance and determine local priorities. Whilst contracts would continue to be held locally there would be a need to ensure that sufficient flexibility was built into future contracts to ensure that areas would be able to shape the service to meet local needs. This may be in prioritising repairs differently or in introducing other local services. In order to achieve this each area could receive delegated authority to establish local budgets. It would however be necessary to ensure parity between other areas of service that require consistency across the borough, such as allocations through the choice based lettings system and whatever changes were agreed this would remain as a centralised service.
- 71. At this time it is not possible to determine the absolute nature of any devolved system as this will be shaped by the proposed consultation.
- 72. In terms of the governance of any future system it is proposed that he delegation of services borrows from the modular management (MMA) agreement for TMOs which is a recognised framework for devolving services to residents and has provide the successful tenant management structure in Southwark. The modular format ill require adaptation in order to meet local needs but provides a robust starting reference for services which can be delivered and managed locally.

73. Following on from the abolition of the Audit Commission, regulation of social housing is no longer inspection based, instead delivered via a model of self regulation. The tenant involvement and empowerment standard is laid out in the Tenant Services Authority's [now Homes and Communities Agency's] *The Regulatory Framework for Social Housing in England from April 2012. This* provides the following guidance under the heading of involvement and empowerment expected outcomes (the full framework can be located in appendix 2 of this report):

Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

- the formulation of their landlord's housing related policies and strategic priorities
- the making of decisions about how housing related services are delivered, including the setting of service standards
- the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved
- the management of their homes, where applicable
- the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
- agreeing local offers for service delivery

Localism Act 2011

74. The Localism Act 2011, placed a renewed focus on localised decision making and increased resident scrutiny.

Consultation

- 75. In order to ensure that the proposals meet the needs and expectations of residents it is proposed to conduct a full programme of consultation activities based on the lessons learnt during the recent consultation of the housing commission report.
- 76. A major component of the consultation arrangements will be determining how the new structures will fit with the existing consultation arrangements through the area housing forums, tenants council and home owners council. Constitutionally, these forums were not established to undertake the range of functions that are proposed in this report and may not be suited to doing so. In order to meet the requirements of the public sector equality duty fully, membership of area committees if these were established would be open to all residents and not restricted to representatives of tenants' and residents' associations. Furthermore the composition of any new area panels may not accord exactly with the existing area forum boundaries. Initial thoughts are that the current structure is better suited to scrutiny functions in the more traditional manner.

Community impact statement

- 77. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
- 78. The Right to Manage is a statutory right enjoyed by all secure tenants and issues of community impact are addressed throughout the development stage of any project initiated under current legislation. The proposals contained within this report do not entail any amendments to existing legislation and would continue to operate within the scope of the existing RTM regulations and statutory guidance. Officers consider that by broadening the current consultation and promotion of tenant management it will have a positive impact on communities through increased awareness of existing rights. Furthermore all TMOs are required to develop and adopt approved Equalities policies. The implementation of these policies are monitored annually by officers of the TMI team.
- 79. Surveys have indicated that TMOs enjoy greater levels of satisfaction in all areas amongst the residents they manage than directly managed homes. The devolvement of housing services to TMOs is therefore seen as beneficial to all groups. Access to TMO managed homes continues to be through the council's choice based lettings scheme and all TMOs are subject to the councils' lettings policy.

Resource implications

- 80. Any increase in the number of TMOs within Southwark may have resourcing implications within the Tenant Management Initiative team but these would be offset by a decline in the number of officers required within Housing Operations to deliver the services assumed by a TMO under the RTM legislation.
- 81. The development of localised management structures through which residents can take strategic decisions regarding the service delivery and performance within their area may require additional resources to service but the detail is largely unknown at this point. The structures may be able to benefit from the structure in place to service existing area based forums which will minimise the need for additional staff. All areas will be expected to self-finance from devolved budgets so incurring no additional cost to the HRA.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 82. There are two routes to entering into tenant management organisation agreement:
 - (i) Right to Manage route
 Under Section 27AB of the 1985 Housing Act council tenants have a legal
 right to manage that entitles a tenants' group to set up a TMO and take on
 housing management functions on behalf of their council landlord. To
 exercise this right a tenants' group must follow a set procedure, provided

under regulations, and show, through a ballot, that they have the support of tenants and that they are competent to manage services properly. The applicable regulations are now the Housing (Right to Manage) (England) Regulations 2012. The law also states that a local housing authority must follow these regulations when it gives responsibilities to a TMO. Under the regulations anyone carrying out functions under them must have regard to any relevant guidance issued by the Secretary of State ('statutory guidance'). Local housing authorities, tenant organisations, and people who represent and support tenant management organisations should take such statutory guidance into account. New guidance has yet to be issued following introduction of the 2012 regulations. Until new guidance is issued, regard should be had to existing guidance although any changes introduced by the 2012 regulations will need to be taken into account..

(ii) Voluntary route

Alternatively the council may enter into a voluntary agreement with a TMO to transfer housing management functions under section 27 of the Housing Act 1985. Under the voluntary route, the procedure required under the right to manage regulations do not apply (although it can be used to give an idea of what can be expected in a well organised process), however section 27 requires secretary of state approval of the management agreement. Such approval has been given generally to 4 categories of agreement that includes where the agreement conforms to the current secretary of state Modular Management Agreement for TMO's. Proposals to transfer housing management functions in this way would need to be consulted on with those potentially affected. To meet legal requirements, consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken.

- 83. Should tenants want their homes to be managed, not by new registered TMO but by an existing TMO, if the existing TMO agrees to consider it and the council is satisfied with the proposal, this may go ahead as a voluntary change to the management agreement with the existing TMO. Alternatively tenants can use the Right to Manage route. In this case, this could proceed with the tenants of the 'new' area setting up a TMO and serving the council with a right to manage proposal notice and then continuing towards an agreement with the existing TMO.
- 84. As proposals develop the council must actively consider and have regard to the public sector equality duty referred to in the community impact section of this report, and comply with its consultation duties. Consideration will also need to be given to other legal issues as they arise and appropriate provision made (for example employment and procurement requirements).

Strategic Director of Finance and Corporate Services (FC13/063)

85. This report is in response to one of the findings of the Housing Commission report in relation to improving resident involvement in the management of services. The report sets out proposals for the pro-active development and expansion of tenant management organisations and for the development of a

model for local resident management of services. Resident surveys suggest that tenant satisfaction is generally higher in TMO managed properties and this lends support to the proposal to consider a model for local resident management along the lines of a TMO across the rest of the directly managed stock.

86. The initiative requires further development and whilst there are no specific financial implications arising from the report at this time, Cabinet should be aware of the need to maintain parity in the allocation of resources between TMO's and directly managed stock and ensure that the continued sustainability of the wider HRA going forward. The full financial implications of any proposals will be evaluated as they emerge and are reported to Cabinet.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Independent Housing Commission – conclusions and next steps following community and stakeholder engagement. http://moderngov.southwark.gov.uk/ie ListDocuments.aspx?Cld=302&Mld= 4549&Ver=4		Claire Linnane 020 7525 0732
The future of housing in Southwark – report of the resident engagement programme http://moderngov.southwark.gov.uk/documents/s39331/Appendix%201%20Report%20of%20Community%20Conversations.pdf	, , , , , ,	Alice Orr-Ewing, 020 7525 7791
Equality Analysis of Community Conversations http://moderngov.southwark.gov.uk/ie ListDocuments.aspx?Cld=302&Mld=4247&Ver=4	Community Engagement 160 Tooley Street London SE1 2QH	Stephen Douglass, 020 7525 0886

APPENDICES

No.	Title
Appendix 1	Southwark's Resident Involvement Strategy
	The Regulatory Framework for Social Housing in England from April 2012 (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing		
Lead Officer	Martin Green, Head of Specialist Housing Services Stephen Douglass, Head of Community Engagement		
Report Author	Lee Page, Head of Tenant Management Initiatives Alice Orr-Ewing, Resident Involvement Coordinator		
Version	Final		
Dated	10 October 2013		
Key Decision? Yes			
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Legal So	ervices	Yes	Yes
Strategic Director		Yes	Yes
and Corporate Serv	vices		
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team 10 October 2013			10 October 2013

APPENDIX 1

Resident Involvement Strategy

Foreword

I want more residents to work with us in shaping the services they receive.

Southwark has had a long tradition of resident involvement using well established resident involvement structures. We have over 130 tenant and resident associations (TRAs) throughout the borough. As well as involvement we encourage empowerment of residents. We currently have 14 tenant management organisations (TMOs) in Southwark empowered to supply housing management services to over 3,500 homes. We work in partnership with the Southwark group of tenants' organisations (SGTO) to empower residents to form tenant and resident associations and support the resident movement.

I am proud of the achievements residents have had in shaping services but in the light of economic pressures and decreased regulation it is my desire to ensure that residents are more involved in deciding how services should be delivered. As well as continuing to support our existing structures to be effective, I recognise that there is more to do to ensure we involve a wider range of residents. Involving more people will make sure services are delivered fairly and appropriately.

As a council we are committed to making a fairer future for all by:

- protecting the most vulnerable
- looking after every penny as if it was our own
- working with local people, communities and businesses to innovate, improve and transform public services, and
- standing up for everyone's rights.

As part of the housing services key commitments towards a fairer future for all we have made eight key commitments including making it easy for residents to get involved in the delivery of housing services and involving them in the design and delivery of ongoing service improvement to housing repairs service. This strategy shows how we will involve residents in delivering our key commitments and reach out much wider to make sure we hear from more residents.

If you have any suggestions or comments on how we can improve the ways we involve residents please call 020 7525 3326 or email resident.involvement@southwark.gov.uk.

I look forward to hearing from you.

Councillor lan WingfieldDeputy Leader and Cabinet Member for Housing Management

What we want to achieve

We want all residents to be able to have a genuine say and, where appropriate, control over the services they receive.

With this in mind we have set out five key aims that we will deliver through this strategy.

- 1. We will engage with residents in achieving our key departmental objectives, so that they are effectively involved in the decision making process and scrutiny of our achievements in meeting those goals.
- 2. By making sure all areas of our service engage with a wide range of residents **we will increase** the overall resident engagement.
- 3. **We will introduce new ways for residents to engage with us**, including developing web based engagement so it is easier to get involved.
- 4. Through training, empowerment and support **we will deliver better quality engagement** so that residents are equipped and able to have a more informed and constructive involvement.
- 5. By spending our money wisely, working in partnership and attracting external funds **we will demonstrate the value of our engagement** and make sure it delivers effective outcomes for residents.

Delivering the aims

To deliver our aims we will carry out the following activities, which are a summary of some of the key actions within the strategy action plan.

We will engage with residents in achieving our key departmental objectives.

- warm, dry and safe
- improvements to the housing repairs service.
- improvements to customer service and increasing on-line services.
- that charges for home owners are fair
- value for money and delivering savings
- use of housing stock and temporary accommodation
- involvement of tenants and homeowners in service delivery
- meet equality objectives.
- We will prioritise the creation of a tenant compact

We will increase the overall resident engagement

- We will make sure that there is a culture change across the whole service through every member
 of staff having a resident involvement aspect to their job.
- We will promote resident participation in estate inspections, project teams and contract monitoring meetings.
- We will reach all sections of the communities we serve. We will gather information about who we
 have engaged with and look for any gaps between the makeup of this group and that of the
 general population of tenants and home owners.
- We will include a localised resident information pack with each sign-up for a new tenancy; and with each re-assignment of the lease when somebody exercises their right to buy.
- We will ensure that equalities monitoring is part of tenancy check procedures.

We will introduce new ways for residents to engage with us

- Many of our residents are not involved in our traditional structure, so as well as seeking
 engagement through our existing structures we will offer more methods for others to engage,
 reflecting their interests and the time they can give.
- We will identify and engage with residents who will be particularly affected by changes in local and government policy.
- We will work together with residents to engage in modern ways of social networking.

We will deliver better quality engagement

- We will facilitate training, networking, good information to residents, and provide access to advice and support.
- We will develop our website as a resource for TRAs on how to access grants, training, seminars, good practice and other important information.
- We will facilitate opportunities for involvement and representation tailored for home owners. An action plan will be developed and the Home Owners Council will be consulted on this action plan.
- We will facilitate opportunities for involvement and representation tailored for people living in street properties. An action plan will be developed and the Home Owners Council and Tenants Council will be consulted on this action plan.
- We aim to increase and strengthen partnership training opportunities

We will demonstrate the value of our engagement

- We will work with the tenants' and home owners' fund management committees to review how funds are spent so they can be used to the greatest benefit to residents.
- We will work with partners to make the best use of halls so that they are an asset to the whole community.

- We will work with Southwark group of tenants' organisations to promote the interest of TRAs in a range of ways including providing capacity building support to residents.
- We will work with partners to promote financial inclusion by improving residents' access to financial capability and literacy.

Item No.	Classification:	Date:	Meeting Name:
13.	Open	22 October 2013	Cabinet
Report title:		Homeowner Improvement Plan	
Ward(s) affected:	or groups	All Wards / All Leaseholders	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

FOREWORD - COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

The Independent Housing Commission carried out a thorough and in depth review of council housing in Southwark, which was followed by an intense period of consultation with the borough's residents. One of the outcomes of that review was that the cabinet should consider how an action plan could be formulated for the continued improvement of leasehold management services for the council's 15,500 homeowners living in council property.

This report sets out that improvement plan and includes a wide range of proposals: their common thread is that they directly affect leaseholders and the service that the council offers to them. As such the plan covers the extension of the existing independent advice service and the delivery of an information centre for homeowners; a review and update of the documentation offered; and a review of the arrears recovery process. It notes that an online statement facility has been developed and is ready for implementation. It also includes three significant policy items for consideration.

The implementation of a buy back scheme will help assist homeowners who have fallen into a situation of financial hardship, while the option of fixed service charges has been investigated in line with an earlier report of the Housing and Community Safety Scrutiny sub committee on service charges. Lastly, the plan recommends a policy of selling the freehold reversionary interest in certain blocks where all constituent flats have been sold, in order to simplify the council's management commitments.

RECOMMENDATIONS

- 1. That the cabinet agrees the proposed homeowner improvement plan.
- That the cabinet notes the introduction by the maintenance and compliance division of technical officers, in line with the extra resources agreed in a previous decision of 14 May 2013. The roles will involve pre and post inspection of communal repairs and the 'real time' monitoring of accounts.
- 3. That the cabinet notes a contract variation to the existing Southwark Citizens Advice Bureaux (CAB)-run service for leaseholders to include an additional £22,000, over and above the existing budget of £26,504, enabling the provision of one full-time worker to extend the service to all areas of the borough.

- 4. That the cabinet agrees the proposal to deliver a "homeowner information centre", in order to create greater support to the homeowners' council and the Leaseholders Association of Southwark 2000 (LAS2000) in responding to homeowners' needs.
- 5. That the cabinet further notes that service for the information centre would be effected by the creation of a service delivery contract between LAS2000 and Leathermarket JMB, in line with the business plan prepared by an external consultant, and would be funded from the existing homeowner involvement budget (the homeowners' fund). The one full-time and one part-time posts created under the proposal will replace the existing two involvement officer posts, currently vacant, funded from the same source.
- 6. That the cabinet agrees to delegate authority to the head of specialist housing services, as budget holder for the homeowners' fund, to negotiate the information centre budget.
- 7. That the cabinet notes the delivery in July 2013 of a system to enable the online viewing of service charge accounts, including invoice breakdowns, by customers, and the expected delivery by April 2014 of online access to unitemised repairs details, subject to corporate decisions on the development of online services.
- 8. That the cabinet notes the proposal to update the homeowners guide in line with current policy, primary and secondary legislation, and case law. It is proposed to appoint an external consultant to lead the process, with the appointment subject to a separate gateway report.
- 9. That the cabinet notes the formation of a working group to review the current debt recovery process to ensure that it is best able to balance the requirements of the council as landlord with those of homeowners who pay service charges.
- 10. The cabinet agrees to the implementation of a buy back scheme, prioritising homeowners in danger of losing their homes because of financial hardship but also taking into account the other considerations listed in paragraph 104. The scheme is to be open to all resident leaseholders (with the exception set out in paragraph 106), not just those who originally exercised their Right to Buy.
- 11. To instruct officers to create appropriate procedures to implement the buy back scheme, including weighting the criteria set down in paragraph 104 and with relevant input from the homeowners' council.
- 12. That the repurchase price in cases where the homeowner remains in occupation be set at 40% of the vacant possession value for the reasons explained in paragraph 107.
- 13. That, in the exceptional cases where vacant possession is gained, the purchase price should not exceed open market value.
- 14. That the scheme does not extend to repurchasing on a shared equity basis.
- 15. In accordance with points 48 and 116, that a minimum capital budget of £500,000.00 be allocated from within HRA capital resources for buy-backs during the 2014/15 financial year and that this figure be reviewed for subsequent

- years once demand and resource levels can be more accurately assessed.
- To delegate approval of purchases to the strategic director of housing & community services.
- 17. That the cabinet considers whether to develop a policy to offer all leaseholders the option to surrender their current lease for a new lease on a fixed service charge basis. This offer would be a once-only offer to be kept open for a limited period.
- 18. That the cabinet notes the benefits and drawbacks of making such an offer.
- 19. That the cabinet agrees a policy to allow the sale at a discount to some or all of the leaseholders of the freehold reversionary interest in blocks where all constituent flats have been sold on long leases. This policy will reflect the changes to the general consents made by the Secretary of State pursuant to Part II of the Housing Act 1985.

BACKGROUND INFORMATION

Introduction of technical officers (communal repairs)

- 20. Communal repairs are an issue of extremely high importance to leaseholders; the most common complaints received are that communal repairs were either not done correctly or were not required. Addressing these problems should result in a substantial increase in leaseholder satisfaction.
- 21. As part of an overall strategy for transforming repairs services (also encompassing the new long term repairs contract and in-house customer services centre) the maintenance and compliance team is to introduce a team of technical officers. By taking responsibility for handling communal repairs, they will help ensure that leaseholders get value for money from the repairs service.
- 22. The matter has been subject to separate Gateway reports. Resources for the posts were agreed by Cabinet on 14 May 2013, with the consultation period ending on 28 June. Budget will be drawn from the HRA base.

Independent advice service for leaseholders

- 23. For several years the council has funded an independent advice service for leaseholders, run by the Southwark Citizens Advice Bureaux (CAB). Approved by the then Executive on 5 April 2005, it was initially launched on a referral only basis in November 2006, and began accepting direct enquiries from leaseholders in 2007.
- 24. The service permits leaseholders to receive *pro bono* advice from solicitors on service charges, the terms of their leases, and related matters.
- 25. The service has seen a high level of use. A record of referrals made by the council's service charge collection team alone shows that 94 cases were referred between 1 July 2012 and 1 July 2013; this would not include independent approaches by leaseholders and referrals from other sources. Use of the service is likely to grow as the difficult economic conditions of the past few years mean that some homeowners find it increasingly difficult to meet service charge and

other financial commitments.

- 26. Continued provision of the service is noted in the closed Gateway 2 report to the Cabinet Member for Communities and Economic Well-being, "Community Advice Services Award of contracts from August 2013 to July 2016", dated 19 June 2013. Specifically, it is noted that an amount of £26,504 for boroughwide leaseholder advice forms part of the overall budget provision.
- 27. The current provision allows for one part-time CAB worker. This necessarily limits the amount of time that can be devoted to the service, which is currently administered along with generalist advice in the east area of the Borough under the CAB's contract. A full-time post would ensure that the service can be fully extended to all areas of the borough.

Homeowner information centre

- 28. The council has historically taken a progressive approach to maintaining a relationship with homeowners on its estates. This has encompassed the establishment of the homeowners' council, the creation of a homeowners' fund within home ownership services' budget (drawn from an amount of £10 yearly per leaseholder within the management fee), the funding of the CAB-run advice service noted elsewhere in this report, and a variety of other consultative measures.
- 29. Two full time involvement officer posts were created in 2010, with budget drawn from the homeowners' fund. The remit of the involvement officer posts included developing strategies to encourage homeowner involvement; supporting the establishment of Recognised Tenants Associations (RTAs); working with providers to secure training; and supporting the homeowners council. There has also been a longer term ambition to create a permanent resource or information centre for homeowners in order to fulfill the twin aims of supporting participation and enabling access to independent advice.
- 30. The homeowners' council has raised concerns that the previous location of the involvement officers within the council's establishment of staff meant that they were insufficiently independent of the council to fully address homeowners' priorities.
- 31. It has also been noted that there is still scope to enhance the range of information, support and participation opportunities accessible to homeowners. The Housing Commission Report of October 2012 noted a low level of satisfaction amongst leaseholders with opportunities for participating in the decision-making process, albeit most were neither satisfied nor dissatisfied (para 2.4.13). On a more general level, the London Assembly's March 2012 report "Highly Charged", covering residential leasehold service charges, identified a need for advice services and welcomed the development of independent information networks "as an important mechanism for enhancing leaseholder understanding" (para 7.18).
- 32. It has been proposed that the degree of independence desired by the homeowners' council will be best served by establishing the resource centre. Home ownership services have therefore engaged an external consultant to produce a detailed business plan, in consultation with LAS2000 and the homeowners' council. This has identified that the initiative can be delivered by

one of the borough's established Tenant Management Organisations, Leathermarket JMB.

Self service portal

- 33. The provision of a self service facility, to enable homeowners to check details of their service charge accounts online, has been considered an integral part of fulfilling the recommendations of the independent Grant Thornton audit of service charges. As such it has been planned to introduce this facility as soon as possible after the implementation of the Billing and Accounts Receivable (BAR) system for service charges, which went live in February 2012.
- 34. The report of the Housing and Community Safety Scrutiny sub committee on service charges, presented in March 2012 and approved by Cabinet on 17 April 2012, also included a recommendation to make account details available on line as an extension of the BAR system.
- 35. An online access facility enabling viewing of leaseholders' service charge accounts and details of the invoices sent to them was bundled with the Northgate software used to deliver the BAR system, and was in fact delivered at the same time as that system. However it had not been made live pending delivery of the corporate "My Southwark" platform, as the latter was intended to link all of the accounts and online facilities available to residents using a single login.
- 36. A facility permitting 'real-time' inspection of repairs as they are ordered is the goal of a second phase of development. Currently leaseholders may request a full breakdown of the repairs done at the time they receive the actualised costs (around 18 months after the commencement of the financial year in question). In the event of a leaseholder complaint regarding incomplete or poor quality repairs, the fact that the repairs details are only available 18 months after the work was carried out makes it difficult for the homeowner to provide effective evidence. As such 'real-time' repairs details will reinforce the objective of securing value for money in communal repairs noted in para. 21. Whilst such a 'real-time' facility is available for tenant accounts, provision of this information for leaseholder accounts will require further scripting work by the software provider.
- 37. Delivery of the "My Southwark" platform, enabling integration of the Northgate software, is pending at the time of writing.

Homeowners guide

- 38. The homeowners guide was first produced in 2006 in response to a perceived need for a single reference which set out clearly and in detail all the rights and obligations pertaining to leasehold and freehold ownership of former council properties. Sufficient numbers were printed at the time to ensure that all owners of such properties could be sent a copy.
- 39. Since that time, numerous changes have taken place in both primary and secondary legislation. Furthermore, developing case law and changes to policy have had a substantial effect on the way service charges are billed, while departmental restructuring has resulted in some alterations to the business units and processes described. As a result the guide is in urgent need of an update.
- 40. The guide contains a substantial amount of information and any complete update

would be a major piece of work. The most appropriate method of delivery will also need consideration, given the shortcomings of maintaining a large paper-based document in an environment where policy is continually developing.

Review of current arrears process

- 41. Home ownership services staff have received some complaints from both leaseholders and Members to the effect that the current debt recovery process is too "robust".
- 42. The process has already been reviewed in January 2012 by both the Scrutiny committee and by the then strategic director of communities, law and governance; both concluded that the recovery actions were proportionate and appropriate. However, officers recognise that this is an area of continued concern and it is right that it is subject to further review. As such a further review of the process is being conducted, however this time as well as involving Members, and officers from home ownership services, the review will include homeowners themselves so that we can test the service more fully from a customer focused perspective.

Buy back policy

- 43. In 1995, as part of a package of assistance to local authority leaseholders, the then Department of Environment introduced a 'flat swap' scheme for Right to Buy (RTB) leaseholders which gave financial incentives for local authorities to buy back leaseholders' flats in order to sell them alternative properties. The Department of Environment, Transport and the Regions built on this principle by introducing (effective from 1 April 1999) new incentives for local authorities to buy back ex-council properties, sold under RTB, which are not linked to selling the resident owner-occupier alternative accommodation. The old 'flat swap' scheme was abolished despite it being financially more advantageous (but less flexible) for local authorities.
- 44. The financial incentive for housing authorities to operate a hardship repurchase scheme was increased under regulations introduced from 1 April 2004.
- 45. The original financial incentive was set down in Statutory Instrument 2003 No.3146 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. The basic incentive was that local authorities were able to pool a percentage of their annual costs, over £50,000, of administering and buying back ex council properties and offset this amount against the set aside for capital receipts. In other words, councils got to keep and reinvest more of the money received from the sale of council housing under the Right to Buy.
- 46. Southwark council's executive approved a buy back policy in March 2004, under which 6 of properties were eventually repurchased. The scheme was extremely popular and funding was exhausted by the middle of 2005. Since this time, no further funding has been made available and the policy has therefore remained dormant.
- 47. In April 2012 the government introduced a policy of 're-invigoration' of the right to buy scheme, increasing the statutory maximum discount available to £75,000.00 from £16,000.00. This amount was further increased (in London) to £100,000.00 in March 2013.

- 48. RTB receipts are now subject to revised pooling arrangements. Central Government receives approximately what it would have done at the previous sale level and old 75%-25% pooling arrangement. Southwark is then able to retain the remainder of RTB receipts, split into elements for transaction costs, previous level of corporate receipts under the old 25% pooling arrangement, a set-aside for HRA debt repayment and a remainder, 6.5% based on buyback activity and 93.5%, subject to formal agreement (the 'local delivery model' in Southwark's case), able to be used to fund new build dwellings. The buyback element is currently estimated at over £700,000 in 2013/14 and over £500,000 p.a. thereafter although this is wholly dependent on the actual number of RTB sales that complete.
- 49. Capital receipts from the sale of council flats and houses under the RTB are set to continue to rise because of an increase in sales directly attributable to the increased maximum discount.
- 50. The service charge construction and collection regime continues to take effect. In 2013/14 revenue estimate service charge billing in February 2013 was £15.9 million, with £2.4 million billed for 2011/12 actuals in October 2012. Major works billing in February 2013 totalled £10.5 million. However, the proactive collection of service charge debt (£24 million in 2010/11, £23.6 million in 2011/12 and £25.7 million in 2012/13) routinely uncovers cases of leaseholders who simply cannot afford owner occupation. This spans all demographics. Members have previously indicated that they would not want to see leaseholders lose their homes as a result of (albeit proper and thorough) debt management action. Given the pressure on the housing stock there seems little sense in allowing residents who are vulnerable and will not be considered intentionally homeless, to be evicted, often by their mortgagees going into possession, with their homes being auctioned to clear the debts.
- The council's vision for Southwark, 'A Fairer Future for All in Southwark' sets the context for how the council can better support homeowners who are currently facing financial hardship. As well as committing to 'always support and champion the most vulnerable in the borough', the Fairer Future promises include a commitment to make every council home 'warm, dry and safe'. The 5 year housing investment programme is an ambitious major works programme which will deliver the warm, dry and safe pledge. As well as improving the quality of residents' homes, for homeowners the works will increase the value of their asset. However there is a group of council homeowners, mainly elderly leaseholders, who can no longer afford owner occupation. Each year they fall further into debt and their homes more into disrepair. This situation is exacerbated by the delivery of the warm, dry and safe programme which sees service charges of over £20,000 as a regular occurrence. Indeed, on some high investment needs estates, the bills could be much higher.
- 52. Previous Government advice has emphasised that authorities should use the earlier financial incentive to alleviate the 'cost of managing leasehold property with serious service charge arrears 'and in 'helping someone whom they might otherwise soon need to re-house'. It is therefore suggested that a refresh of buyback policy, against the background of the changes to the Right to Buy detailed above, could assist homeowners in real financial difficulty and who could face the loss of their home. It is suggested that any scheme is concentrated on owner-occupiers facing financial hardship and who risk eviction and would

subsequently present as homeless. This would inevitably mean resident leaseholders with substantial service charge and other debts.

Fixed service charges

53. On 12 July 2011 the Housing and Community Safety Scrutiny sub committee agreed to carry out a scrutiny of 'leaseholder charging' (of the council's leaseholders) in the borough. At its meeting on 11 October 2010, the Deputy Leader and Cabinet Member for Housing had said that he wanted to ensure that leaseholders were being treated fairly and that it would be useful for the sub committee to investigate the issue. The sub committee co-opted members from Southwark's Home Owner Council and LAS (Leaseholders across Southwark) 2000 and reported in March 2012. On 17 April 2012 the cabinet approved the report including its 14 recommendations. One of these recommendations was that:

"The sub-committee accepts that it would be sensible to investigate further offering leaseholders the option of a fixed service charge which incorporates both the annual services charge and major works service charges. The cabinet member and director should be urged to review counsel's advice already received, make a thorough assessment of the financial implications for the council, and see whether any difficulties need to be overcome in order to make this option available to leaseholders".

- 54. The sub-committee further required that it or its successor should return to the subject of 'leaseholder charging' in twelve months to assess progress made on the recommendations contained within the report.
- 55. In the officers response it was confirmed that Home Ownership Services had held an initial meeting with the Head of Legal Services to appoint a suitably experienced counsel to discuss the feasibility of the scheme. It was agreed that if there was no impediment and the Cabinet assented, then Home Ownership Services would offer all leaseholders the opportunity to surrender and renew their lease on a fixed service charge scheme. If the scheme was to be implemented then the fixed service charge would need to encompass both the cost of providing day to day services and ad-hoc major works.

Sale of freehold reversionary interest

- 56. The Leasehold Reform Housing and Urban Development Act 1993 ("the Act") provides leaseholders with the right to collectively purchase the freehold of the block in which they live provided certain criteria are met. However, any application made under the Act must adhere to the detailed procedures set out in the legislation. The procedure is rather complicated to the extent that it is often necessary for leaseholders to incur professional fees at an early stage in order to submit the relevant notice in the correct form.
- 57. The criteria that must be met in order for leaseholders to purchase the freehold of their block under the Act are numerous and apply to both the leaseholders and the block. The most important criteria are as follows:
 - At least two thirds of the flats in the block are sold on long leases.

- The minimum number of leaseholders participating in the purchase must equal at least half the total number of flats in the block and where there are only two flats both leaseholders must participate.
- No more than 25% of the block is commercial.
- 58. As an alternative to the statutory route detailed above, the Council may dispose of their freehold reversionary interests under S.32 Housing Act 1985. Under S.32 the government sets out the situations where Councils do not require the consent of the Secretary of State before disposing of Council housing stock and land. These situations are set out in the General Consents.
- 59. Since 1985 there have been a number of versions of the General Consents and the Council has had the power to voluntarily sell their freehold interest in a block since 1994. The General Consents 2005 provided the Council with restricted powers regarding the sale of their freehold interests as any sale had to be to all leaseholders in equal shares for the best consideration that could be reasonably obtained. If the block contained tenanted flats then the General Consents stated the tenanted flats were to be leased back to the Council on 999 year leases.
- 60. There are a number of issues which arise on a sale of a freehold when there are tenanted flats in the block. Firstly, the Council will be under a duty to ensure the service charges for the block, as calculated by the new freeholder, are reasonable before paying these charges. Secondly, the new freeholders may insist on a higher standard of management for the block at a greater cost to the Council. Lastly, there are a number of legal difficulties to overcome. For example, the covenants in the lease may not match the terms of the secure tenancy and this may result in the tenant breaching a covenant of the Council's lease but not being in breach of his tenancy agreement. This would put the Council at risk as the freeholders may commence forfeiture proceedings for breach of covenant but the Council having no powers to ensure the tenant complies with the lease.
- 61. In 2006, following the Government revising the General Consents in 2005, the executive member for housing agreed delegated authority to the director of housing to:
 - I. negotiate and agree voluntary disposals of the Council's freehold interests where all the flats in the block are sold leasehold;
 - II. adopt a proactive approach to disposing of these freeholds including writing to the leaseholders; and
 - III. only dispose of its freehold interest in blocks which contain tenanted flats when required to do so and to deny the right to enfranchise if possible for the reasons stated in paragraph. 5 above.
- 62. When disposing of a freehold under the General Consents there are no requirements as to the form of notice the leaseholders must serve and no statutory time limits to meet. As a result, there is less need for leaseholders to seek professional advice prior to serving the requisite notice and costs are therefore reduced. Given the above, it is the Council's preference to, wherever possible, dispose of freeholds under the General Consents rather than requiring leaseholders to apply under the Act.
- 63. In accordance with the policy agreed by the executive member for housing, as detailed above, the home ownership unit wrote to the leaseholders of blocks

- which contained only leasehold flats in 2006 enquiring whether they wished to purchase the freehold of their block.
- 64. Despite taking a proactive approach to selling the freeholds of blocks where all the flats are leasehold there have been a limited number of sales. Between 1st April 2006 and 31 March 2013 the council disposed of 43 freeholds of blocks solely made up of leasehold flats. This represents approximately 12% of the buildings which are solely leasehold.
- 65. The premiums for the freeholds sold between 2006 and 2013 ranged between £2,000 and £14,500 and the average premium was approximately £8,500. In addition to the premium, leaseholders are required to pay the council's administration fee, which was £175 between 2006 and 2010 and is now £224, as well as legal and valuation costs for both themselves and the Council. Provided the matter is not unduly complicated the council's legal fee is currently £314 and was £295 between 2006 and 2010. The council's valuation fee is usually £500.
- 66. The premium for a freehold disposal is calculated with reference to the ground rent and the number of years remaining on the leases. If a lease has less than 80 years remaining then the leaseholder would have to pay 50% of the extra value a share of the freehold would add to the property. However, as the earliest Right to Buy leases were granted by the council in 1980 for a term of 125 years the minimum number of years remaining will be 92 years. As a result the premium will be calculated with reference to the ground rent and the value of the reversionary interest as detailed in paragraph 12 below.
- 67. An example of how a premium for a freehold disposal is calculated is set out below:

Current value	£175,000	The market value of a flat without a share of the freehold
Unexpired term	100 years	The number of years remaining under the lease
Ground Rent	£10 p.a.	
Yield Rate	6%	Investment return for the rental yield
Reversion Rate	5%	The reversion rate is used to calculate the expected value of the property on the expiry of the current lease. A 2008 legal case stated the reversion rate is to be 5%.

- 68. Prior to the disposal of the freehold of a block the Council stands to receive rent for the next 100 years and ownership of the property when the leases expire. The valuation calculation is designed to compensate the Council for both of these elements:
 - Rent the ground rent of £10 is deemed to be worth 6% less on a yearly basis until the expiry of the lease. These future payments of ground rent are therefore worth £166 today at the 6% yield rate.
 - Reversion interest this is calculated by discounting the value of the block, which if there were two flats in this block would be £350,000, by 5%, the

reversion rate, 100 times cumulatively to represent the 100 years remaining under the leases. This gives a reversion value of £2,662.

Therefore the premium for the sale of the freehold based on the above figures would be £2,828, being £166 + £2,662.

- 69. One of the reasons for the low level of sales of freeholds between 2006 and 2013 was the requirement that any sale of the freehold had to be to all leaseholders in equal shares. It was often the case that whilst one leaseholder in the block wished to proceed with the purchase of the freehold, others either did not wish to do so or did not have the available funds to acquire an equal share.
- 70. There are a number of benefits for leaseholders from owning a share in the freehold of the block in which their flat is situated. On purchasing the freehold, leaseholders will be responsible for managing the block and determining the timing, cost and contractor when carrying out repairs and major works. In addition, once leaseholders have purchased the freehold they will no longer require the council's consent when undertaking alterations to their flat.
- 71. The benefits listed above will appeal to many leaseholders who wish to make individual decisions regarding the management of their block. Many leaseholders do not wish their block to be managed by the council and be forced to utilise the council's repairs service for remedial works to the structure and communal areas and also be part of major works projects when the timing and cost is dictated by the council. Leaseholders will also benefit from it being easier to obtain a mortgage on a flat which includes a share of the freehold as mortgage companies perceive there to be less risk and therefore their property is more marketable.
- 72. Due to leaseholders having the legal right to extend their lease for an additional 90 years it is very unlikely a leaseholder will allow their lease to expire as their property would then revert to the council. In addition, there is no restriction on the number of times a leaseholder may extend their lease by 90 years. As a result, the council will be required to manage blocks made up solely of leaseholders in the future despite there being little prospect of any flats reverting to the council's ownership.
- 73. The council currently owns the freehold of 313 blocks which are made up solely of leasehold flats and is responsible for managing these blocks despite the fact that the block contains no social tenants. The management of the block includes:
 - i) Responsibility for repairs to the structure of the block and communal areas:
 - ii) consulting on and undertaking major works projects for the blocks;
 - iii) carrying out fire risk assessments for the block and any necessary works;
 - iv) constructing and collecting service charges for the leaseholders;
 - v) dealing with any complaints from the leaseholders; and
 - vi) providing consent to any alterations carried out by the leaseholders
- 74. Although the council is able to recover costs through the service charge provisions in the lease there are significant management costs in undertaking the responsibilities listed above.

- 75. The report which accompanied the executive member for housing's decision in 2006, detailed above, questioned whether the council should be managing blocks which do not contain secure tenants if they have no duty to do so. The report concluded that the council should not be doing so for the reasons set out below.
- 76. The council's primary function as a landlord is as a social landlord. The management of blocks which do not contain social housing is arguably outside the remit of a social landlord. Managing blocks with no social housing places additional strain on the council's resources, particularly the repairs and investment teams, and the cost to the council is often greater than the 10% management charge the council may add to the leaseholder's service charge demands.
- 77. On a sale of the freehold of a block to the leaseholders, the council is released from the management responsibilities listed in paragraph 73 above and the leaseholders become responsible for managing the block. Where the block forms part of an estate on any sale of the freehold the Transfer will allow the council to recover a fair proportion of estate based service charges such as estate lighting and grounds maintenance from the new freeholders.
- 78. The income the council foregoes on the sale of a freehold of a block is the ground rent (which in 99% of cases is £10 p.a.), income from permission requests, the management fee of 10% which is added to the service charge costs, the administration fee from arranging the insurance of the block, the premiums from any ad-hoc disposals to the leaseholders, such as lofts and basements, and premiums from for any future lease extensions.

KEY ISSUES FOR CONSIDERATION

Introduction of technical officers (communal repairs)

- 79. The key issues are covered in the separate report to cabinet approved on 14 May 2013.
- 80. It should, however, be noted that the current projection is for the recruits to be in place by September October 2013. This may be put back to December 2013 if the first round of recruitment does not identify a high calibre of applicants of the role.

Independent advice service for leaseholders

Policy implications

81. The support of a full-time CAB post is a continuation and extension of the council's existing policy of supporting independent advice for leaseholders.

Staffing implications

82. There are no staffing or other resource implications for Southwark. The decision has involved varying the existing contract with Southwark CAB.

Financial implications

- 83. The contract variation allows an extra £22,000 per annum over 3 years. This will be drawn from the General Fund budget.
- 84. It should be noted that the contract has already been varied, with agreement to make the funds immediately available. This has been carried out due to internal CAB staffing issues.

Homeowner information centre

Policy implications

85. The development of a resource centre is a continuation of the council's existing policy on homeowner involvement, and will reinforce the council's objective of encouraging involvement at all levels.

Staffing implications

- 86. Two existing involvement officer posts within the tenant management initiatives business unit of specialist housing services will be deleted; the posts are currently vacant. Administrative duties in supporting homeowners' council will be taken over by a post created within specialist housing services.
- 87. Under the proposal, the remaining duties of the involvement officers will be taken over by one full-time and one part-time post administered by Leathermarket JMB.

Financial implications

- 88. The budget for the proposals will be sourced from the homeowners' fund, as noted under 'Background', above. The fund is intended to support homeowner involvement and its use in this matter is supported by the fund management committee.
- 89. The business plan has estimated that, based on the current annual budget (£142,670 in 2012/13), "about £100,000" will be available to fund the information centre costs after the fund's other commitments, largely TRA contributions, have been met. The plan also estimates that revenue costs (staffing, rent, etc) will total approximately £100,000, with capital (startup) costs of an additional £11,000.
- 90. The head of specialist housing services is the current budget holder. Approval is therefore sought to enable the head of specialist housing services to negotiate the budget released for the information centre from the homeowners' fund.

Consultation

91. The proposals and final business plan have been developed in close conjunction with the homeowners' council and LAS 2000.

Self service portal

Policy implications

- 92. The provision of such a facility is a continuation of the existing policy of transparency in service charge costs, and would assist in fulfilling the recommendations of the audit of service charges conducted by Grant Thornton.
- 93. It would, furthermore, support the recommendations of the housing and community safety sub-committee scrutiny report of March 2012 which stated "steps should be taken [...] to make available online details of major works and annual service charges relating to individual leaseholders. Leaseholders would then be able to see an on-going calculation of the charges being levied and to hold the council and its contractors to account for works which are being charged for".

Staffing and resource implications

- 94. The first phase of the portal, permitting the viewing of service charge accounts and annual service charge invoices, has been developed and is ready for introduction, so no further staffing or resource issues remain. However its introduction is dependent on the "My Southwark" portal going live, so may be subject to any resource issues affecting the latter.
- 95. The second phase of development is partly dependent on the introduction of the technical officers (communal repairs) mentioned previously, as these staff will be responsible for investigating the repairs queries which will generated by the ability of leaseholders to view repairs in real time. The current timescales indicate that these staff will be in place well before the introduction of this facility.
- 96. The second phase will also require additional development resources. However as noted above, commitment will be dependent on corporate IT infrastructure development.

Homeowners guide

Policy implications

- 97. No specific policy implications have been identified.
- 98. Specialist housing services is engaging an external consultant to rework the guide and to make appropriate recommendations as to the most effective format. The work is targeted for September through October 2013.

Financial implications

99. The value of the consultancy services is less than £5,000. Accordingly the Gateway 1 report on the consultants' appointment has been approved by the head of specialist housing services, in line with the council's Contract Standing Orders, with budget drawn from the HRA carry forward.

Review of current arrears process

Policy implications

- 100. No specific policy implications have been identified.
- 101. The remit of the working group is defined as covering the council's arrears process and letters and it will not be considering wider service charge issues. However, the group will make more general recommendations on customer service as appropriate and these may encompass both written and telephone communications. Although for technical reasons it has not been possible to record calls to specialist housing services in the past, the council is currently investigating the possibility of achieving this using the telephony platform deployed at Queens Road Peckham.

Staffing and resource implications

102. Administration of the working group will be carried out by specialist housing services and will not require any additional resources. It should, however, be noted that any potential relaxation in the arrears process could have a corresponding effect on the level of arrears.

Consultation

103. It is proposed that the working group includes leaseholder representatives, representatives from homeowners council and councillors, as well as staff from specialist housing services.

Buy back policy

Policy implications

- 104. In terms of eligibility and prioritisation, no changes to the terms laid out in the original buy back policy are proposed. The proposed scheme will be administered by the Home Ownership Unit in the Specialist Housing Services Division whose staff will identify leaseholders who are facing financial difficulty and place them on a waiting list for repurchase. Priority will be given to leaseholders in immediate danger of losing their homes but the following factors will also be taken into account in assessing relevant priority:
 - age
 - disability
 - total debt
 - income of household, including an assessment of outgoings
 - future service charge liabilities
 - whether or not the leaseholders were put on notice of service charge liability when they purchased
 - suitability of current accommodation (overcrowding or under-occupation)
 - need for sheltered accommodation or social services care accommodation
 - length of time on the repurchase waiting list
 - mortgageability of property (value)
 - whether or not the leaseholder is in occupation
 - benefit to the Council (purchase price, size of accommodation etc).
- 105. It is important to note that it may not always be appropriate to wait until leaseholders are in debt to consider repurchase. Vice versa in assessing

relevant priorities, action will be taken to secure outstanding debt by way of a voluntary charge on the property until relevant priorities enable a property to be repurchased.

- 106. Any current owner occupier can remain in the property after repurchase as a secure tenant. The parameters set out above mean the scheme will only be available to non resident owners in exceptional circumstances, for example an elderly leaseholder in care. In these circumstances additional criteria will have to be taken into consideration such as whether or not vacant possession of the premises can be obtained and whether social services have put a charge on the property in respect of their residential care costs.
- 107. The governments Beacon Approach to Stock Valuation for Resource Accounting, published in 2011 gives guidance on regional variations as to the value of local authority tenanted stock. The sitting tenant (ST) value of local authority stock in London has decreased from 50% of open market vacant possession value to 25% since 2000. The changing adjustment factors reflect changes in the housing market during the period in question; it should be noted that Southwark Property adheres to the relevent adjustment factors in stock valuations, and that the Government periodically reviews them.

2000 – 50% open market value

2005 – 37% open market value

2012 – 25% open market value

Government advice states that tolerable divergence runs at +/- 5%, but even at this level (max 30%) a sitting tenant buy back scheme in Southwark would be neither attractive to home owners nor in many cases feasible even if it were attractive. The sum paid by the council to the home owner has to be sufficient for the registered property title to be returned unencumbered.

SHS has considered what other local authorities do. Lambeth's buy back policy has also been unfunded for a number of years, but when in place, the price paid for buy backs was the price the home owner paid when they first purchased the property. This approach seems to disregard normal market valuation principles and particularly the Beacon Approach and would not work in Southwark 2013 for the reasons set out in the preceding paragraph.

Camden's policy remains funded. However, Camden adhere strictly to the valuation principle set out in the Beacon Approach and apply the 25% ST value rule. On average Camden has as a result completed less than one buy back per annum since 2007. Again, a different approach is needed in Southwark.

The recommendation is that in order for the scheme to be feasible, the price payable for a lease surrender under the buy back scheme is 40% of the open market vacant possession value.

108. In return for the repurchase price, Southwark will benefit from the new rental stream and the cost of the repurchase (plus the administrative cost) can be offset against RTB capital receipts. These considerations are in addition to the benefit of preventing an often elderly or vulnerable leaseholder presenting as homeless. In these circumstances it is not proposed to set any cap on the sitting tenant repurchase price. In the majority of cases capital offset and the rent will mean that repurchase will be beneficial to the HRA.

- 109. It is proposed that the conveyancing process is carried out by the council's external solicitors, currently Paris Smith of Southampton who are already under contract to provide this service at a unit cost per case.
- 110. Although the original advice from government focuses on assistance to leaseholders facing severe difficulties, it also makes it clear that the financial incentive was still applicable if buy backs were undertaken to generate an extra property for letting. When considering leaseholders who are not in financial difficulty, it needs to be borne in mind that there may be some leaseholders who are experiencing difficulty in selling on the open market because their properties are unmortgageable and that a keen price can be negotiated with vendors in these circumstances. In addition, larger properties may become available at a price below what it would cost to acquire a similar property by other routes, such as via a social landlord. Such cases would however attract a far lower priority than assisting resident home owners in immediate danger of forfeiture and/or repossession.
- 111. Consideration has been given as to whether or not the proposed repurchase scheme should include repurchasing only a part of the owner's equity, leaving them as shared equity owners paying rent on the repurchased portion. It is recommended that at present the scheme should not include such an option because under powers conferred by the Housing and Regeneration Act 2008, the council adopted a policy in January 2010 to offer leaseholders facing large major works bills the payment option of an Equity Loan or the sale of an Equity Share to the council.
- 112. The grant of a secure tenancy subsequent to the surrender of a lease or transfer does not constitute an allocation for the purpose of the council's Lettings Policy. Members have however asked whether in time an alternative model could be introduced under which the local authority effects buy backs through at 'arms length' through a mortgage rescue type organisation.
- 113. Senior managers in Specialist Housing Services will undertake to address this as part of a wider future proposal on using private sector finance to procure units for homelessness prevention
- 114. The sitting tenant from whom the council buys back (and any future secure tenants for that matter) will still have the Right to Buy. This is an area of risk because of the recent increase in RTB discount to a maximum of £100,000.00.
- 115. Anyone who exercises their RTB a second time has a limited discount entitlement it will be limited to (a maximum of) £100,000.00 less any previous discount. When the statutory maximum was £16,000 this would have more often than not meant no further discount was available. However, with the new maximum being so much greater, it is almost certain that some additional discount will be available. One mitigating factor is that the costs of buying back (acquisition) will be fully included in the cost floor determination and this should drastically reduce the discount available for ten years after repurchase.

Financial implications

116. It is proposed that initially a sum of £500,000 be allocated from the capital resource noted in paragraph 48 above and to be agreed via the Housing

Investment Board. It is anticipated that this will be sufficient capital to repurchase 6 to 8 properties. However officers will assess the demand for buyback and will report back to cabinet on the progress of the scheme after the first 6 months of operation.

117. There will be a beneficial effect on the Housing Revenue Account from the additional rent income due from properties brought back into Council ownership.

Staffing implications

- 118. The post of Buy Back Officer (Hay 8) was not filled when last advertised in spring 2007 and was subsequently deleted under Phase 4 of the Home Ownership Services re-organisation.
- 119. There are two Acquisitions Officers (Hay 8) in Specialist Housing Services, whose role it is to administer the financial assessment process for home owners in the borough affected by regeneration and who have for re-housing assistance under the council's Lettings Policy. The assessment process is very resource intensive in terms of the time that must be devoted to each applicant and to verifying the details provided by applicants. These officers have the relevant skills and experience to administer a general boroughwide hardship re-purchase scheme. Having said this, a buy back scheme will need extra staffing resources.
- 120. The Acquisitions Officers are currently working on the live phases of the Heygate, Elmington and Aylesbury regeneration schemes. In addition an out of phase buy back scheme on the Aylesbury Estate was agreed by the Cabinet Member for Regeneration in May 2013 and will run through the 2013/14 and 2014/15 financial years. It is also likely that a further rehousing phase will commence once the Aylesbury development partnership agreement is signed in early 2014. SHS will need to re-establish the Buy Back Officer post in order to operate this general boroughwide hardship repurchase scheme. The recommendation is for a fixed-term post to be established for a period of one to two years preferably to be filled through the secondment of an appropriately experienced member of staff from within the council.

Regeneration implications

- 121. Since the 2004 Buy Back report, the Cabinet (formerly Executive) has made a series of decisions dealing with the phased regeneration of 3 Estates (The Heygate, Aylesbury and Mid-Elmington) as well as a separate decision to decant a tower block in Rotherhithe (Maydew House) in order to undertake extensive refurbishment works. Each of these decisions requires the re-purchase of leasehold and freehold interests from home owners.
- 122. The terms and the financing of re-purchase under regeneration schemes are dealt with in considerable detail by the relevant policies for each estate and accordingly it is recommended that buy backs under the scheme proposed by this paper exclude home owners affected by existing regeneration policies.

Community impact statement

123. This decision will have a positive impact on local people and communities and seeks to directly address the six strands of the council's equalities agenda. Its purpose is to address financial hardship and prevent homelessness across all ages, religions, genders, ethnicities, sexual orientations and physical abilities within the council's portfolio of sold properties. It is however important to note that the number of households that will be able to be assisted through this scheme is small at between 6 and 8 per annum. The merit of individual applications will be assessed with the urgency of preventing homelessness at its core.

Consultation

124. The terms of the former buy back scheme, the funding for which ended in 2005, were agreed in consultation with the Leaseholder Council (now Home Owner Council). Whilst it is proposed that a degree of input into the running of the scheme (referrals and so on) is sought from Home Owner Council and the Southwark CAB it is not recommended that a new round of consultation is carried out as the main terms of this refreshed policy are not changing.

Fixed service charges

Policy implications

125. Within a ring-fenced housing revenue account it is imperative that homeowners pay their fair share of the cost of services and management, including repairs. If homeowners do not pay their fair proportion then the burden falls on the rent payers and indirectly on the general public. It is inequitable that the cost of home ownership should be subsidised by those who cannot afford owner occupation.

Legal implications

- 126. Specialist Housing Services obtained counsel's opinion on whether or not the council would be able to offer leaseholders the opportunity to surrender their current lease in exchange for a new lease with fixed service charges.
- 127. The position is in summary that there is no legislative reason as to why a fixed service charge lease could not be offered to current leaseholder, although the proposal would only be practicable if the base figure for service charges payable in year one was accurate, and the assumptions made on the scope of the service did not vary much or at all over the lifetime of the fixed charge. Further considerations are contained within the closed version of this report relating to this item.

Financial implications

- 128. In Southwark there is sufficient cost history to be able to calculate an average service charge (be it an average for a service; an average for a block or a block type etc). To this could be added a unit management charge and a charge to reflect major works costs. The major works element would be set to reflect the cost life cycle of a block (ie its component elements). This is available because the council has to have a thirty year business plan. This will reflect the landlord's obligations over the length of the lease. This 'initial fixed service charge' for the flat would then be subject to inflation. It is common valuation practice to undertake discounted cash flows over long periods. The fixed service charge would be set at a level to reflect the council meeting its contractual obligations rather than not having the money to meet them. They could be set for archetypes across the stock rather than reflect the condition of each individual block and its investment profile.
- 129. The methodology would give the leaseholders certainty they would know in advance what their liabilities will be. They would not be surprised by a sudden increase in fuel costs or worried by the costs of a major repairs contract.
- 130. For the landlord there is some payback for accepting some of the risk. Fixed

service charges are far simpler to manage: they are not covered by sections 18 – 30 Landlord and Tenant Act 1985 and therefore section 20 consultation does not apply; neither does the 'reasonableness' of the service charge or application to the First Tier Tribunal.

- 131. It has to be stressed that the introduction of fixed service charges has to be seen as 'cost neutral' to the HRA; otherwise tenants will complain that their rents are subsidising the leaseholders. Thus the 'initial fixed service charge' must be set at a level that will recover costs over time and over the stock as a whole, levelling out extraordinarily expensive expenditure in any one year.
- 132. There may be instances where a leaseholder wishes to enter into an agreement to pay a fixed service charge where extensive major works, and therefore high service charges, are due in the near future. In these instances it would appear that the HRA is making an immediate loss of income. However, the income is actually being spread over a far longer period (30 years based on standard life cycle costings for most elements), which the leaseholder will be required to pay whether or not costs are actually incurred in any individual year. The proposal is to make a "once only" offer to leaseholders and therefore only a few would have major works imminent. The proximity of major works would (in cash flow terms) affect the initial fixed service charges.
- 133. Fixed service charges cannot be 'imposed' on existing leaseholders who have variable service charge covenants in their leases. We could offer the alternative to leaseholders which would be dealt with by a variation to their lease. Leaseholders would have to get their own independent legal advice and it would have to be made clear that there would be no opportunity to 'switch back' to variable service charge regime e.g. after major works were carried out.
- 134. It should be noted that there is a risk if a leaseholder with fixed service charges made an application for a lease extension, as the fixed charge might be considered "rent" for the purposes of Chapter II of the Leasehold Reform Housing and Urban Development Act 1993, though no useful case law exists on the issue. Furthermore should a leaseholder with a fixed service charge lease subsequently apply for a lease extension the fixed service charge element would have to be capitalised as part of the purchase price. The HRA would receive a single lump sum payment for all management and maintenance costs over the lifetime of the extended lease and this sum would have to be treated as a capital receipt.

Sale of freehold reversionary interest

- 135. As stated above, the 2005 General Consents provided the council with restricted powers to sell freeholds as any sale had to be to all leaseholders in the block in equal shares "for the best consideration that can reasonably be obtained".
- 136. In contrast to the 2005 General Consents, the General Consents 2013 allow the Council to sell the freeholds of blocks for "such consideration as the local authority consider appropriate" provided at least 50% of the flats in the block are leasehold and any tenanted flats are leased back to the Council on 999 year leases.
- 137. By removing the 2005 General Consents restrictions of "best consideration" and selling the freehold to "all leaseholders in equal shares", the 2013 General

- Consents provides the Council with far greater freedom when disposing of their freehold interests. The Council is now free to negotiate with any prospective purchaser and may offer freeholds for sale at a discounted premium.
- 138. There is no requirement in the General Consents 2013 that the freehold be sold to the resident leaseholders and therefore the freeholds may be sold on the open market.
- 139. The Executive Member for Housing was briefed on the new powers provided to the Council under the General Consents on 19th June 2013. The Executive Member for Housing agreed that the Council would not proceed with open market sales of the freeholds of blocks which only consisted of leasehold flats. In addition the Executive Member for Housing agreed to continue with the 2006 policy for the sale of freeholds as detailed previously in this report.
- 140. As the Council may now dispose of freeholds at a premium they consider appropriate, the Council may offer the freehold to the leaseholders at a discount. Any discount in the premium would take in to account the Council's future management responsibilities for the block and the respective cost as detailed above. It is proposed that the discount in the premium is to be determined on a case by case basis by the Strategic Director of Housing and Community Services.
- 141. If the proposal is agreed the offer letter to the leaseholders will reference the premium, the proposed discount and the Council's fees for which the leaseholders will be responsible. The letter will also stipulate a date by which the leaseholders are to notify the Council if they wish to proceed and, if so, which of them wish to participate in the purchase of the freehold.

Policy implications

- 142. The council's existing policy, as agreed by the then executive member for housing in 2006, is to proactively market its freehold interests in blocks to leaseholders where all the flats are leasehold.
- 143. The recommendations in this report are consistent with existing policy and reflect the revised powers granted to the council under the General Consents 2013.

Community impact statement

- 144. Although the majority of leaseholders would welcome the opportunity to acquire the freehold of their block at a possible discount, there may be issues where there is an ongoing dispute between leaseholders in a block.
- 145. Should the recommendations be agreed, consultation will be carried out with Homeowners Council to decide whether each leaseholder should be given the option to state that they do not wish the freehold to be sold to other leaseholders in the block.

Resource implications

146. The freehold will be valued on an open market basis, irrespective of the fact that the sale will not be on the open market, and any discount would be applied to this value. Although the council's capital receipt will therefore be reduced from

- that represented by the potential open market value, management costs will correspondingly reduce, as detailed below.
- 147. The council incurs revenue costs in managing blocks where no tenants remain. Whilst costs are recoverable from leaseholders the administrative cost of managing converted houses may be higher than for other blocks and in excess of the 10% management charge the council are able to recover under the terms of the lease. The proposals would reduce the number of converted houses the council retain an interest in and therefore lessen the administrative burden.
- 148. The recommendation is that any discount offered to the leaseholders reflects the additional administration costs for the block.
- 149. Specialist housing services has in its structure a disposals officer and a senior disposals officer. The additional administrative work which would result from the agreement to this proposal would not require additional staff.
- 150. The sale of freehold interests is a work type under the contract the council has with external solicitors. The council will continue to instruct external solicitors to act in the sale of the council's freehold reversionary interests should the proposal be agreed.

Consultation

151. As stated above, if the proposals are agreed the council will consult with Homeowners Council to agree a procedure under which a leaseholder may object to the sale of the freehold to other leaseholders in the block.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 152. The report proposes a homeowner improvement plan including a range of actions. Some legal implications are set out in the body of the report but others may not become apparent until plans develop and will need to be identified and considered as they arise.
- 153. In relation to the proposed refresh of the council's buy back policy, the council has power to acquire property under section 120 of the Local Government Act 1972. Section 120(1) of the Local Government Act 1972 enables a Council to acquire by agreement any land whether situated inside or outside their area for the purposes of:
 - (a) Any of their functions under that or any other enactment, or
 - (b) For the benefit, improvement and development of their area
- 154. Section 120(2) states that a Council may acquire by agreement any land for any purpose for which they are authorised by that or any other enactment to acquire land, notwithstanding that the land is not immediately required for that purpose and until it is required for the purpose for which is required, any land acquired under that sub-section may be used for the purposes of any of the Council's functions.
- 155. Recommendation 16 is for delegation of approval of purchases to the strategic

- director of housing and community services. Under the part 3C of the constitution acquisition of land, outside any scheme already agreed by members, where the market value is more than £100,000 is a matter reserved for collective cabinet decision making, but may be delegated by cabinet to a chief officer.
- 156. As to recommendation 19 (Sale of freehold reversionary interest to leaseholders and general consents), the Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002) confers upon qualifying tenants of flats (as defined in that Act) a right to acquire the freehold of their premises.
- 157. Section 32 of the Housing Act 1985 states 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. A number of consents were issued under the General Housing Consents 2013 ("The Consent"). The General Consent for the Disposal of Reversionary Interests in Houses and Flats 2013 states in Consent D3 that where a local authority is the landlord of a house, which is let as housing accommodation under a long lease, the authority may dispose of its interest for such consideration that the local authority consider appropriate.
- 158. Consent D4 provides that (except to a disposal of a body in which a local authority owns an interest) a local authority may dispose of its interest in a building containing flats for such consideration as the local authority considers appropriate.
- 159. The departmental guidance accompanying the Consents provides that should a local authority decide to dispose of its reversionary interest in a flat or house, the Department would recommend that the leaseholders first be given the opportunity to purchase the freehold before the local authority invites offers from other persons.
- 160. The Guidance also states that where disposal includes flats occupied by secure, introductory or demoted tenants it is important that the authority negotiates appropriate terms for the transfer that includes leasing back the flats on the same terms as the current tenancy.

Strategic Director of Finance and Corporate Services

- 161. This report sets out a range of initiatives for the improvement of services to homeowners, which have varying resource implications as detailed. The majority are either cost neutral or have specific resource approvals already agreed both within the HRA and the council's general fund. An exception is the buy back element of the report, where capital funding is required from the Housing Investment Programme to implement the policy, provisionally estimated at £500k, which will be sufficient to repurchase between 6 and 8 properties per annum.
- 162. The proposal to dispose of freehold interests has the potential to generate capital receipts in the short to medium-term, but at the expense of foregoing the longer-term revenue stream derived from ground rents and increase in capital value and future lease renewal premiums. However, the revenue income stream is of relatively low value and likely to be balanced out by savings generated through reductions in the management and administration of these blocks, whilst any

- potential future capital appreciation and renewal premiums cannot be guaranteed. With the removal of previous restrictions pertaining to the sale of freeholds, the council now has greater freedom to negotiate the most economically advantageous disposal value on a case-by-case basis which may encourage greater take-up that previously experienced.
- 163. The proposal for fixed service charges is one that requires further detailed work to establish the potential quantum of individual property charges across the stock. Given the necessary inclusion of major works in the service charge calculation, it is anticipated that this option may only have limited appeal to homeowners, notwithstanding the certainty that a fixed service charge provides. However, within the context of a ring-fenced HRA, it remains incumbent on the council to ensure full cost recovery over the long-term to protect against cross-subsidisation from tenants' rents, as the report acknowledges.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact	
Draft Business Plan, Southwark	160 Tooley Street,	Lee Page, TMI	
Homeowner Information Centre	London SE1 2QH	Manager	
http://moderngov.southwark.gov.uk/ie		020 7525 7712	
ListDocuments.aspx?Cld=302&Mld=			
4551&Ver=4			

APPENDICES

Appendix	
None	

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Services			
Lead Officer		d of Specialist Housing S	Services	
Report Author	Leon Boardman, P		DCI VICCS	
Version	Final	roject Officer		
Dated	10 October 2013			
Key Decision?	No	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET				
MEMBER				
Officer Title Comments Sought Comments included				
Director of Legal Services Yes Yes		Yes		
Strategic Director of Finance		Yes	Yes	
and Corporate Services				
Cabinet Member	Cabinet Member Yes Yes			
Date final report sent to Constitutional Team 10 October 2013		10 October 2013		

Item No. 14.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report title	:	Gateway 1 Major Works Co	ontractor Framework
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Member for Housing Manag	Deputy Leader and Cabinet gement

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

The council is committed to delivering the Warm, Dry and Safe programme by 2016 and then continuing to provide an effective asset management strategy. In order to do this, it needs to employ professional contractors who can deliver in terms of time, quality and price. Having long term agreements in place helps ensure this happens. These contracts will ensure that firms are in place to carry out major works and act as a useful support to the current framework contracts in place.

This framework will help ensure a consistent resident focused service for the period of the contract. The firms will be in Southwark for four years and therefore an increased sense of ownership of their service will be developed so improving quality and service delivery even further. Resident representatives will be involved in the selection process through representatives from both tenants council and home owners council and they will help establish the trust and confidence of residents in the services we provide and the way major contracts are handled in the future and all greater transparency for all residents in the whole process of managing, monitoring and delivering major works. Residents have specifically asked for greater transparency in framework contracts and this new arrangement will not only provide an effective method of ensuring quality but will also have an ongoing competitive tender process. I therefore fully support and endorse all the recommendations.

We therefore ask the cabinet, after consideration of the officers' report set out from paragraph 1 onwards to approve the recommendations below

RECOMMENDATIONS

Recommendation for the Cabinet

The cabinet approves

1. The procurement strategy outlined in this report for a housing and related services major works contractor framework covering 4 lots (for main building works, district heating works and communal electrics work as further detailed in paragraph 9 at a total estimated annual cost of up to £92m for a period of four (4) years from 1 September 2014, making a total estimated contract value of up to £368m.

Recommendations for the Leader of the Council

That the Leader of the council delegates

- 2. Authority to the Deputy Leader and cabinet member for housing management to award and enter into the framework agreement with four lots.
- Authority to the Deputy Leader and cabinet member for housing management to award and enter into the overarching agreement with all providers on the framework agreement to cover management and governance provisions and the delivery of soft benefits.

BACKGROUND INFORMATION

4. On 14 June 2010 the council awarded main housing building works partnering contracts to five contractors covering different geographical areas of the borough. The contracts awarded and the areas they cover are set out in the table below:

Contractor	Area covered by the contract
A & E Elkins	Nunhead and Peckham Rye/Dulwich
Breyers	Borough and Bankside/Walworth
Apollo/Keepmoat	Camberwell/Peckham
Saltash	Street properties, TA halls, hostels, major voids
Wates	Rotherhithe/Bermondsey

- 5. The contracts with Wates Construction Limited (Wates) and Breyer Group PLC (Breyers) have since been mutually concluded leaving three in place with Apollo Property Services Group Limited/Keepmoat Limited (Keepmoat), A & E Elkins Limited (A & E Elkins) and Saltash Enterprises Limited (Saltash). Since the contracts with Wates and Breyers ended, Keepmoat have been providing back up for the Bermondsey/Rotherhithe areas and A & E Elkins for Borough and Bankside/Walworth.
- 6. These contracts expire in June 2015 but have options to extend for a further five years.
- 7. The council needs a more flexible approach to how it is awarding housing and related services major works contracts in the future, one which gives options for procuring works, ensures value for money and still enables a good quality and speedy delivery of service and commitment to the local community through using consistent quality contractors. It is believed that setting up a framework agreement with a list of contractors covering different areas of work will achieve this.
- 8. The framework agreement will provide the council with resilience in the event that there are any issues with the council's existing arrangements; and provide the council with an easy to use procurement path for those works not currently covered by the existing arrangements. The council will thus have a variety of options for work even in a worst case scenario if there were issues with the partnering contracts/contractors whether extended or not.

9. In considering the setting up of the framework it was decided that the same advantages could be obtained from the inclusion of additional areas of works covering district heating schemes (mains, boilers and internal works), and communal and internal electrics where there are standalone electrics works. These works are currently procured on an individual tender basis.

Summary of the business case/justification for the procurement

10. The framework agreement shall be broken down into four separate lots, the details of each lot being provided in the below table. The estimated values are maximum figures based on current programme proposals and the tendering contractors will be advised as part of the selection process there are no guarantees of works under the framework and that these may change dependent on the future of the current partnering contracts. At the time of tender, proposed programmes known at the time can be put in to the tender documentation.

Lot	Lot title	Works covered	Estimated annual value	Number of providers
1	Main building works (low value schemes)	External and internal building works up to the value of £3m	£30m	6
2	Main building works (high value schemes)	External and internal building works above £3m	£50m	7
3	District mains, boilers and internal works	Replacement or major refurbishment work to mains, boilers and internal works on district schemes.	£10m	6
4	Communal and internal electrics	Standalone electric works.(if part of general building scheme, will be carried out in Lots 1 or 2)	£2m	6

- 11. It is intended that the framework agreement shall be in place by 1 September 2014 and shall at least initially supplement the existing partnering contracts, which could then have only another nine months to run. As such there is a certain longer term need for works in two areas, Borough and Bankside/Walworth and Bermondsey/Rotherhithe as well as the heating and electric works and possibly a need for the other three areas if the current partnering contract is not extended.
- 12. The partnering contracts shall continue to be monitored for value for money and performance and from this review a decision will be made as to whether to extend the existing partnering contracts or not. The council's decision on whether or not it will extend the existing partnering contracts will be based on value for money considerations. Officers intend to consider a number of factors such as the performance of the contractors, efficiencies that have or can be achieved and the comparative values of the framework agreement and the partnering arrangements when deciding whether or not the existing arrangements will be extended or whether the works will be transferred to the framework agreement on the expiry or earlier termination of the existing arrangements.

- 13. It should be noted that due to exclusivity requirements with the existing partnering contracts, that whilst the partnering contracts are still in operation, the framework agreement can only be used for the two areas where the contracts with Wates and Breyers have been mutually concluded and any works that are not covered by the scope of work set out in the existing partnering contracts. The lower estimated value of the lots over this period of time shall be reflected in the Official Journal of the European Union (OJEU) notice.
- 14. All providers appointed onto the framework will be required to enter into an overarching agreement which will contain the collective management and governance provisions and set out the 'soft' benefits of the contract around community benefits and local employment and training opportunities.
- 15. It is recommended that the deputy leader and cabinet member for housing management be delegated the decision to award the framework contracts as this will enable the housing major works programme for to be progressed urgently. Once appointed through the framework, the firms will be managed by the appropriate project manager in Major Works or Maintenance and Compliance, who will appoint them for each specific framework scheme through the issue of a new instruction having authority from the Strategic Director of housing and community services. Delegated authority will be sought in the Gateway 2 report for the Strategic Director to award contracts for each scheme under the framework agreement following mini-competition. Each individual scheme would not therefore need to go in the forward plan, exactly the same procedure as with the current partnering contracts
- 16. Having a framework in place will ensure a consistency of high level service to be provided and also enable best value to be obtained as the firms in the framework could receive a substantial number of tender opportunities from the council across the duration of the contract if they maintain a high standard of service quality, monitored through the Key Performance Indicators (KPI's) in the contract and consistently provide value for money tenders. The KPI's will include standards for resident satisfaction, client satisfaction, value for money, employment and training opportunities and programme efficiency. Failure to meet KPI's may result in a contractor being suspended from the framework agreement or their participation in the framework agreement being terminated.
- 17. The appointment of each firm on this framework will encourage collaboration through working with the council. This will result in improved efficiencies, standardisation of processes and procedures, consistency of approach and ultimately better quality and value for money for residents and the council.

Market considerations

18. The market for construction services is very good. Competition is strong and it is anticipated that competitive prices will be obtained through this process as with the current framework contracts. The OJEU advertising process prescribed by the EU procurement regulations places the project in the public domain and advertises the contract extensively and will be sufficient to attract a good response and there are a number of firms with the capacity to carry out the work. Contractors will only be allowed to bid for one of the building lots. This will allow the council a wider range of contractors for resilience and capacity. Also with two building lots in place of differing sizes, it is anticipated that medium sized firms will be encouraged to tender for the smaller building lot.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

- 19. All the key options have been considered before determining the procurement strategy set out in this report.
 - Do nothing/use of EXOR list
 - Bring work in house
 - Use of an existing internal/external framework
 - Create the council's own framework with a second stage tender
- 20. The first option would be to tender each works contract as and when required, which is in effect the 'do nothing' option. This would be very time consuming and bureaucratic involving a brand new tendering and appraisal and approval process for every individual scheme, may not achieve the best value for money as only one stage of tendering would be done and would not allow quality long term relationships to be developed with contractors.
- 21. The second option of bringing the work in house does not in reality exist for major building works as Southwark Building Services (SBS) only do day to day repairs. There may be opportunities for other works departments to tender to go on the frameworks such as the electrical contracts.
- 22. Existing external frameworks cannot be used as there has been no specific consultation with leaseholders.
- 23. The recommended option is to have a new framework in place as this would ensure high quality firms are used and that through an individual second stage tendering process, leaseholders in particular could be confident that a value for money price had been achieved as there would be a second stage tender. All leaseholders will be written to in advance advising them of the forthcoming OJEU notice prior to it being issued, for information only, as they would not have nomination rights at this stage. The framework proposed will allow leaseholders to nominate a contractor to go on the individual scheme tender lists when the mini-competitions are undertaken for individual pieces of work if the scheme is below the OJEU limit. If it is above the OJEU limit then the project may be tendered following the full OJEU procedure. There will be no direct call offs with the new framework proposed.
- 24. The intention is to have these contracts covering both works below and above OJEU limits. There would therefore be no risk of challenge that the council were trying to have smaller contracts to avoid the need for OJEU procedures as all contracts would be covered, so no disaggregation claim can occur.
- 25. Thus the council proposes to proceed with a framework contract with four lots as set out above. This is considered to be the best option to proceed because it guarantees value for money and it will create a set of committed contractors who will provide additional benefits too through the provision of benefits such as apprenticeships for local residents. It is thus proposed that the framework will be tendered under an EU restricted procedure.

26. This framework would cover all works, and orders would be both below and above the OJEU threshold to a maximum individual order of £15m, although clearly only Lot 2 would have a contract of this size. In 2012/13 four Major Works contracts were above the OJEU threshold. If a leaseholder does nominate a valid contractor for schemes above the OJEU limit then the framework will not be able to be used and the full OJEU process will be required.

Proposed procurement route

27. A full EU restricted procedure will be followed comprising an initial prequalification stage in response to a pre-qualification questionnaire (PQQ) where bidders will be shortlisted to tender. Leaseholders will be written to prior to the OJEU notice so they can advise any contractors they might wish to apply for the contracts. The second stage will comprise shortlisted tenderers being invited to respond to an Invitation to Tender (ITT).

Identified risks for the procurement

28. The table below summarises the key risks, likelihood and risk mitigation which will be put in place.

Risk	Likelihood Before Mitigation	Risk Mitigation/Management	Likely Impact After Mitigation
27.1 Issues from leaseholders to new framework	High	Discussions with Home Owners Council. Discussions with leaseholder Major Works Service Improvement Group. Will be a HOC representative on the Project Board. Advising all leaseholders of proposals prior to OJEU notice. Allows leaseholder contractor nominations at individual scheme stage. If a leaseholder makes a valid nomination for schemes above the OJEU limit then the framework cannot be used. To date, Southwark has not had a valid nomination on a major works scheme. Ongoing competition under the framework agreement will hopefully reassure leaseholders that ongoing value for money is being achieved.	Low
27.2 Possible disparities	Medium	As noted in paragraph 75, there is a risk that in the event of a	Low

Risk	Likelihood Before Mitigation	Risk Mitigation/Management	Likely Impact After Mitigation
between the requirements of domestic and European legislation creates risk in the proposed arrangement.	Imaganon	nomination being received for over EU value works, then these might be subject to a separate procurement. Mechanisms shall be put in place to ensure that such risks are mitigated to the extent possible during the process and in any subsequent minicompetition process. Bidders will be aware of these mechanisms and they will be incorporated into the framework documentation. Further advice will be taken from the director of legal services and head of specialist housing services as required.	Ivinaigation
27.3 Contractor(s) does not perform	Medium	Robust default and monitoring provisions (including detailed KPI's) will mitigate this and ensure that the council has an effective remedy in the event that the risk materialises. The framework will be non-exclusive so no contractors will be guaranteed any work or specific tendering opportunities. There will be a 'no fault' walk away clause in the contract to allow easy termination by the council.	Low
27.4 Contractor ceases to trade and/or becomes insolvent	Medium	The very structure of the framework agreement will ensure that the council has access to alternative contractors in the event that one of the contractors becomes insolvent. Financial checks will be carried out on all firms selected to tender. Where applicable and/or appropriate a PCG and/or performance Bond will be put in place.	Low
27.5 Risk of prices differing from the partnering contractor	Medium	1. The council mitigates its risk on receiving different prices by securing a number of long term contracts. Any tender process will mean some variation in	Low

Risk	Likelihood Before Mitigation	Risk Mitigation/Management	Likely Impact After Mitigation
framework.		prices both up and down and this has never previously been an issue, but the partnering and proposed framework contracts will help the council to ensure that consistent prices are maintained over longer periods.	
27.6 Limited interest from Contractors to compete for Lot 2 on the basis that the majority of projects would exceed EU threshold and might be subject to separate arrangements	Medium	1.Over the last year only 4 contracts have been let above EU threshold. In the tender process we will provide information for bidders to enable them to make sound commercial judgement in regard to the level of potential values within each lot.	Low

Key /Non Key decisions

29. This report is a strategic procurement and is therefore a key decision.

Policy implications

30. The framework will help ensure that the council can meet all its statutory obligations as regards major works. It will also help ensure that the council is able to deliver the housing capital programme, in particular the Warm, Dry and Safe (WDS) programme, one of the Fairer Future promises.

Procurement Project Plan (Key Decisions)

200	
Activity	Complete by:
Forward Plan (if Strategic Procurement)	25th July 2013
DCRB Review Gateway 1 CCRB	29 July 2013 22 Aug 2013
Notification of forthcoming decision –despatch of Cabinet agenda papers	25 Sep 2013
Approval of Gateway 1: Procurement strategy report	22 Oct 2013
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	6 Nov 2013
Issue Notice letters to leaseholders(for information only)	2 Dec 2013
Completion of tender documentation	24 Feb 2014
Advertise the contract	3 Jan 2014
Closing date for expressions of interest	10 Feb 2014
Completion of short-listing of applicants	17 March 2014
Invitation to tender	28 March 2014
Closing date for return of tenders	12 May 2014
Completion of any clarification meetings	26 May 2014
Completion of evaluation of tenders (including project board approval)	16 June 2014
Issue Notice of Proposal – complete by	N/A
Forward Plan (if Strategic Procurement)	28 March 2014
DCRB Review Gateway 2 CCRB	30 June 2014 10 July 2014
Notification of forthcoming decision –	23 July 2014
Approval of Gateway 2: Contract Award Report	28 July 2014
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	4 August 2014
Alcatel Standstill Period (if applicable)	15 August 2014
Contract award	18 August 2014
TUPE Consultation period	N/A
Place award notice in Official Journal of European (OJEU)	26 August 2014
Contract start	1 Sept 2014
Contract completion date	31 August 2018
Contract completion date – (if extension(s) exercised)	NA

TUPE/Pensions implications

- 31. The risk of TUPE applying to the proposed framework is low) The proposed framework agreement does not present any TUPE or pensions implications for the council as an employer because the council does not deliver these services directly. TUPE will be a matter for any incumbent contractor/s and the successful contractor/s and not the council. It is difficult to say with certainty whether or not TUPE will apply to the respective contractors because it will depend on circumstances at the time the framework is in place or more specifically when contracts are called off from the framework. However it is considered that the risk of TUPE applying is low due to a number of factors, principally that:
 - a. if which is envisaged the called off contracts will be to carry out single specific tasks or tasks of short term duration they will be exempt from TUPE; this may be weakened if one contractor on the framework is awarded a succession of short term contracts for the same or similar work as that undertaken by a current contractor.
 - b. where existing work will continue under the partnering contracts this would give credence to the argument that there will be no continuing activity.
 - c. there is or will be a fragmentation of activities: given the number of current contractors and contractors on the framework and, as is envisaged, provided that contracts are called off to a number of contractors it will be difficult to say that any particular part of the service has transferred from one contractor to another, or that any of the employees of an existing contractor are assigned to an activity taken over by one of the contractors under the new arrangements.
 - d. if the current contractors do not have organised groupings of employees whose principal purpose is the carrying out of activities for the Council immediately before any call- off their employees will not transfer. Consideration needs to be given to undertaking a due diligence of the current contractors' workforce but it is how their workforce is organised at the point of a call off from the framework which will be determinative

The bidders will need to take their own independent legal advice on the application on TUPE and whilst the council can form a view it should not give any assurances of Warranties or make any representations in the tender process.

Development of the tender documentation

- 32. Following an investigation in 2008 and subsequent prosecution by the Information Commissioners Office, there has been some concern that some construction industry firms have been 'blacklisting' union workers. Potential suppliers will be asked to respond on this point as part of the PQQ process.
- 33. The tender documentation will be prepared by a professional advisor in conjunction with the council's legal and procurement teams to assist with procedures and implementation. They will have extensive experience in this field and will prepare tender documents in conjunction with staff in the Major Works team on the technical aspects of the documents such as evaluation methodologies and criteria and the specification. Southwark's legal services will be fully involved in drawing up contract documents in the areas of instructions to tenderers etc.
- 34. A project board will be put in place to inspect draft documentation and to sign off key documents. This will be led by the head of major works in conjunction with

the professional advisor. This will include representatives legal, procurement and home ownership and compliance and engineering. The project board will agree the procedures for the procedure for using the framework and governance required to allow speedy delegated approvals to let works following the mini competition process. In addition there will be a project delivery team led by the Investment Manager in Major Works. This will include technical, legal and procurement representatives and will enable detailed input in to the tender documentation.

35. The contracts will not be exclusive and the contract documentation will make clear that the amounts in the framework would be maximum sums as actual sizes of schemes available in the framework will depend on the extent of use of the existing partnering contracts and future housing funding available and then where spending is prioritised.

Advertising the contract

36. The framework will be advertised in the Official Journal of the European Union (OJEU) and this will be sufficient to attract interest from a number of firms. It is therefore not anticipated that any further advertising will be necessary. Any contractors who have expressed an interest in working for Southwark in the past will also be advised, and details will also be placed on the Southwark website at OJEU stage.

Evaluation

- 37. There will be two stages for appointment onto the framework: PQQ Stage and ITT evaluation Stage. Evaluation of submissions will be undertaken in accordance with strict criteria set out in "Evaluation Methodologies" prepared by the professional advisor at each stage. It is proposed that the professional advisor facilitate the evaluations, having the requisite skills and competencies to undertake evaluation.
- 38. The first stage short listing of the PQQ responses will be facilitated by the professional advisor appointed to manage the process. The detailed ITT evaluation document will be produced with the tender documentation.
- 39. The intention is to set short listing criteria such that only firms who have extensive experience and proven ability and sufficient resources will be invited to tender .The detailed criteria will be prepared by the professional advisor in association with Major Work's staff and resident representatives.
- 40. The ITT evaluation will be undertaken by a tender evaluation panel facilitated by the professional advisor with a team of Major Work's staff and resident representatives (one leaseholder and one tenant). The selection criteria will be based on MEAT (Most Economically Advantageous Tender) criteria with a split of 60; 40 price; The decision to change from the usual 70;30 is because this allows a focus and emphasis on quality with the certainty that via the mini tenders to be carried out on each individual scheme, there will be a very competitive edge to this process. Prices are expected to be very keen and it is vital to ensure that the firms selected can carry out the works to the highest standard given the potential size of the housing capital programme in future and this will be done by setting quality thresholds. Contractors will be expected to hold their tender prices as a maximum price when tendering for each individual scheme. The council's intention is primarily (where it is able to do so) to evaluate on price at mini-

competition stage. Where the council is unable to evaluate solely on price, quality criteria will be used and the facility to do this will be incorporated into the framework documentation.

- 41. The intention is that six firms (seven for the largest building works lot) will be chosen for each lot. As each contract of works on each estate(s) is specified, then a mini-competition will be held under the relevant lot of the framework agreement and all six/seven contractors on that lot that are capable of undertaking the works would be asked to participate in that mini-competition. The council's expectation is that bidders at mini-competition must bid below or at their tendered rates (except in exceptional circumstances, e.g. if TUPE were later held to apply to a specific contract that is being called off).
- 42. As and when the council's procurement needs arise and mini-competitions are held leaseholders will be consulted in compliance with relevant domestic legislation and the leaseholder will have the right to nominate a contractor to provide the works that are the subject of a competition under the framework. If a nomination is received for a scheme above the OJEU limit a full OJEU procedure might be needed as a single contract.
- 43. It is hoped that leaseholders will be content with the council's procurement approach (as set out in this document) as establishing a framework agreement will ensure both quality in the works delivered and ongoing competition for those works.
- 44. Contractors on the list would be expected to provide local labour and apprenticeship opportunities and provide community initiatives as with the current partnering contracts.

Community impact statement

- 45. Having a consistent set of firms working in the borough will improve the quality of service and help ensure that the contractors work comprehensively with all sections of the community.
- 46. The contractors will be able to offer local employment and training opportunities for the community and will be encouraged to use local suppliers.

Economic considerations

47. It is expected that local medium sized firms will tender for some of the work available in the lots. The successful contractors will bring local job opportunities for the community as well as tendering opportunities for local suppliers and subcontracting firms.

Social considerations

48. The London Living Wage will apply to all relevant staff working directly on the contracts and to any relevant staff employed by any sub-consultant. For this contract, the quality improvements are expected to be a higher calibre of professionals employed and it is therefore considered that best value will be achieved by including this requirement. On award, the associated quality improvements and cost implications will be monitored as part of the annual review of the contract. Given the technical nature of these contracts, it would be anticipated that this should be easily accomplished by each firm.

Environmental considerations

- 49. There are no specific environmental considerations at this stage. The procurement process will be managed if possible through e-tendering systems with the professional advisor (in line with Government guidance) to minimise the impact on the environment and in particular, in relation to printing and paper usage. The public services (social value) act 2012. requires that the council must consider how what is proposed to be procured may improve the economic, social and environmental well being of the area and how the council may act with a view to securing that improvement in conducting the process of procurement. This procurement process will ensure contractors who meet all these criteria and who are selected who will provide economic and social well being through providing jobs, training and community benefits as well as meet statutory environmental standards and other council requirements such as the safer lorries requirements.
- 50. The contract documents will ensure that the contractors have to comply with all the council's environmental requirements as regards, for example, timber usage, CO2 emissions and safer lorries.

Plans for the monitoring and management of the contract

51. The performance of the firms will be monitored by the Major Works and Compliance and Engineering Teams. They will ensure for each time the firm is instructed that they carry out works for the scheme to the highest quality, are involved in the consultation process with residents, follow the timetable for the scheme. Each project manager in the Major Works team or other section using the contracts will provide a quarterly monitor on the performance of the firm and there will be specific KPI's in the contract in the areas of time, cost and quality. The contract would be non-exclusive so no firms would be guaranteed any work and there will also be liquidated and damages clauses for late contract completions and retentions held to ensure works will be rectified. The overall contract will be monitored by the Head of Major Works.

Staffing/procurement implications

52. There are no specific staffing implications to this report. The resources required for procurement of this framework can be met from existing resources within housing and community services for both the project board and project delivery team as set out in paragraph 32.

Financial implications

- 53. This report recommends the procurement strategy for major works contractor framework covering four lots for housing and related services. The total estimated contract value is up to £368m and covers a four year period starting from 1 September 2014.
- 54. The capital cost of these contracts will be met from the resources budgeted within the council's housing investment program (HIP). The current HIP allocation is budgeted and approved up to 31 March 2016. Further capital allocation approval will be required as part of the council's capital refresh process, beyond this period to meet the ongoing costs from these contracts.

55. It is estimated that the total annual cost of these contracts will be up to £92m with no minimum contract value and individual contracts will only be awarded when funding is confirmed.

Legal implications

56. Please see concurrent from the Director of Legal Services.

Consultation

57. There will be extensive consultation with leaseholders on the procurement to the framework, and statutory consultation will be carried out on the specific packages of work. Leaseholders will not be consulted on the framework under section 20. Leaseholders would be specifically advised In addition a tenants and a resident's representative will be asked to join the final tender evaluation panel as part of the consultation process with Tenants Council and Home Owners Council.

Other implications or issues

58. These are all covered in the report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

- 59. This report is seeking approval of the procurement strategy for a major works contractor framework. The framework shall be divided into four lots covering areas of work.
- 60. Paragraphs 18 25 describe the procurement options that have been considered for the delivery of these works. Paragraph 24 confirms that a framework approach with ongoing mini competitions between contractors is considered to be the best option to achieve continued value for money as set out in the table at paragraph 9 of the report.
- 61. With a contract of this size and nature, EU regulations apply. The report confirms that a restricted (2 stage) procurement process will be followed which is in line with the regulations and satisfies the council's contract standing orders.
- 62. The timeline for the project is ambitious but achievable provided the appropriate resources are available when necessary. The report confirms that the project will be supported by external and internal resources. Paragraph 32 outlines the project governance arrangements that will be in place throughout the project to help ensure the project delivers on target.
- 63. The evaluation methodology for setting up the framework will be on the basis of the most economically advantageous tender and in determining this shall use a price/quality ratio of 60:40 which although is not in line with the Council's current recommended ratio can been justified with price being evaluated on each and every scheme.
- 64. The report confirms that once the framework is established and schemes are specified, all the providers on the relevant lot shall be invited to participate in a mini competition. This process should ensure that best value for money on each specific project is achieved. The report confirms that at mini competition stage

the contractors must bid either at or below their tendered rates. To ensure the framework arrangement remains EU compliant and satisfies leaseholder legislation, additional processes will be in place to accommodate any contractor nominations made by leaseholders.

Director of Legal Services (KM 30/09/2013))

- 65. This report seeks the cabinet's approval to the procurement strategy for the major works contractor framework, as further detailed in paragraph 1. As this is a strategic procurement (having an estimated contract value of over £15m) then the decision to approve the procurement strategy is reserved to the cabinet.
- 66. The nature of the services to be procured are such that they are subject to the full tendering requirements of the EU procurement Regulations. As noted in paragraph 26, it is the council's intention to follow a full EU restricted procedure, so this requirement is met. It is proposed that a framework of providers is established to ensure consistent high level service and best value over the life of the framework, and the council must therefore ensure that the procurement and later management of the framework is undertaken in accordance with the additional requirements of regulation 19 which govern frameworks. This report confirms that the framework period will be 4 years, which is the maximum permitted, and that the framework agreement will set out specifically how later call offs for individual pieces of work will be undertaken. As detailed in paragraph 22, work above the EU threshold of £4.34m might need to be subject to a separate procurement in the event that a nomination is made for these works, but further advice will be given in the event that this situation arises.

Strategic Director of Finance and Corporate Services (CR – 30/09/2013)

- 67. This report is seeking cabinet approval for the procurement strategy for the major works contractor framework covering four lots as detailed in paragraph 9, for housing and related services at a total estimated annual cost of up to £92m for a period of 4 years from 1 September 2014, equating to a total estimated contract value of up to £368m.
- 68. This report is also seeking approval from the leader of the council to delegate authority to the deputy leader and cabinet member for housing management to award the framework agreement with the providers as reflected in paragraph 2.
- 69. The reasons and justification for the proposed procurement strategy is contained within the main body of the report and the report concludes that a framework approach with mini competitions with the selected contractors before award of each contract works is considered to be the best option of achieving continued value for money for the council.
- 70. It is noted that the council expects the contractors to bid below or at their tendered rates during the mini competition stages to ensure the rates continue to be competitive and guarantees value for money for the council.
- 71. The cost of the contracts are expected to be funded from capital allocation budgeted within the council's housing investment programme, which is currently approved up the period 2015/16. Approved capital allocations beyond this period as part of the council's capital refresh process will be required to meet the ongoing costs from these contracts. It is noted that the procurement strategy for the framework contract proposes no minimum contract value and will be flexible

- to accommodate the works required and also the budget available and officers should therefore ensure that works on these contracts are only commissioned against confirmed funding.
- 72. Staffing and any other costs connected with this contract to be contained within existing departmental budgets.

Head of Specialist Housing Services (For housing contracts only)

- 73. Any communal repairs carried out to blocks with leasehold properties are service chargeable and therefore statutory consultation under section 20 of the landlord and tenant act 1985 (as amended) is required.
- 74. Section 20 consultation under schedule 2 of the regulations was carried out for the original partnering framework. When the Wates contract was mutually concluded Counsels opinion was sought in regard to the validity of the notices of proposal served on the leaseholders in the Bermondsey and Rotherhithe areas if the back-up contractor (Apollo) was to be used instead. Counsel advised that the notices would need to be re-served identifying Apollo as the main contractor and providing Apollo's rates as part of the paragraph 4 statement, and this will be done for any packages of work given to either Apollo or AE Elkins as part of the back-up arrangements.
- 75. Prior to any packages of work being agreed further statutory consultation will need to be carried out under schedule 3 of the regulations.
- 76. If a new framework is set up as outlined above then the agreements will not be qualifying long term agreements, and will therefore not be subject to statutory consultation under the act. However, this will mean that for each tendered package of work a two part statutory consultation process will need to be carried out, pre and post tender. This will have to be under schedule 4 part 2 of the regulations, and will require that the council offers the leaseholders the opportunity to nominate contractors to be included on the tender list. Such contractors may not be part of the existing framework agreement, but would have to be asked to tender for the package of work. This has been addressed in paragraphs 22 and 40 of this report. Should a package of work be proposed that is above the OJEU limit and a leaseholder wishes to nominate a contractor, this may mean that the package will have to be tendered via the OJEU process so that the relevant statutory consultation requirements can be complied with.
- 77. If separate tenders (whether via a framework agreement or using a standard process) return costs which are lower than those provided by the partnering contractors then the service charge to those leaseholders having work carried out under the partnering contracts could be at risk.
- 78. In general leaseholders are opposed to partnering and prefer separately tendered contracts. Carrying out a mini-tendering exercise under a framework agreement would address these concerns.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management						
Lead Officer	David Markham, Head of Major Works, Housing & Community Services						
Report Author	Ferenc Morath, Investment Manager, Major Works, Housing & Community Services						
Version	Final						
Dated	10 October 2013						
Key Decision?	Yes						
CONSULTATION	WITH OTHER OFFIC	CERS / DIRECTORATE	S / CABINET MEMBER				
Officer Title		Comments Sought	Comments included				
Head of Procureme	ent	Yes	Yes				
Director of Legal Se	ervices	Yes	Yes				
Strategic Director Corporate Services		Yes	Yes				
Head of Home Owr	nership	Yes	Yes				
Contract Review B	Boards						
Departmental Cont	ract Review Board	Yes	Yes				
Corporate Contract	Review Board	Yes	Yes				
Cabinet Member		Yes	Yes				
Date final report s	Date final report sent to Constitutional Team 10 October 2013						

Item No. 15.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet			
Report title:		Direct Housing Delivery : Phase 2				
Ward(s) or groups affected:		All				
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy				

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

I'm delighted to report excellent progress on building the first 290 new council homes in the first phase of our direct delivery programme and to put forward the proposed sites of phase 2 of new homes, with the potential to deliver a further 277 genuinely affordable new homes.

It is still early days on these new sites. Where possible officers have already had initial discussions with TRAs and following this decision discussion, design and consultation with local residents will move ahead. At this stage we are asking cabinet to agree the sites in principle as some changes may need to be made as this work progresses.

What is clear is that we are firmly on track to keep our promise to build the first 1,000 of our 11,000 new council homes by 2020.

RECOMMENDATIONS

Recommendations for the Cabinet

That the cabinet

- 1. Notes progress to date of Phase 1 of the directly delivered housing delivery programme.
- 2. Agrees in principle that the schemes listed in paragraph 45 are worked up in accordance with the individually identified recommendations as Phase 2 of an overall programme for direct delivery of new council housing on council owned sites.
- 3. Notes the consultation undertaken on some schemes in paragraph 45 to date.
- Agrees that a specific strategy for consulting with residents is agreed with the relevant T&RA / other relevant representative body for each of the Phase 2 schemes.
- 5. Agrees the inclusion of the Old Kent Road / St James Road site referred to in paragraph 24, and the Castle Resource Centre, referred to in paragraph 45 f) within the Phase 1 Programme, and therefore to be delivered as part of the Phase 1

- procurement arrangements.
- 6. Notes the procurement approaches and proposals for Phase 2 outlined in paragraphs 57 to 63.
- 7. Notes the position in respect of funding bids to the Greater London Authority for grant funding as outlined in paragraph 40 and notes that the council will be required to enter into a formal agreement with the Greater London Authority in relation to all funding awarded.
- 8. Notes the ongoing preparation of proposals to develop 10,000 further homes, as outlined in paragraphs to 64 to 70.

Recommendations for the Leader of the Council

That the Leader

- 9. Agrees to delegate the approval for the procurement approaches for Phase 2B, both professional services and construction, to the chief executive.
- 10. Agrees to delegate gateway 2 decisions for work packages in Phase 1 to the chief executive.
- 11. Agrees to delegate decisions on scheme substitution that prove necessary because of unforeseen circumstances in Phase 1 and Phase 2 to the cabinet member for regeneration and corporate strategy.

BACKGROUND INFORMATION

- 12. In October 2012, in considering a report on the direct delivery of new council housing, the cabinet resolved :
 - That a range of priorities and the outline delivery mechanisms, as outlined in paragraphs 23-25 of the report, for the development of new homes using the affordable housing fund be agreed.
 - That the schemes listed in paragraph 41 of the report be worked up in accordance with the individually identified recommendations as phase 1 of an overall programme for direct delivery of new council housing on council owned sites.
 - That proposals for an extra care facility at Cator Street as part of phase 1 be worked up to assist with meeting the objectives of the Housing Strategy (2009-2016), Older People's Delivery Plan and the council's Future Vision for Social Care to deliver a further 150 units of extra care housing and increase housing choices for adults living with disability
 - That it be agreed that formula rents are charged for new social rent homes.
 - That the conclusions drawn from the Grant Thornton report on financing new homes delivery and the analysis of costs by Davis Langdon that informed the conclusions be noted.
 - That officers be instructed to establish a financial and governance framework to generate and manage resources to deliver the programme.

In addition, the Leader of the Council resolved:

- That approval for the procurement approaches for the Sumner Road scheme in Phase 1B be delegated to the deputy leader and cabinet member for housing management.
- 13. At cabinet on the 16 July 2013, in considering the report 'Independent Housing Commission Conclusions and Next Steps Following Community and Stakeholder Engagement', the Leader of the council gave the commitment that the council would build ten thousand more new homes in the next 25 years. This was in addition to the commitment already given to build one thousand new council homes.
- 14. As part of the decisions, cabinet resolved that the strategic director of housing and community services, in consultation with the strategic director of finance and corporate services, undertakes further detailed assessment of the financial performance of the council's housing assets, alongside an assessment of the extent to which they meet the council's overall social housing objectives and develop long term plans for delivering the cabinet's commitment to build more council homes in the future.

Phase 1 Progress

15. Scheme development has led to some changes to unit numbers and tenure from the schedule agreed by cabinet in October 2012, these are shown in Table 1. The progress with schemes and details of the changes are outlined below the table, on a scheme by scheme basis.

Table 1

Address	Post code	Anticip'd start	Anticip'd compl'n	Social Rent	Support'd Housing	Social Homebuy	Market Sale	Totals
169 Long Lane	SE1	Feb-14	Jul-15	21				21
Willow Walk	SE1	Aug-13	Jul-15	21				21
Clifton Estate Garage Site	SE15	Mar-14	Jul-15	8				8
Gatebeck (East Dulwich Estate)	SE22	Apr-14	Aug-15	9				9
Southdown (East Dulwich Estate)	SE22	Apr-14	Aug-15	10		8		18

Address	Post code	Anticip'd start	Anticip'd compl'n	Social Rent	Support'd Housing	Social Homebuy	Market Sale	Totals
Cator Street Extra Care	SE15	Apr-14	Dec-15		42			42
Masterman Estate Garage Site	SE5	Mar-14	Nov-15	15			10	25
Nunhead Green	SE15	Feb-14	Oct-15	8				8
Sumner Workshops	SE15	Mar-14	Mar-15	50		20	41	111
Willow Walk TA	SE1	Aug-13	Jul-15	54				54
Hidden Homes	Variou s	Oct-13	Mar-15	24				24
Total				220	42	28	51	341

- 16. **169 Long Lane: Former Borough** / Bankside Housing Office: The proposed scheme has been reduced by one unit, from 22 homes to 21 as a result of the detailed design work, resident consultation and planning discussions. It is also proposed that all the units are developed for social rent. Detailed discussions have been held with the Leathermarket JMB, and two consultation events held with the Kipling Estate Tenants and Residents Association (T&RA). A drop in event for all those in the planning consultation area was held in June 2013. There has also been dialogue with the developers of the neighbouring site, 171 Long Lane, to assess the implications of the developments occurring in a similar timeframe. The planning application is due to be submitted in November 2013. It is currently programmed for development to start on site in February 2014.
- 17. Willow Walk: Former temporary accommodation: The scheme includes for the development of 54 units of new short stay accommodation and 21 homes for social rent. Three consultation meetings have been held with the Setchell Estate T&RA and a drop in event was held in September 2012. Planning approval was achieved in March 2013. Enabling works, including demolition of the existing accommodation, commenced in August, with the new build programme due to start in November 2013, subject to the second stage procurement and agreement on build cost. A "meet the contractor" event was held in June 2013 with the T&RA, prior to the works commencing.
- 18. Clifton Estate, garage site fronting Clayton Road: As a result of detailed design work, consultation and discussions with planning, the revised scheme proposes 8 units. The proposed development was discussed at the Clifton Estate T&RA meetings in May and June 2013, and a drop in event was held in June 2013. A planning application is due to be submitted in October 2013. Works, commencing with demolition, are expected to start on site in March 2014.

- 19. Sites of Southdown House, Gatebeck House, East Dulwich Estate: Planning permission for the two new housing blocks, along with environmental works and conversion of drying rooms into Hidden Homes, was granted in March 2013. Phase 1 of the drying room conversions started on site in August 2013. The first phase of the environmental works are scheduled to start on site in January 2014. The various work packages will be coordinated to ensure both initial elements are complete prior to the new build commencing, which is programmed for April 2014. The East Dulwich Estate Regeneration Project Team (EDERPT) has been central to the delivery of the schemes and has been involved throughout. In addition, a drop in consultation event was held in May 2013.
- 20. Cator Street, area fronting Commercial Way in front of the Learning Resource Centre: To assist the design development of the proposed extra care housing, a strategic design brief was developed. As a result and following on from detailed discussions with Adult Social Care, Housing Services, and Development Management, the scheme is now proposed to provide 42 extra care units, as well as communal areas and staff facilities. The design has been developed with reference to the proposed Centre of Excellence. Details of the scheme were presented to the neighbouring T&RA and a drop in event held in August.. The council has also been working with a design group on the Centre of Excellence which includes Age UK, Alzheimer's Society, Southwark Pensioners' Centre, Southwark Pensioners Forum, Southwark Pensioners Action Group, South London and Maudsley NHS, Southwark Clinical Commissioning Group as well as user and staff representatives. A planning application was submitted in Sept 2013. The new development is programmed to commence on site in April 2014.
- 21. **Masterman House, garage site to the rear of Masterman House:** The scheme is now projected to provide 25 new homes, of which 15 will be for social rent, and 10 for market sale. Planning policy in the area requires that 35% of the development should be for private housing. The proposals were presented to the Poets' Corner T&RA in April and an open drop in event held in June. A planning application was submitted in August 2013. The existing garage site would be demolished prior to the commencement of the new build, which is currently programmed for March 2014.
- 22. Nunhead Green, site currently occupied by the former Nunhead Lane community centre adjacent to Citron Terrace: The overall project includes provision of a new community facility on an adjacent site, along with new build private housing The proposed scheme for the affordable housing element of the site of the former community centre (known as 'site B'). will now deliver 8 family houses for social rent on the site. Consultation events have been held throughout the scheme development process for the overall project with the wider community from August 2011 to February 2013. A planning consent was approved on 3 Sept 2013 for the overall development, but the delivery of the private housing and community centre will be delivered under separate arrangements. The demolition of the existing community centre, is programmed to commence on site in February 2014, with the construction of the new homes to follow on.
- 23. **Sumner Road, vacant housing site:** The proposed scheme will provide 111 homes, with a tenure mix of 50 social rent units, 20 shared ownership and 41 private units and a community facility. The scheme design provides for an independent block for the private units, therefore allowing for a range of development routes to be

considered. The proposed scheme was presented to a meeting of the North Peckham T&RA in July, as well as a drop in session held in August. One of the key issues for residents has been the provision of a community facility within the new development; work is being progressed to consider what can be incorporated as part of the development and how it may be funded. The planning application is due to be submitted in October 2013. Three broad procurement options are being considered for the delivery of the private housing:

- The council to finance and build the private homes for open market sale
- The council to dispose of the land, with planning to a developer to build and sell the homes
- The council to enter into a joint venture arrangement with the house builder appointed to develop the affordable element.
- 24. **Old Kent Road** / **St James Road:** The site was previously identified for the development of Home Office Approved Premises. It is now recommended that the site be included in the Phase 1 programme for council housing. The site had been included in the procurement process for Phase 1b outlined in paragraphs 27 and 28. A feasibility study has been commissioned.

Summary

- 25. As shown in Table 1, the current estimates indicate that 341 new homes will be built, of which 166 would for general needs social rent, 28 for Shared Ownership under the Social HomeBuy model, and 51 for private sale. A further 96 units are being developed in the extra care and temporary accommodation schemes. As noted in paragraph 24, a feasibility study is being undertaken for the Old Kent Road / St James Road site, which will provide additional homes for phase 1. There is a need to explore the possible requirements for appropriation for housing purposes for the sites at Nunhead Lane, Commercial Way, Cator Street and the Albion Civic Suite.
- 26. The Hidden Homes programme continues to run alongside the development of the larger Phase 1 schemes, contributing to the overall delivery of new council homes. There are currently seven Hidden Homes units nearing completion, with handover for letting scheduled for October and November 2013. A further twelve units have received planning approval and are being programmed for delivery, with five more units awaiting planning decisions. Further suggested hidden homes have been put forward for feasibility assessments and new sites continue to be identified and explored.

Procurement

27. Procurement for both contractors and technical advisors for Phase 1 schemes has been undertaken via the Improvement & Efficiency South East (iESE) regional framework arrangements that were established in 2007 by OGC Buying Solutions (now known as Government Procurement Service or GPS) in conjunction with a consortium of public bodies in the south-east region led by Hampshire County Council in order to assist authorities in the efficient and effective delivery of construction projects over £1million. The arrangements comprise two regional frameworks, namely a construction framework with eight contractors and a professional services framework with twelve multi-disciplinary professional

consultants (based on the GPS framework). Southwark Council is one of over 70 public sector organisations eligible to use the arrangements. Phase 1 was split into two phases.

28. The Willow Walk and Nunhead Green schemes had been worked up to a more advanced stage and they therefore formed the first development tranche.

Phase 1A

29. Willow Walk

- The appointment of the professional team, under Mott Macdonald Ltd was completed in April 2012. The professional consultancy team includes the following disciplines: project management, architectural services, quantity surveying, mechanical & electrical, and structural.
- Mansell Construction Services Ltd were appointed as contractor for preconstruction services in December 2012 and were also appointed to carry out enabling works, eg demolition of existing buildings.

30. Nunhead Green

- The appointment of the professional consultant team under Mott McDonald Ltd was confirmed in December 2012. The disciplines included within the team are as outlined in paragraph 22 for Willow Walk.
- The contract for the build element has been included in the Phase 1B procurement, detailed in paragraph 26.

Phase 1B

31. This phase includes the remaining Phase 1 and associated schemes, procured in two lots as follows:

Lot 1 sites:

- Cator Street Extra Care / Cator Street (Centre of Excellence)
- Sites of Southdown House and Gatebeck House, East Dulwich Estate
- Clifton Estate, garage site fronting Clayton Road
- Masterman House, garage site

Lot 2 sites:

- Nunhead Green Site B
- Long Lane former Borough and Bankside housing office
- Sumner Road workshop site
- Old Kent Road/St James Road

Technical advisors

32. The appointment of the professional advisor team, under Mott Macdonald Ltd was finalised in February 2012. The disciplines included within the commission are as

outlined in paragraph 29 for Willow Walk.

Contractors

33. The procurement exercise for contractors for Phase 1b has resulted in recommendations included in a gateway 2 report for decision by the cabinet member for regeneration and corporate strategy in October.

Funding

- 34. The council's main funding sources for Phase 1 are the funds generated as a result of in lieu payments and useable Right to Buy receipts that are pooled into the Affordable Housing Fund (AHF). Separate funding had already been identified for the Willow Walk temporary accommodation.
- 35. The resources received or expected from in-lieu payments from signed S106 agreements are set out in Table 2 below. Everything profiled to date for 2011/12 and 2012/13 has been received and the remaining is from developments underway but for which the payment trigger has not yet been reached.

Table 2

Resources Expected	2011-12 (Actual	2012-13					
(£'m))	(Actual)	2013-14	2014-15	2015-16	2016-17	Total
Kings							
Reach	0	22.4	4.8	0	0	0	27.2
Potters							
Field	0	0	10.5	0	0	0	10.5
Union							
Street	0	1.6	0	0	0	0	1.6
Neo							
Bankside	9.0	0	1.0	0	0	0	10.0
1							
Blackfriars	0	0	7.25	7.25	7.25	7.25	29.0
19 Spa							
Road	0	0.5	1.5	0	0	0	2.0
Total	9.0	24.5	25.05	7.25	7.25	7.25	80.3

36. In addition the resources identified in Table 2, the Planning Committee agreed to consent a scheme at Sampson House and Ludgate House, Blackfriars on 8 October 2013 which will result in a minimum in lieu payment of £65m from the developer, subject to the completion of the S106 agreement and referral to the Mayor for London. However it is likely to be some months before the planning permission for this scheme is formally granted and some years before the permission can be implemented whilst vacant possession of the site is obtained and agreement reached between the developer and Network Rail. Therefore there can be no certainty at this stage as to the receipt of these monies.

RTB Receipts

37. As outlined in the 23 October 2012 cabinet report, the Communities and Local Government department, now DCLG, consented to the council retaining RTB receipts for the development of new affordable homes. The DCLG calculated that the council's anticipated level of sales under previous arrangements as 40 per year and that beyond this level of sales, most of the receipts can be retained for development of new homes. The DCLG guidance explains RTB receipts can be used for a full range of expenditure relating to new build, but only up to 30% of the cost of providing each new unit. Developments would need to commence within 3 years of the receipts being generated. Some possible variations to the DCLG guidance in relation to the use of grant as match funding are being monitored. Useable receipts of £3.4m were realised in 2012/13 It is currently estimated that receipts in the region of £11.2m will be realised in 2013/14.

GLA Funding

- 38. Bids were submitted for grant funding from the GLA Building the Pipeline funding opportunity for all schemes in the Phase 1 programme. These bids initially were unsuccessful; however, they have now been resubmitted following clarification with GLA officers on their value for money and deliverability criteria.
- 39. Some bids were successful in the initial round. The Hidden Homes programme provides new affordable housing and as such is included in the Direct Delivery Programme; the GLA has allocated £228k towards the delivery of 10 Hidden Homes. In addition £158k is being made available for remodelling of homes for people with learning disabilities.
- 40. It is a requirement of the Building the Pipeline funding that the council will be required to enter into a Grant Agreement with the GLA. Detailed consideration will be given to the terms of the agreement with the Greater London Authority to ensure that there are no conditions attached to the funding that are in conflict with the council's objectives.
- 41. A bid for the Cator Street extra care scheme had previously been submitted for the GLA's Care and Support funding stream, but was unsuccessful.

Development Costs

42. Davis Langdon have been commissioned to undertake a review of the Stage C cost plans submitted by Mott McDonald for 8 of the Phase 1 schemes against their original cost estimates produced in December 2012. As a result due diligence reports have been produced for 5 of the sites with the remainder being progressed. These reports will be used to assist in the process of finalising contractors' cost plans and final scheme approval.

Planning Policy

43. Schemes will need to comply with the council's planning policies. The current development plan consists of the London Plan (2011), the Core Strategy (2011), the saved Southwark Plan (2007) and adopted area action plans for Aylesbury (2010)

and Canada Water (2012). There is also an emerging area action plan for Peckham and Nunhead, with adoption planned for 2014, and current revisions to the Canada Water area action plan. Further guidance is also set out in area specific supplementary planning documents (SPDs), and topic specific SPDS, namely the affordable housing SPDs (adopted 2008, draft 2011) and the residential design standards SPD (2011

KEY ISSUES FOR CONSIDERATION

Phase 2 Proposed Sites

- 44. A number of sites have been identified as potential schemes for inclusion in Phase 2. They range from sites where some capacity work has been undertaken to others where only a very initial assessment of their suitability has been made. The proposed phase 2 sites are outlined in the table at appendix 1.
- 45. In summary the proposed sites are:
 - a) Joseph Lancaster Nursery Annex, SE1: Single storey building and surrounding land adjacent to estate managed by Leathermarket JMB. A capacity study has been commissioned and the findings are awaited.
 - b) Canada Estate, SE16: A number of potential areas for development exist on the estate. Discussions about the possible configuration of new development have taken place with the Canada Estate T&RA, and a capacity study has been commissioned.
 - c) Daniels Road Car Park, SE15 Strip of land on north side of Daniels Road. A site meeting has been held with the Buchan T&RA and a capacity study has been commissioned and initial options have been forwarded to the T&RA for consideration.
 - d) Albion Street Civic Centre, SE16: The disused Civic Centre occupies a linear site backing onto the Rotherhithe Tunnel approach.
 - e) Commercial Way, SE15:Two sites between Pentridge Street and East Surrey Grove, which were originally earmarked for the proposed crossriver tram. The site neighbours the proposed Cator Street extra care development, in Phase 1 and therefore a mini masterplan exercise is underway to look at the impact of developing these two sites and the extra care site. A capacity study has also been commissioned. Initial contact has been made with the North Peckham T&RA and it is proposed to combine the necessary consultation with the process under way for the Phase 1 schemes.
 - f) Castle Resource Centre, Hampton Street, SE1:Day centre building above garages on estate. This scheme is at a more advanced stage, having been worked up as part of the Elephant & Castle regeneration. It involves the relocation of the Crossways United Reform Church, currently located with the Heygate development area and the provision of six homes, two of which will be provided for the use church. Consultation has been held with the Draper House T&RA, the Strata residents group and local businesses located in the neighbouring railway arches. Consultation is now being arranged with the Hampton Street Nursery and Newington Estate T&RA.
 - g) Weston Street Garages, Kipling Estate, SE1:The site currently contains garages and is within the area managed by Leathermarket JMB. The JMB has been successful in obtaining funding from the GLA to work up proposals for a

- Community Right to Build development. The proposals are being worked up on the basis of any new affordable homes developed as part of this funding would contribute to the new council homes programme.
- h) 95A Meeting House Lane, SE15: Site of the former Acorn area housing office, on the edge of Acorn Estate. The Peckham Settlement obtained a planning consent for a 2/3 storey building including community space. However, the Settlement has subsequently become insolvent and therefore will not be progressing with the development. Therefore, it is proposed to bring the site into the Direct Delivery programme to produce a council housing development with combined community facilities.
- i) Welsford Street Garages, SE1: This site was previously identified as an Elephant and Castle early housing site, and a feasibility study undertaken but nothing was progressed. The site consists of 30 garages with a large informal car parking space to the rear. It is likely some garage reprovision will be necessary as part of any development.
- j) Colombo Street, SE1: The site currently accommodates a two storey General Practice (GP) surgery on a long lease. There is significant development in progress or proposed in the area and it is considered that this site could be put to better use as a council housing block, potentially with improved GPs premises on the lower floors. This approach would need to be discussed with the leaseholder and a variation agreed, and arrangements made for alternative temporary provision of GP services. No discussions have yet taken place.
- k) Goschen Estate, SE5: This consists of two potential sites, one adjacent to the railway and Causton House comprising a row of garages, sheds and space to the rear; the second a single storey vacant tenants / community hall. Part of the first area is being prepared for a ball games area under the Cleaner, Greener, Safer programme. There is no formally constituted T&RA at Goschen Estate, but discussions about the development possibilities will take part with interested residents.
- I) Lugard Rd, SE15:A row of 7 garages and 3 parking bays. The site is not covered by a T&RA.
- m) Fenham Road, SE15: A site containing 12 garages on the corner of Fenham Road and Nutcroft Road. The site is not covered by a T&RA.
- n) Tenda Road, SE16: Consists of a stand alone area of car parking on Wilmington Terrace. The site previously housed pre-fab homes. Initial contact has been made with Manor Estate T&RA, and the proposal is to be discussed at a T&RA meeting in early November.
- o) Nunhead Lane 35-41, SE15: Site fronts Nunhead Lane and used to accommodate a nursery. The site is not covered by a T&RA. No consultation yet to be arranged
- p) Kinglake Street, SE17: Two storey garage site at the southern end of (new) Kinglake. It fronts Old Kent Road and may require some garage reprovision. The possibility was discussed at the Kinglake T&RA meeting on 7 October 2013. Residents were not particularly supportive of the idea, but if agreed in principle, further work would be done with residents including the capacity for some garage reprovision.
- q) Pelier St, SE17: Former car breaker's yard on south side of Pelier Park. The site was being considered for disposal and an outline planning application has been made. Discussions are to be arranged with Residents' Associations in the area.

- 46. Some discussions have taken place concerning possible schemes which are not being recommended for inclusion in Phase 2.
 - Salisbury Estate Car Park, SE17: Car park on the edge of the estate on the Balfour Street / Chatham Street corner. An initial discussion has taken place with the Salisbury Estate T&RA in the context of an update about other developments being progressed in the area, and there is not support for a new council development on the car park site. It is proposed that an outline scheme / capacity assessment is undertaken in order to have an informed discussion with the T&RA.
 - Styles House, SE1: Initial discussions have taken place with a private developer, Development Securities, who have an option to acquire a derelict building adjacent to the estate. Development Securities are proposing a jointly delivered scheme with the council that could be of mutual benefit. If it was possible to agree a scheme that had the support of residents, any new affordable housing developed as part of it should be council stock and therefore would need to be identified for inclusion in this programme.
 - Braganza Street Workshops: A disposal is being negotiated which will result in the development of a mixed scheme. It is proposed that one condition would be that the affordable housing homes built would be council homes. This should be worked up as a potential model for replication in other situations where sites are being disposed of for housing or mixed uses and there is a planning requirement for affordable housing. The use of Affordable Housing Fund resources arising from other developments to fund council housing on a site will have to be carefully administered to ensure that the outcome of development of additional affordable homes is being achieved.
- 47. As outlined in Appendix 1, the initial capacity assessments estimate that 327 homes could be built, with a tenure split of: 241 social rents, 36 Shared Ownership on the Social HomeBuy model and 50 private sale. The appendix also sets out the estimated development costs and values, which are also summarised in the financial considerations paragraphs. An average of £170,000 per unit has been used for modelling purposes, compared with £160,000 used in the report recommending Phase 1 schemes. This uplift is a response to the experience of scheme development of Phase 1 to date.
- 48. An indicative development programme has been drawn up for the 19 sites in phase 2. It is projected that the sequence of the construction stages across the sites will range from 2014/15 to 2017/18.

Changes to composition of tranches

49. It may be necessary as scheme development continues for Phase 1 and gets under way for Phase 2, that circumstances arise that make it undesirable to progress with an individual project. To support the overall momentum and balance in the programme, it is proposed that schemes are substituted with suitable replacements, and that any necessary decisions are delegated to the Cabinet Member for Regeneration and Corporate Strategy.

Consultation

- 50. Resident consultation for Phase 1 is continuing as outlined in the scheme summaries. For Phase 2 schemes, consultation will be progressed along the following lines:
 - Agree consultation strategy with the relevant T&RA (and with the Tenant Management Organisation in the case of the Joseph Lancaster site)
 - Consultation drop-in with outline designs
 - Absorb feedback, adjust designs as appropriate and advise residents.
 - Formal planning consultation
 - Ongoing engagement on detail design and delivery
- 51. There have been at least initial discussions with T&RAs for the potential Phase 2 schemes where they exist. Where there are no known active T&RAs, or where sites are not on estates, consultation arrangements will be worked up on a site by site basis, including with current users of garages.
- 52. Ward member invitations and briefings will be coordinated with the resident consultation
- 53. Consultation to date on each of the proposed schemes has been outlined above in the scheme summaries.

Procurement Options for Phase 2

- 54. The procurement strategy for Phase 2 sits within the master programme for delivering 1000 council homes by 2020, which is included at Appendix 2. This envisages five tranches (or phases) of projects, each comprising approximately 200 affordable units. The delivery is profiled to give a reasonably even flow of starts and completions on site over the lifecycle of the programme.
- 55. It is proposed that Phase 2 be divided into two sub-phases, 2A and 2B, as this will build on the momentum established in Phase 1 and provide continuity in the short-term whilst bespoke framework arrangements tailored to the council's long-term needs are procured. At present, the sites suggested for inclusion in Phase 2A are the former Joseph Lancaster Nursery Annexe, site at Canada Estate, Daniel's Road car park site and the site of the former library in Albion Street. Phase 2B would comprise the remaining sites in the Phase 2 schedule.
- 56. A summary of the delivery proposals embodied in the master programme, including for Phase 2, is given in Table 3:

Table 3

Tranche /	Appro	ximate No of I	Jnits	First start	Last finish
Phase	Affordable	Market	Total	on site	on site
1	290	51	341	Aug 2013	Mar 2016

Tranche /	Appro	ximate No of	Units	First start	Last finish
Phase	Affordable	Market	Total	on site	on site
2A	101	4	105	Jun 2014	Dec 2016
2B	217	46	263	Jul 2015	Jun 2017
3	157	35	200	Jan 2016	Dec 2017
4	157	35	200	Jan 2017	Dec 2018
5	78	29	169	Jul 2017	Jun 2019
Float				Jul 2019	Dec 2020
Total	1000	200	1200		

Phase 2A

- The procurement strategy under consideration for the provision of Phase 2A for professional services is a negotiated agreement with the existing Phase 1 provider, Mott MacDonald. Mott MacDonald's existing appointment is through the GPS/iESE consultancy framework and provides for a multi-disciplinary professional services, including project management, architectural design, quantity surveying, building services engineering, structural engineering, civil engineering and CDM coordination. Under EU procurement regulations, it is permissible in certain circumstances to extend an existing agreement by negotiation for up to fifty cent of the original value. Should such a negotiation prove possible, the council would gain further benefit from the knowledge and experience accumulated from the Phase 1 projects in respect of the Phase 2A projects. A negotiated appointment would also be relatively quick to implement compared to other options. On-going discussions are taking place with the head of procurement and the specialist contracts lawyer on the feasibility of this and other approaches. Subject to the feasibility of a negotiated approach, a gateway 1 report setting out the procurement strategy for Phase 2A professional services will be prepared for decision by the strategic director for finance and corporate services in November 2013.
- 58. Options for the procurement of the construction works for Phase 2A include further use of the iESE contractor framework which relies upon two-stage design and build, as used for Phase 1, or use of the GLA's London Development Panel (LDP) which has been recently established for residential development and is more flexible on the form of contract that may be adopted. Both arrangements are compliant with EU procurement regulations, allowing the selection process (probably by means of a mini-competition) to be implemented relatively quickly. Further consideration of these options with regard to programme objectives will be given by officers during October. The works procurement strategy will be the subject of separate gateway 1 and 2 reports.

Phase 2B

59. Arrangements for the provision of professional services and construction are required in the longer term for Phase 2B and subsequent phases. These need to be procured in parallel with the work currently in progress on Phase 1 and Phase 2A for reasons of programme continuity.

- 60. The GPS/iESE consultancy framework expired in June this year and is no longer available for use beyond the possibility of varying Mott MacDonald's Phase 1B appointment to include for the Phase 2A projects. The Government Procurement Service is in the process of procuring a successor framework but there is uncertainty over whether the arrangements will be suitable for the council's purposes or exactly when it will be available for use.
- 61. Other options for securing professional services for Phase 2B and subsequent phases include adoption of another consultancy framework arrangement, for example, the Homes and Community Agency (HCA) Consultant Design and Built Environment Panel, contractor-led design via the iESE contractor framework or GLA developer panel and setting up a bespoke, EU-compliant Council panel of multi-disciplinary consultant teams. These and other options are currently under consideration by a panel of officers with a view to identifying a recommended procurement strategy for implementation.
- 62. Long-term options for procuring construction works for Phase 2B and subsequent phases need to take account of future market conditions. Early indications suggest that prices are likely to rise with increasing demand, particularly in the residential sector. One approach would be to use an existing contractor framework, similar to those described for Phase 2A in paragraph 50. These, however, tend to attract the larger construction firms and may be more susceptible to the effects of 'overheating' should demand continue to rise. An alternative approach would be for the council to procure its own EU-compliant panel of contractors that specialise in housing development and are not typically found on the major contractor frameworks.
- 63. It is proposed that a gateway 1 report setting out the proposed procurement strategy for Phase 2B and subsequent phases for both professional services and construction works be prepared for decision in December 2013 and that the decision be delegated by the Leader to the cabinet member for regeneration and corporate strategy.

Delivery of further 10,000 homes

- 64. In the report considered by cabinet on 16 July 2013 titled 'Independent Housing Commission Conclusions and Next Steps Following Community and Stakeholder Engagement.' In the Leader's forward to the report, he stated that the report provided a solid evidential basis for the council to restate its unequivocal commitment to council housing our borough, managed for and by our residents and to set about creating an ambitious strategy to build even more new council homes for Southwark and London. The Leader also gave a commitment to build ten thousand more new homes in the next 25 years and that this was in addition to the previous commitment to build one thousand new council homes. Cabinet required a detailed assessment of the performance of the council's housing assets and the development of long term plans to build 10,000 more council homes in the future.
- 65. A significant piece of work is required to prepare for the expanded long term proposal. Over 25 years, there would be a need to average completions of 300 350 units per year. To put this in context, 600 affordable homes per year have been completed in Southwark with council support for several years in succession, so the

- level of construction activity envisaged is not unprecedented. What is different is that the council would be directly managing or enabling the delivery of new homes.
- 66. Work has commenced to review the requirements to provide 10,000 additional new council homes through a tested housing investment plan, in order to establish a viable delivery model for these homes in Southwark by 2050. This will incorporate the impact of emerging risk factors, including government changes to rent policy and HRA business plan assumptions, and these will be further tested and refined.
- 67. The current plans for 1,000 new homes will be considered, alongside the preparation of a report that reflects market benchmarks across the Southwark residential market, to contribute to a model illustrating the financial impact and viability of delivery, in order to assess and test capacity. An investment plan will be formulated to include an analysis of the impact of different tenure choices and the extent to which each meets identified need in Southwark and assists Southwark Council in meeting its broader housing objectives.
- 68. A high-level 30 year housing investment plan, along with a framework for assessing the performance of all HRA assets and development potential across the borough, will be developed. The potential impact of the housing investment plan on local RP and market-led activity in the borough, in order to maximise the affordable housing investment in the borough over the long term, will also be considered. There will also be a review of the July 2013 Futures Steering Board report of an investment model for a council home building programme, which was largely based on building homes for sale to finance homes built for social rent, perceived to be kick-started by other sources of income, such as bond issuance.
- 69. In addition, the work will include an assessment of the viability of different approaches and assistance in the creation of a development strategy, in order to test viability locally and refine the programme on a site specific basis. This will include a consideration of how the overall long-term programme can be broken down into manageable and deliverable strands of activity, ensuring viable delivery and value for money throughout a long term plan.
- 70. The outcome of this work will be reported to Cabinet in November. In support of it, and in addition, a number of other strands are currently being progressed as follows:
 - Preparatory work on identifying Phase 3 of 1000 homes programme, and review of delivery options.
 - Develop new housing strategy in accordance with agreed approach and timescale.
 - Consideration of Phase 1 and 2 schemes to prove designs and approaches that can be repeated on other estates where opportunities arise.
 - Explore options for the delivery of a range of additional council housing, in terms of ownership, letting and income, either directly or for example, through leaseback or joint venture arrangements. Further supply lines may be achieved by:

- The council assuming the role traditionally taken by Registered Providers of affordable housing in S106 agreements in privately led developments, as proposed for the Braganza Street scheme referred to in paragraph 46.
- The acquisition of new or existing properties from private owners,
- The generation of increased revenue by development of homes for private renting.
- Programme level consultation with residents through the existing representative structures.
- Assessment of the capacity and skills required within the relevant teams to deliver a longer term programme.
- Responding to the GLA Strategic Land Availability Assessment and the council's development capacity work undertaken for planning purposes.
- Continue assessing and filtering development possibilities.
- Integrate development capacity to strategic assessment of housing need, particularly the Social Housing Market Assessment based on current identified priorities:
 - Council rented general needs
 - Council specialist housing eg extra care
 - o Council shared ownership on Social Homebuy model.
 - Other intermediate products, established following research on housing requirements for entry level home ownership.
- Continue work to develop Design & Specification guide to establish generic requirements.
- Explore ways of developing new housing stock to meet needs of an evolving housing management service and to provide local choice in management, and in particular to promote increased Tenant Management.
- Integrate delivery of new stock with existing priority programmes including Warm, Dry & Safe, and estate regeneration and High Investment Needs Estates schemes as planned.
- Upgrade software to undertake option and scheme development appraisals, based on Argus system administered by Property services with upgrade if necessary.

Policy implications

- 71. The homes delivered as part of the AHF programme will assist in increasing the supply of good quality affordable housing and will contribute the following targets:
 - Policy 5 of the Core Strategy sets a housing target for the borough of 24,450 net new homes between 2011 and 2026 (1,630 per year).
 - The London Plan sets the borough a housing target of 20,050 net new homes between 2011 and 2021 (2,005 per year)
 - Core Strategy policy 6 sets an affordable housing target of 8,558 net affordable housing units between 2011 and 2026.
- 72. The proposed extra care provision would assist in meeting the aim in the Mayor of London's draft revised Housing Strategy to increase the supply of extra care

housing, with an estimated 16,700 homes required over the next six years.

- 73. The council is committed to providing a fairer future for all and maximising the benefits from regeneration to all is one of top ten promises set out in the council plan. Developing new council homes across the borough will make a major contribution. Further, in 2012 the council agreed an economic well-being strategy that focuses action on promoting jobs and growth, supporting business and improving financial well-being, including through regeneration, construction and other opportunities. The affordable housing fund has the potential to support the strategy by engaging with housing partners and council contractors to identify and develop entry points for priority groups to access local employment and training opportunities, promote and develop apprenticeships and work placements and embed local economic benefits into procurement.
- 74. In accordance with the July 2013 cabinet decision, the council's housing strategy across all tenures and sectors will be reviewed and the implications of this work will influence the council's direct delivery programme.

Community impact statement

- 75. Southwark is a borough with high levels of deprivation, low median income levels, and high levels of housing need. Southwark's Housing Strategy 2009-2016 identified that there is a shortage of affordable housing in the borough, particularly of larger homes. Households from black and minority ethnic communities tend to be over-represented among those living in overcrowded, poor quality housing.
- 76. Southwark has an ageing population, particularly those aged 85 plus. By 2020 the number of older people over the age of 85 is expected to grow by 21.0%. There is a shortage of extra care sheltered housing for older people as an alternative to residential care. Surveys of older people have found residential care to be an unpopular housing option among older people.
- 77. There are similar demographic pressures arising in the disabled population in Southwark. The number of people with learning disabilities is projected to increase by 22% by 2030; this will inevitably create increased demand for ordinary housing options for people with disabilities living in the borough.
- 78. The proposals to increase the supply of affordable, good quality homes will benefit households in need from all Southwark's communities, and will increase the housing options available for older people and people with disabilities living in Southwark. As schemes are worked up, officers will continue to monitor the need for equalities impact assessments of the proposals on residents and services users as they arise.
- 79. It should also be noted that it is still difficult to measure the full impact of the government's welfare reform measures on Southwark's communities. These impacts will need to be closely monitored as the new homes programme unfolds to ensure that the design and delivery of the new homes and arrangements for letting and management continue to meet needs.
- 80. Those living in the vicinity of the new developments may experience some inconvenience and disruption in the short-term, while works are taking place but that

communities as a whole will benefit in the longer term from the new homes. In local areas, the effects will be eased, in part by working closely with residents on the delivery process, and also through the specific planning requirements to mitigate the effect of development in that local area. The 23 October 2012 cabinet report proposed that a proportion of the new properties in each development are made available to existing tenants living on an estate within an agreed boundary. This matter is being addressed in the Letting Policy review on the assumption that the proportion for local lettings shall be 50% of the homes for rent in each scheme and that rehousing will result in a property being released for reletting.

Financial implications

81. Current costs and funding for phases 1 & 2 are shown in the table below, which shows sufficient funding to meet these intended works:

		Funded nd Funding	Housing g Schedule		Phase	1 & 2	
	B/Fwd	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Costs:	. <u>-</u>	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Phase I	-	6.00	15.00	13.00	2.00	0.00	36.00
Phase 2	-	1.00	10.00	20.00	20.00	4.60	55.60
Phase 1B preconstruction	-	1.30	0.26	-	-	-	1.56
Willow Walk (pro rata)	-	0.18	0.18	0.18	0.18	0.18	0.90
Nunhead Green (pro rata)	-	0.04	0.04	0.04	0.04	0.04	0.20
Phase 1B Consultancy (pro rata)	-	0.44	0.44	0.44	0.44	0.44	2.20
Direct orders	-	0.20	0.20	0.20	0.20	0.20	1.00
Total costs		9.16	26.12	33.86	22.86	5.46	97.46
Funding sources:							
S106 (AHF)	33.50	25.30	7.25	7.25	7.25	-	80.55
Capital Receipts Grants (GLA	3.40	11.20	8.60	-	-	-	23.20
Building The Pipeline) (pro rata)	-	1.10	1.10	1.10	1.00	1.00	5.30
Grants (GLA Hidden Homes)	-	-	0.23	-	-	-	0.23
Total Funds	36.9	37.6	17.18	8.35	8.25	1.0	109.28

82. The cabinet report (dated 23 October 2012) outlined the financial resources that are in place to deliver Phase 1 of the directly funded housing delivery programme, with a budget of £44.5million.The capital allocation for the affordable housing elements of

- all Phase 1 schemes will be funded from the Affordable Housing Fund (AHF). The AHF is made up from payments made by developers' in-lieu of the affordable housing obligation on a number of exceptional schemes and Right To Buy (RTB) receipts.
- 83. Both elements of the AHF can only be used for the provision of new affordable housing. The use of the in lieu payments is subject to the S106 agreements for the relevant schemes and therefore needs to be agreed as an appropriate use of the resource, which is a matter for Planning Committee approval.
- 84. The estimated development costs for phase 2, as shown in appendix 1, are £55.6m. Phase 2 will deliver 327 new homes in the borough of which 241 will be let as social rent. The rental income will make a positive contribution to the HRA business plan.
- 85. The costs of the 42 extra care units, communal areas and staff facilities Centre of Excellence (Adult Social Care) will be categorised as an HRA asset. On going maintenance of the completed works will be met from the housing revenue budget and detailed budgets will have to be drawn up for each scheme to ensure all costs are covered and to minimise risks.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

86. Advice has previously been given on the report to cabinet in October 2012 which sought approval to the direct delivery of new council housing. This report requires the cabinet to note progress on phase 1 of the programme and to agree additional properties to be included within the scheme, including some substitutions, and also to note the procurement approach for future parts of the programme. Specifically the Leader is asked to approve the delegation of certain gateway decisions which would otherwise be approved by the cabinet. Officers in legal services will continue to advise on this project as required.

Strategic Director of Finance and Corporate Services (FC13/073)

- 87. This report notes progress to date of Phase 1 of the directly delivered housing delivery programme. It also seeks agreement to various aspects of Phase 2, which has an overall expected cost of £55.6m.
- 88. The funding sources for Phase 2 will be from a mixture of S106 Affordable Housing Fund (AHF), Capital Receipts, Grants and other contributions. It is noted that these funding sources each carry conditions which will need to be met In the event that funding is not secured, overall programme cost will need to be reviewed to ensure it remains affordable and other alternative funding sources sought.
- 89. The strategic director of finance and corporate services notes the financial implications detailed in paragraphs 81 to 85 and the requirement for continued monitoring to ensure the scheme is contained within available resources. Future reports to cabinet, including quarterly capital monitoring, will report progress.
- 90. The impact on the Housing Revenue Account (HRA) is noted and will need to be

identified in the annual revenue budget setting and monitoring process. Officer time to implement this decision can be contained within existing revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
23 October 2012 cabinet report :	160 Tooley Street, SE1 2QH	Tim Bostridge
Direct Delivery of New Council		020 7525 1222
Housing		
http://moderngov.southwark.gov.uk		
/ieListDocuments.aspx?Cld=302&		
MId=4247&Ver=4		

APPENDICES

No.	Title
Appendix 1	Proposed Phase 2
Appendix 2	Overall Programme

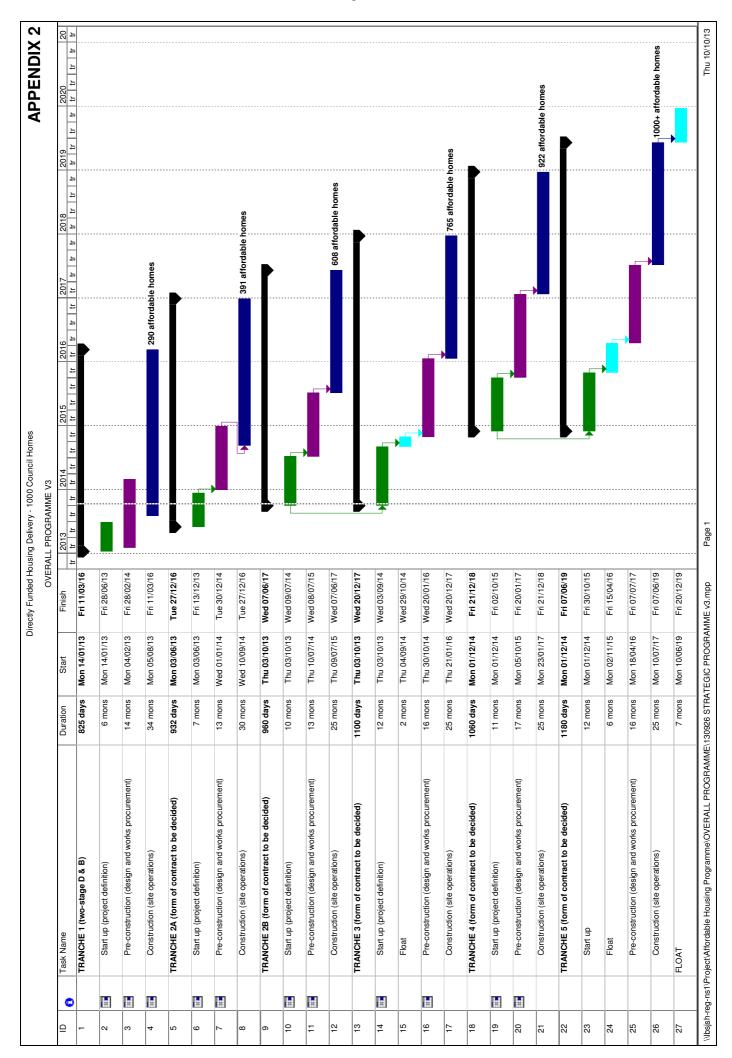
AUDIT TRAIL

Cabinet Member	Councillor Fion	a Colley, Regeneration	and Corporate Strategy
Lead Officer	Eleanor Kelly (Chief Executive	
Report Author	Tim Bostridge,	Housing Supply Manage	er
Version	Final		
Dated	11 October 20	13	
Key Decision?	Yes		
CONSULTATION	WITH OTHER C	FFICERS / DIRECTOR	ATES / CABINET
	N	IEMBER	
Officer Title		Comments Sought	Comments Included
Director of Legal Servic	es	Yes	Yes
Strategic Director of Fin		Yes	Yes
and Corporate Services			
List other officers here			
Cabinet Member		Yes	Yes
Date final report sent	to Constitution	al Team	11 October 2013

Proposed Phase 2 Sites						
			-	Number of Homes	omes	
Site	Ward	Description	Social Rent	Intermediate	Market	Total
Joseph Lancaster Nursery Annexe, Deverill Street SE1	Chaucer	Disused council building. Single storey building and surrounding land.	41	Ø	0	16
Canada Estate various SE16	Rotherhithe	Parcels of land on estate.	51	9	0	22
Daniels Road SE15	Nunhead	Strip of land on north side of Daniels Road.	2	+	4	12
Albion Street Civic Centre SE16	Rotherhithe	Former municipal building.	18	2	0	20
Commercial Way SE15	Peckham	Former estate land. Two sites between Pentridge St & East Surrey Grove. Originally earmarked for tram.	34	9	21	61
Castle Resource Centre, Hampton Street SE1	Newington	Council building. Day centre building above garages on estate.	9	0	0	9
Weston St Garages, Kipling Estate, SE1	Grange	Garage site on estate in Leathermarket JMB management	22	8	0	25
Meeting House Lane 95a, SE15	Livesey	Disused council office building. Former Acorn NHO, on edge of Acorn Estate.	2	1	4	12
Welsford Street Garages SE1	South Bermondsey	Garages and car parking. Former E&C site. Consists of 30 garages with large informal car parking space to rear.	15	ю	o	27
Colombo Street SE1	Cathedrals	Long lease, LBS freehold - 2 storey GP surgery	18	2	0	26
Causton Hse, Goschen Esate, Bethwin Road SE5	Camberwell Green	Sites adjacent to the railway, adjacent to block, row of sheds and space to rear of sheds.	8	1	2	14
Goschen Estate, ex T&RA Hall SE5	Camberwell Green	Single storey brick building to rear of Causton House.	2	0	0	2
Lugard Rd Garages, SE15	Nunhead	Row of 7 garages & 3 parking bays. Sub station to rear of site.	S	0	0	5
Fenham Rd Garages SE15	Peckham	12 garages on the corner of Fenham Rd and Nutcroft Rd.	9	0	0	9
Tenda Rd Car park SE16	South Bermondsey	Car parking area on Willmington Terrace.	2	-	4	12
35-41 Nunhead Lane SE15	The Lane	Site of former nursery fronting Nunhead Lane	9	1	က	10
Kinglake St. Garages SE17	East Walworth	2 storey garage block at southern edge of (New) Kinglake	2	7	0	14
Pelier Street, SE17	Newington	Former car breaker's yard on edge of park.	8	0	0	8
Total Units			241	36	20	327
	Estimated Development Cost (£m) *	nent Cost (£m) *	41.0	6.1	8.5	55.6
	Estimated receipts (£m)**	(£m)**	0.0	2.5	14.0	16.5

^{*} Assuming £170k per unit average cost

 $^{^{**}}$ Assuming £280k per unit average sales value and 25% equity share for intermediate



Item No. 16.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report title	:		ad Area Action Plan: Table of cations required by the Inspector
Ward(s) or affected:	groups	Peckham, The Lane, Nunhead	Livesey, Peckham Rye,
Cabinet Me	ember:	Councillor Fiona Coll Strategy	ey, Regeneration and Corporate

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

Following the examination in public this summer we have received from the Planning Inspector a number of potential changes to the Peckham & Nunhead Area Action Plan which he may decide to make in his final report to the council. At this stage he simply requires the council to consult on these possible changes and not to comment on them. The council will make comments after the consultation process has been concluded in January

RECOMMENDATIONS

That cabinet:

- 1. Agree to formally consult on the potential main modifications to Peckham and Nunhead Area Action Plan (AAP) publication/submission version (Appendix A). The table of potential main modifications required by the Planning Inspector, subject to consultation is set out in Appendix B.
- 2. Note the Inspector's post hearing note, setting out the requirement to consult on the potential main modifications (Appendix C).
- 3. Note the minor updates to some of the supporting documents: the sustainability appraisal (Appendix D), the equalities appraisal (Appendix E), the proposed adopted policies map (Appendix F) and the schedule of proposed changes to the adopted policies map (Appendix G).

BACKGROUND INFORMATION

Background to the AAP

4. We are preparing an area action plan (AAP) for Peckham and Nunhead. The AAP will form part of Southwark's development plan and will be used to make decisions on planning applications. Whilst the AAP must be in general conformity with the London Plan (2011) and the Core Strategy (2011), it can adapt some of these policies to reflect specific issues in Peckham and Nunhead. Alongside the Core Strategy, it may also replace some of the saved Southwark Plan (2007) policies.

- 5. The AAP covers the majority of the area covered by the Peckham and Nunhead community council, covering Livesey, Peckham Rye, The Lane, Peckham, and Nunhead wards. Small parts of Livesey and Peckham Rye wards are outside the AAP boundary.
- 6. The AAP has been prepared over a number of years, with six stages of consultation taking place between 2006 and 2012. The most recent stage of consultation was the publication/submission consultation from September to December 2012. This consultation was on the draft AAP. It sets out a detailed vision for Peckham and Nunhead which builds on the vision in the Core Strategy. It sets policies to make sure that over the next fifteen years we get the type of development to deliver the vision. It includes a section on delivery which sets out how the policies and necessary infrastructure will be implemented.
- 7. The publication/submission version of the AAP was taken to cabinet and council assembly for agreement for formal consultation and submission to the Secretary of State, on 25 September 2012 and 17 October 2012 respectively.
- 8. The AAP was submitted to the Secretary of State for independent examination in March 2013. The Secretary of State subsequently appointed a Planning Inspector to examine the AAP.
- 9. The appointed Inspector wrote to the council on 26 April 2013, asking for the council's early response on a range matters. Within these matters he raised a number of concerns where he considered a 'main modification' may be required. Main modifications are changes that are considered significant changes to a plan, which require consultation before being able to be adopted as part of the plan. The Inspector is able to direct the council to make main modifications in order to make a plan sound. He is also able to consider main modifications suggested by the council after their final stage of consultation. In this case, the council proposed one main modification to the Inspector for consideration based on his April note, and a number of minor modifications to provide clarity to the plan and factual updates.
- 10. An examination in public (EiP) took place from 23 July to 1 August 2013. At the EiP the Inspector considered the soundness of the AAP and whether the council has followed the correct procedural and legal requirements in preparing the AAP. He asked both the council and objectors to put forward their views on a number of issues and questions.

The Inspector's post hearing note- potential main modifications to be subject to consultation

- 11. Following the EiP, the Inspector wrote to the council on 21 August 2013 to identify potential changes to the AAP which the Inspector wishes to be the subject of further consultation to enable the Inspector to possibly include them as main modifications in his final report.
- 12. He asks the council to prepare a table of main modifications to reflect his post hearing note (Appendix C), which he requires the council to consult on. He also requires the council to prepare a list of minor changes to the AAP which we must make public alongside the main modifications, but need not be subject to consultation. The Inspector can only direct the council on main modifications. Minor modifications can be agreed by the council.

- 13. At the moment the Inspector is simply asking the council to consult on these main modifications and not to comment on the appropriateness of the potential main modifications. He sets out that the council will have the opportunity to express their views on these potential changes after the consultation process has been concluded.
- 14. Once consultation has closed, the council will send the representations received to the Inspector along with the council's comments on the potential main modifications. The Inspector will then publish a report with binding recommendations, expected for receipt in Summer 2014. The council can then choose to adopt the final AAP with any main modifications required by the Inspector, or to withdraw and go back to informal consultation. If we choose to adopt the AAP, it will be taken to council assembly for adoption.

KEY ISSUES FOR CONSIDERATION

The Inspector's post hearing note

- 15. The Inspector's post hearing note (Appendix C) sets out a number of potential main modifications requiring consultation. These are set out below. As stated above, the council cannot provide the Inspector with comments on the appropriateness of these main modifications at this stage, but there will be an opportunity to do this at a later date.
- 16. The note also refers to the need for the council to prepare a table of proposed minor changes to include minor factual updates to the AAP. These changes need to be made public alongside the table of main modifications but are not required to be consulted upon and the Inspector cannot comment on these minor changes. The minor changes will be agreed in a separate report by the director of planning, in consultation with the cabinet member for regeneration and corporate strategy.

The potential main modifications

- 17. The full table of potential main modifications, subject to consultation is set out in Appendix B.
- 18. Policy 4: Hot food takeaways. We previously suggested what we felt were minor changes to policy 4: Hot food takeaways to factually correct the location of Tuke School and to make it clear that the figure showing the schools is indicative as the policy restricts hot food takeaways around all secondary schools, whose location might change across the lifetime of the plan. The Inspector requires this change to be considered as a main modification.
- 19. Policy 6: Business space. The Inspector requests the policy be amended to include reference to artist and creative enterprises within the policy and the supporting text. Whilst we already refer to this within other policies, his view is it also needs to be referred to within policy 6 for the AAP to be sound.
- 20. Policy 17: Affordable and private homes. The Inspector is content with the minimum 35% affordable policy but requires the wording 'subject to financial viability' to be inserted into the policy. This is already the requirement within Core Strategy policy 6 and the Affordable Housing SPDs so the change is simply to repeat existing borough-wide policy.

- 21. The Inspector also requires a further change to this policy, the supporting text and the fact box on affordable housing to try and resolve the issue of nonconformity with the London Plan. At the publication/submission stage of consultation the Greater London Authority issued the council with a letter of nonconformity with the London Plan, asking the council to include the product 'Affordable Rent' within the affordable housing policy. No resolution could be reached between the council and the GLA on this, and so the GLA attended the EiP to put forward their view that the AAP is not in conformity with the London Plan. The Inspector is pragmatically proposing that the council removes the AAP requirement for 50% social rented and 50% intermediate and makes a commitment to looking at this borough-wide through the New Southwark Plan. He says that this will enable the AAP to be in conformity with the London Plan. The GLA agreed on this approach. This will mean that the council continues to use saved Southwark Plan policy 4.4 until the New Southwark Plan is prepared, which requires a split of 70% intermediate and 30% social rent. The Inspector has considered the Revised Early Minor Alterations (REMAs) to the London Plan in preparing his post-hearing note, along with the Inspector's Report into the REMAs and the Mayor's response to the REMAs. However, at the time of his note and at the time of this cabinet report, the Mayor has not yet adopted the REMAs. The council, along with a number of other London boroughs is applying to judicially review the REMAs. The council and many other boroughs feel that the REMAs go further than is intended by the National Planning Policy Framework, removing the flexibility that boroughs should have to develop their own affordable housing policies to reflect their local needs and circumstances. The Inspector may need to consider this further once the REMAs are adopted.
- 22. Policy 26: Building heights. English Heritage objected to parts of this policy, both in terms of the proposed building heights and the need to cross refer more clearly to the built heritage. The Inspector accepts the proposed building heights but requires the policy to be reworded to place more of an emphasis on the built heritage.
- 23. *Policy 45: Proposals sites.* The Inspector requires the deletion of wording setting out that the policy requirements in the proposals sites schedule must be met for planning permission to be granted.
- 24. Presumption in favour of sustainable development. In the Inspector's April note, he asked the council to include a generic policy on the presumption in favour of sustainable development, in accordance with the National Planning Policy Framework in order to ensure a sound plan. The council subsequently suggested a main modification to this effect.
- 25. Proposals site PNAAP1: Aylesham Centre. The Inspector asks us to make it clear that the capacity figure for Aylesham Centre is additional to what is already there.
- 26. Proposals site PNAAP2: Cinema/Multi-storey car park. The Inspector is of the view that there is not enough evidence to justify including this site within the AAP due to its existing temporary uses and the existing cinema use. He asks for removal of this designation and within the table linking back to saved Southwark Plan policies, to remove to saved proposals site designation 69P for clarity. He suggests that the council relook at this designation through the preparation of the New Southwark Plan.

- 27. Proposals site PNAAP4: Copeland Industrial Park. The inspector requires the "required land use" of B use class to be defined as Class B1. This will make it clear that it is not suitable for industrial uses but more office based B1 uses, as discussed with the site owners at the EiP. This is the intention of the policy.
- 28. He also asks for the inclusion of wording to say 'the continued use of the Bussey building by creative and artistic enterprises will be supported and encouraged.'
- 29. Proposals site PNAAP 6: Peckham Rye Station. The Inspector asks for a change to include an updated figure/map highlighting Blenheim Court and wording to say that it will be retained and made available for Class B1 business use and that the continued use of these premises by creative and artistic enterprises will be supported and encouraged.

Consultation

- 30. The Planning and Compulsory Purchase Act 2004 (amended 2008), the Town and Country Planning (Local Planning) (England) Regulations 2012, and the council's statement of community involvement (2008) set out the consultation requirements for area action plans.
- 31. The council has carried out extensive consultation on the AAP, with information on the consultation already submitted to the Secretary of State. This included a consultation strategy, a consultation plan for every stage of consultation and a consultation report. The Inspector has not raised any issue with the consultation carried out so far within his post-hearing note.
- 32. The council is now required to consult on the main modifications in accordance with our SCI, the Act and the Regulations. We will carry out the following consultation:
 - 15 October 2013 to 6January 2014: Consultation on the main modifications, alongside making the minor changes public for information. In accordance with our Statement of Community Involvement this will include six weeks informal consultation and six weeks formal consultation.
 - By 29 November 2013: By the start of formal consultation (26 November 2013) we will write to everyone on our planning policy mailing list, publish the consultation in our local newspaper, and make the table of main modifications and the table of minor changes available on our website and the Peckham and Nunhead libraries and one stop shop.
 - 6 January to 24January 2014: Council collation of representations and if appropriate officer comments on the representations received.
 - 24 January 2014: Submission of the representations, if appropriate officer comments and the council's view on the appropriateness of the potential main modifications.

Community impact statement

33. The purpose of the AAP is to facilitate regeneration and deliver the vision of the sustainable community strategy, Southwark 2016, ensuring that community impacts are taken into account. We have prepared an equalities impact

assessment and a sustainability appraisal to make sure that the AAP is having a positive impact on different groups and that the AAP is delivering the most sustainable option for Peckham and Nunhead. We have made minor updates to both these documents to reflect the potential main modifications. The changes do not affect overall outcome of either of these documents.

Financial implications

34. There are no immediate resource implications arising from this report as any additional work required to complete the work will be carried out by the relevant policy team staff and budgets without a call on additional funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 35. Council assembly has already considered and approved the submission version of the Peckham and Nunhead AAP in October 2012 prior to formal consultation. Once the consultation had taken place, the draft AAP was then submitted for an Examination in Public before a Planning Inspector appointed by the Secretary of State.
- 36. The Inspector has now come forward with a number of requirements and recommendations. The terminology used by the Inspector is significant because, as outlined in the report, if the Inspector categorises a change as a "main modification" then the Inspector can require the council to incorporate these changes in order to make the plan sound.
- 37. The amendments which are required are listed between paragraphs 17 and 29 of the report. Some of these changes are, from the council's perspective, of limited significance as they only reflect existing borough-wide policies. Others are of greater concern and one such example is the Mayor of London's approach to Affordable Rents explained in paragraph 21 where the council along with other London Boroughs is considering making an application to judicially review the Mayor's decision.
- 38. After the further consultation and the publication of the Inspector's report, the AAP must got back to council assembly (as required by Part 3A, paragraph 10 of the Southwark Constitution) for a final decision on whether or not to adopt as explained in paragraph 14 of the report which sets out the procedure required in accordance with section 23(2) Planning and Compulsory Purchase Act 2004 as amended by section 112, Localism Act 2011.
- 39. The final report to council assembly will provide a full explanation of the amendments which have been made and the alternatives available

Strategic Director of Finance and Corporate Services

40. This report recommends that cabinet agree to formally consult on the potential main modifications (Appendix B) and note the appendices relating to the sustainability appraisal, equalities analysis, schedule of changes to the adopted policies map and proposed adopted policies map.

- 41. There are no immediate financial implications arising from the adoption of the recommendations, and staff time to effect these recommendations will be contained within existing budgeted revenue resources.
- 42. Any specific financial implications arising from the final Peckham and Nunhead Area Action Plan will be included in subsequent reports for consideration and approval.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
London Plan 2011	http://www.london.gov.uk/priorities/planning/lond	planningpolicy@southwar k.gov.uk
	onplan	k.gov.uk
Southwark Statement of	http://www.southwark.go	planningpolicy@southwar
Community Involvement 2008	v.uk/info/856/planning_p	k.gov.uk
	olicy/1238/statement_of_	
	community involvement	
Saved Southwark Plan 2007	<u>SCÍ</u>	
Saved Southwark Plan 2007	http://www.southwark.go	planningpolicy@southwar
	v.uk/info/856/planning_p	k.gov.uk
	olicy/1241/the_southwark plan	
The Core Strategy 2011	http://www.southwark.go	planningpolicy@southwar
	v.uk/info/200210/core str	j. 5. j.
	ategy	

APPENDICES

No.	Title	Held at
Appendix A	Peckham and Nunhead Area Action Plan publication/submission.	http://www.southwark.gov.uk/futurepeckham
Appendix B	Table of potential main modifications required by the Inspector, subject to consultation	Hard copy provided with the report
Appendix C	The Inspector's post hearing note.	http://www.southwark.gov.uk/futurepeckham
Appendix D	The sustainability appraisal	http://www.southwark.gov.uk/futurepeckham
Appendix E	The equality analysis	http://www.southwark.gov.uk/futurepeckham
Appendix F	The proposed adopted policies map	http://www.southwark.gov.uk/futurepeckham
Appendix G	The schedule of proposed changes to the adopted policies map	http://www.southwark.gov.uk/futurepeckham

AUDIT TRAIL

Cabinet Member	Councillor Fiona C	Colley, Regeneration an	d Corporate Strategy
Lead Officer	Eleanor Kelly, Chi	ef Executive	
Report Author	Alison Squires, Pla	anning Team Leader	
Version	Final		
Dated	10 October 2013		
Key Decision?	No		
CONSULTATION	WITH OTHER OFF	ICERS / DIRECTORAT	ES / CABINET
	MEN	MBER	
Officer Title		Comments Sought	Comments Included
Director of Legal Se	rvices	Yes	Yes
Strategic Director of	Finance and	Yes	Yes
Corporate Services			
Cabinet Member		Yes	Yes
Date final report se	nt to Constitution	al Team	10 October 2013

APPENDIX B

Cabinet 22 October 2013

Peckham and Nunhead Area Action Plan: table of potential main modifications required by the Inspector

Appendix B: Table of potential main modifications required by the Inspector, subject to consultation

CDP2



Southwark.
Council

Peckham and Nunhead Area Action Plan

Table of potential main modifications required by the Inspector, subject to consultation

October 2013

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BACKGROUND

Peckham and Nunhead Area Action Plan (AAP)

- 1. The Peckham and Nunhead Area Action Plan (AAP) is a planning document that will help bring long-lasting improvements to Peckham and Nunhead. It sets out policies to make sure that over the next ten to fifteen years we get the type of development needed to support a healthy, safe and prosperous community and a fairer future for all in Peckham and Nunhead.
- 2. The council carried out many stages of consultation on the draft AAP between 2006 and 2012. The proposed AAP was formally submitted to the Secretary of State in March 2013. A Planning Inspector, appointed by the Secretary of State is currently examining the draft AAP. Hearing sessions took place between 23 July and 1 August 2013.
- 3. Following the close of the hearing sessions, the Inspector wrote to the council on 21 August 2013, providing us with his post hearing note. The Inspector's post hearing note sets out potential main modifications that the Inspector may wish to include in his final Inspector's report. In accordance with section 20(7C) of the Planning and Compulsory Purchase Act 2004 as amended, the council previously wrote to the Inspector to ask him to recommend any main modifications to the AAP that he finds necessary to make it sound and legally compliant and therefore capable of adoption. Without this formal request the Inspector would not be able to recommend any main modifications to make the AAP sound.
- 4. Prior to the hearings, the Inspector wrote to the council setting out a number of issues he felt needed to be dealt with as main modifications to ensure a sound AAP. In response to this the council proposed one main modification, subject to consultation and a number of minor changes to the AAP (core documents references CDS3 and CDS4)
- 5. The Inspector is now asking the council to consult on the main modifications that he may potentially require in order to make the AAP sound and legally compliant. This includes some of the changes previously submitted to the Inspector within CDS3 and CDS4.

Consultation on the potential main modifications

6. In accordance with our Statement of Community Involvement we will carry out 12 weeks of consultation on these potential main modifications. We will carry out six weeks informal consultation from 15 October 2013 to 25 November 2013. We will carry out six weeks formal consultation from 26 November 2013 to 6 January 2014. During the informal consultation period the potential main modifications will be taken to our Cabinet for agreement for formal consultation.

- 7. In accordance with our Statement of Community Involvement, we will:
- Make the potential main modifications available on our website at www.southwark.gov.uk/futurepeckham
- Make the potential main modifications available in our local libraries and one stop shop by the start of formal consultation
- Write to everyone on our planning policy mailing list, which includes all the prescribed bodies, neighbouring boroughs, and everyone who previously submitted representations on the AAP, to let them know about the consultation, the next steps and where to view the document
- Advertise the potential main modifications in the local paper by the start of formal consultation
- 8. Representations submitted to the council should be confined solely to the potential main modifications. This is not an opportunity to raise other matters on other parts of the AAP. Please contact the planning policy team with any queries on the detail below.
- 9. Representations should be sent to:

Alison Squires
Planning Team Leader
Planning
Chief Executive's Department
FREEPOST SE1919/14
London SE1P 5LX

futurepeckham@southwark.gov.uk

0207 525 5471

All representations must be received by the council by:
 5pm Monday 6 January 2014

Additional minor changes

- 11. The Inspector can only require main modifications which affect the soundness of the AAP. The council can make additional minor changes to the AAP to provide clarity or make a factual update to the AAP. Alongside this potential main modifications consultation, we are making public our current proposed additional minor changes(core document CDP3). This brings together our previous tables of proposed minor changes into one document. We may update this further when we adopt the AAP.
- 12. The table of proposed minor changes is for information only and not for consultation.

Next steps

- 13. Following close of consultation, the council will collate all the representations received on the potential main modifications and forward these to the Inspector. If appropriate, the council may provide officer comments on the representations. At this stage the council has the opportunity to provide the Inspector with our views on his potential main modifications. It is important to note that these potential main modifications are as required by the Inspector and are not changes the council has chosen to put forward. The one exception to this is the change to include an additional policy to comply with the NPPF, which the Inspector raised prior to the hearings, and the council already suggested a main modification for consideration.
- 14. We expect to send the representations and our comments to the Inspector by 10 January 2014. The Inspector will then decide whether further hearing session/s need to be held.
- 15. We hope to receive the Inspector's report and adopt the AAP by mid 2014. Once finalised, the AAP will be taken to Council Assembly for formal adoption.

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TABLE OF POTENTIAL MAIN MODIFICATIONS, SUBJECT TO CONSULTATION

The proposed potential main modifications are shown with deleted text struck through in blue and new text underlined in red. The 'reason for change' column sets out whether this change was suggested by the council or the Inspector as a potential main modification.

T0C	Page	Paragraph/ policy/ figure	Erata (E) Change (Ch)	Proposed change	Reason for change
MM1	41	Paragraph 4.2.14	Ch	Amend as follows:	Matter raised by Inspector in the post
				Feedback from consultation tells us that people like	hearing note with
				having a cinema in Peckham and so we will seek to	regards to deleting site
				maintain a cinema either on its existing site or an	PNAAP 2.
				alternative site within Peckham core action area.;	
				and so redevelopment of the existing cinema and	
				multi-storey car park (site PNAAP 2) should maintain	
				a cinema on site, unless appropriate facilities can be	
				provided elsewhere in the AAP area. We have	
				identified other appropriate sites where a cinema	
				could be located to include Eagle Wharf (site PNAAP	
				10) and Copeland Industrial Park and 1-27	
				Bournemouth Road (site PNAAP 4).	
MM2	46	Policy 4	5	Amend the last sentence of the second point as	Matter raised by the
				follows.	Inspector in his letter
					dated 26/04/2013. The
				2The current indicative location of secondary	council initially
				schools and approximate 400m exclusion zone	proposed this change
				around each are shown on figure 9.	as a minor change in
					response to the
					Inspector's letter.
					However, in the
					Inspector's post-

hearing note, he has confirmed that this should be a main modification. The proposed change provides clarity that the figure is only indicative and that the wording in policy 4 would be used to determine a planning application.	Matter raised by the Inspector in his letter dated 26/04/2013. The council initially proposed this change as a minor change in response to the Inspector's letter. However, in the Inspector's posthearing note, he has confirmed that this should be a main modification. The proposed change provides clarity that the figure is only indicative and that the wording in policy 4 would be used
	Add the following text under the figure heading, above the figure. This in an indicative figure.
	ნ
	Figure 9: Hot food takeaways
	7.4
	MM M

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					to determine a planning application.
4MM	47	Figure 9: Hot food takeaways	ъ́	Replace figure 9 with updated figure 9, as set out in appendix A.	This minor change was initially put forward at the time of submitting
		,		The figure has been updated to reflect the following.	the AAP to the Secretary of State. The
				 Factual update to show the correct location of Tuke School. 	Inspector in his post- hearing note has
				 Clarification added to the figure by showing the protected shopping frontages in Peckham and Nunhead referred to in the policy. 	updated map should be treated as a main modification.
				3. Change to the figure title to refer to both the secondary school exclusion zone and the Peckham and Nunhead centre protected shopping frontages.	
MM5	50	Policy 6: Business space	ch	Amend 5 th point as follows: • Supporting a range of A, B and D Use Classes uses in the railway arches, in accordance with saved Southwark Plan policy 1.5. This may include artistic and creative enterprises, including-small business space, and light industrial uses. and appropriate A or D class uses.	Matter raised by the Inspector in the post hearing note to include artistic and creative enterprises specifically within this bullet point. We have reworded the bullet point to make this more clear in accordance with policy
MM6	20	Policy 6:	Ch	Amend 6 th point as follows:	1.5 of the saved Southwark Plan. Matter raised by the

		Business			Inspector in the post
		space		Requiring new business space to be designed flexibility to accommodate a range of unit sizes including where appropriate, units suitable for occupation by artistic and creative enterprises.	hearing note.
MM7	90	Paragraph 4.2.31 Policy 6: Business space.	ch	Amend as follows: There are currently over 1,400 businesses in Peckham and Nunhead, most of them small in size. Many of these are industrial uses including workshops, builders' yards and light manufacturing.	Matter raised by the Inspector in the post hearing note.
		The we are doing this because section.		There are also a growing number of artists and creative enterprises which contribute to Peckham's multi-cultural arts scene. The range of bBusiness space adds to the vitality of Peckham town centre, supports a mixed local economy and provides jobs for many local people.	
8 W W	51	Paragraph 4.2.35	Ch	Amend as follows: We have identified capacity for around 4,000sqm of new additional business space in Peckham town centre. The majority of this capacity could be accommodated on the large development sites to include: the Aylesham Centre (PNAAP 1), and Copeland Industrial Park and 1-27 Bournemouth Road (PNAAP 4) and the cinema/multi-storey car park site (PNAAP 2).	Matter raised by the Inspector in the post hearing note to delete existing site PNAAP 2.
ММ9	64	Policy 14: Parking for shoppers and visitors	Ch	Amend the third point as follows. 3. Allowing the existing Cerise Road multi-storey car park (site PNAAP 2) and the Copeland Road car	Matter raised by the Inspector in the post hearing note to delete proposal site PNAAP 2.

				park (site PNAAP 7) to be developed for alternative uses.	
MM10	65	Policy 14: Parking for	Ch	Amend as follows:	Matter raised by the
		shoppers and visitors		Of the council owned car parks, our intention is to retain Choumert Grove car park as a car park and to	hearing note to delete existing site PNAAP 2
				development Copeland Road car park (site PNAAP	
		We are doing		7), and We will consider the Cerise Road multi-	
		this because		storey car park through the preparation of the New Southwark Plan(site PNAAP 2).	
		Paragraph 4.4.17			
MM11	29	Figure 13:	ch	Amend figure to remove proposals site designation	Matter raised by the
		Peckham town		form the figure for car park 3. Cerise road multi-	Inspector in the post
		centre car		storey car park.	hearing note to delete
		parks		C.::[-::-:-:-:-:-:-:-:-:-:-:::::	existing site PNAAP 2.
				Opuated diagram in appendix D.	
MM12	69	Figure 14:	ر ك	Replace figure 14: Peckham and Nunhead housing	The council initially
		Peckham and		trajectory, with updated figure 14 in appendix C.	submitted an updated
		Nunhead			trajectory at the time of
		housing			submission to the
		trajectory			Secretary of State in
					March 2013. This was
					amended to correct an
					error – the year
					2017/18 was missing –
					and to reflect updated
					housing completions
					and projections data.
					Based on potential
					main modification

					proposed by the Inspector in the post hearing note to remove site PNAAP2: Cinema and multi-storey car park from the AAP, the trajectory has been updated again to remove the housing figures for this site from the trajectory.
MM13	71	Paragraph 4.5.6	ට්	Amend paragraph 4.5.6 as follows: Our housing trajectory (figure 14) illustrates that we expect to meet our minimum 2,000 new homes target by 2019/2020 2017.	To reflect the updated housing trajectory.
41MM	72	Policy 17: Affordable and private homes	ර්	Amend the second point as follows: 2. Requiring developments of 10 or more units to provide a minimum of 35% affordable housing across the whole action area-subject to financial viability.	Matter raised by the Inspector in the post hearing note.
MM15	72	Policy 17: Affordable and private homes	ర	Delete the 4 th point as follows. 4. Requiring 50% of the affordable homes to be intermediate homes and 50% to be social rented homes. Amend the current 5 th bullet point to be the 4 th point as follows.	Matter raised by the Inspector in the post hearing note.

				5.4. Requiring development within Livesey, Peckham, Nunhead and The Lane wards to provide a minimum of 35% private homes as shown within figure 16.	
MM16	74	New paragraph after paragraph 4.5.12	ర్	Insert the following: Our housing studies demonstrate that requiring a minimum of 35% affordable housing is a deliverable and achievable amount of affordable housing. In accordance with Core Strategy policy 6, developments of 10 or more units are required to provide as much affordable housing as is financially viable. Our Affordable Housing supplementary planning document sets out further guidance how this is assessed though a financial appraisal.	Further clarification to the supporting text to respond fully to the main modification suggested by the Inspector in the post hearing note to reference 'subject to financial viability' within policy 17.
MM17	74	Paragraph 4.5.13	-C	Amend as follows:The AAP changes the saved Southwark Plan policy 4.4 on the type of affordable housing required, to set s policy for a split of 50% social rented homes and 50% intermediate homes. This will help to address the balance of housing types on the area and increase the range of housing types on offer.	Matter raised by the Inspector in the post hearing note.

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Matter raised by the Inspector in the post hearing note.	Matter raised by Inspector in the post hearing note.
Amend as follows: The NPPF replaced the updated Planning Policy Statement 3 which introduced affordable rent as a new type of affordable housing. In accordance with our Core Strategy and the saved Southwark Plan polices this AAP sets out policies for social rent and intermediate homes only. We are reviewing our approach to affordable rent and considering its implications for Southwark through the preparation of the New Southwark Plan and an update to the Affordable Housing supplementary planning document. In the meantime, the tenure split for affordable housing in saved Southwark Plan policy 4.4 will continue to be applied. We are reviewing our approach to the affordable rent tenure through the update to our Affordable Housing SPD and considering its implications for Southwark. At the moment we do no think it is affordable for people in housing need in Southwark. Consultation on a revised Affordable Housing SPD is planned for November 2012. Please check our website for more information at: www.southwark.giov.ahspd	Amend as follows: Policy 26: Building heights We will ensure development contributes positively to local character by requiring development to:
ပ်	ch
Fact box: Affordable and private housing	Policy 26: Building heights
74	96
MM 18	MM 9

 Be similar to existing heights outside Peckham core action area (2 to 4 storeys). 	2. Be similar to existing heights inside Peckham core action area (up to 7 storeys) except where:	 i. A a local landmark building is required to provide definition. This will be encouraged on the following sites: Copeland Industrial Park and 1-27 Bournemouth Road (site PNAAP 4) up to 15 storeys Cinema and multi-storey car park (site PNAAP 2) up to 10 storeys Formed Wooddene estate (site PNAAP 5) up to 15 storeys Copeland road car park site (site PNAAP 7) up to 8 storeys Aylesham Centre (site PNAAP 1) up to 20 storeys. 	ii. This We will expect this taller element to be could be provided within our identified large sites by a distinctive building, of exceptional quality and exemplary design linked to an improved and generous public realm. It should sustain and enhance the significance of Peckham's heritage assets, their settings and the wider historic environment, including conservation areas and listed and locally listed buildings.

On the larger sites of Copeland Industrial Park and 1-27 Bournemouth Road (site PNAAP4), former Wooddene estate (PNAAP5) and Aylesham Centre (PNAAP1), the taller element should be linked to an improved and generous public realm. It should be designed to improve local legibility, to act as a local landmark within a public space of its own, and as a focus of route/s across the site.	This will be encouraged on the following sites: • Copeland Industrial Park and 1-27 Bournemouth Road (site PNAAP4) • Former Wooddene estate (PNAAP5) • Aylesham Centre (PNAAP1)	3. Comply with out borough-wide policies, specifically saved Southwark Plan policy 3.20 and Core Strategy strategic policy 12.	For clarity we have also set out the amended policy below without tracked changes for ease of reading.	Policy 26: Building heights	We will ensure development contributes positively to local character by requiring development to:	1. Be similar to existing heights outside Peckham core action area (2 to 4 storeys).

				3. Comply with out borough-wide policies, specifically saved Southwark Plan policy 3.20 and Core Strategy strategic policy 12.	
MM20	26	4.7.24	ch	Amend as follows. Our urban design background paper has identified that taller buildings may be suitable of the following proposals sites: • The Asylesham Centre (PNAAP 1) • Copeland Industrial Park and 1-27 Bournemouth Road (PNAAP4) • The Cinema and multi-storey car park (PNAAP 2) • Copeland Road car park (PNAAP 7) • The former Wooddene estate (PNAAP5)	Matter raised by the Inspector in the post hearing note to delete site PNAAP2.
MM21	86	4.7.25		Amend as followsAll five four sites have the potential to improve wayfinding and permeability	Matter raised by Inspector in the post hearing note.
MM22	86	4.7.26		Amend as follows:Proposals for taller buildings on all five four sites will need to justify this	Matter raised by Inspector in the post hearing note.
MM23	101	Figure 20: Peckham core action area	Ch	Amend diagram to remove the cinema/multi-storey car park from the figure.	Matter raised by Inspector in the post hearing note.

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	vision		Updated figure attached in appendix D.	
Policy	Policy 27: Land	Ch	Amend the business section as follows.	Matter raised by
			Business	hearing note.
Business section	SS		9. Supporting the provision of new and improved business floorspace. Most of this will be on the)
			following sites:	
			 Copeland Industrial Park and 1-27 Bournemouth Road (site PNAAP 4) 	
			 Peckham Rye Station (site PNAAP 6) 	
			 Cinema/multi storey car park site (site PNAAP 2) 	
			 Land between the railway arches (site PNAAP 3) 	
Policy 2	Policy 27: Land		Amend point 10 as follows.	Matter raised by the
nse			:	Inspector in the post
			10. Supporting a range of A, B and D Use Classes	hearing note to include
Business	SS		uses in the railway arches, in accordance with saved	artistic and creative
section			Southwark Plan policy 1.5. This may include artistic	enterprises specifically
			and creative enterprises, including-small business	within overarching
			space, and light industrial uses. and appropriate A or	policy 6 and
			D class uses.	subsequently this
				policy also. We have
				reworded the bullet
				point to make this more
				clear in accordance
				with policy 1.5 of the
				saved Southwark Plan.
Policy 2	Policy 29: Built		Amend as follows under point 6.	Matter raised by
environment	nment			Inspector in the post
			 Peckham Rye Station (site PNAAP 6) 	hearing note.
Public realm	ealm		 Copeland Industrial Park and 1-27 	

		section		 Bournemouth Road (site PNAAP 4) Eagle Wharf site (PNAAP 10) Cinema and multi-storey carpark (site PNAAP 2) Aylesham Centre (site PNAAP 1) Land between the railway arches (site PNAAP 3) Former Wooddene estate (site PNAAP 5) 	
MM27	120	Policy 35: Land use	ပ်	Amend the 4 th point as follows. 4. Supporting a range of A, B and D Use Classes uses in the railway arches, in accordance with saved Southwark Plan policy 1.5. This may include artistic and creative enterprises, including-small business space, and light industrial uses. and appropriate A or D class uses.	Matter raised by the Inspector in the post hearing note to include artistic and creative enterprises specifically within overarching policy 6 and subsequently this policy also. We have reworded the bullet point to make this more clear in accordance with policy 1.5 of the saved Southwark Plan.
MM28	134	Paragraph 6.2.4	Ch	Delete as follows:The policy requirements set out in this schedule must be met for planning permission to be granted.	Matter raised by the Inspector in the post hearing note.
MM29	135	Figure 25: Proposals sites	Ch	Amend to remove cinema/multi-storey car park (site PNAAP 2) and to update the remaining site numbers.	Matter raised by Inspector in the post hearing note.
MM30	136	N/A	Ch	Insert a new section into section 7 of the AAP:	The Inspector raised

	Delivering: v	Delivering: working together to make it happen.	this as a potential soundness matter in
	The new sec	The new section will be inserted after section 7.1,	his letter dated 26 April
	before existi	before existing section 7.2, and so all subsequent	2013 and the post-
	section num	section numbers will be updated accordingly.	hearing note.
	0		
	1.2 Presum	7.2 Presumption in tayour of sustainable	i ne council
	development	<u>t</u>	subsequently proposed this new policy and text
	7.2.1 We alv	7.2.1 We always take a positive approach to	to the Inspector as a
	developmen	development, encouraging new appropriate	main modification,
	developmen	development to meet the aspirations of our vision. In	subject to consultation
	accordance	accordance with the National Planning Policy	prior to the start of the
	Framework,	Framework, our policies support and have a	EiP hearings.
	presumption	presumption for sustainable development. Our	
	sustainability	sustainability appraisal also ensures that the AAP	
	has a positiv	has a positive impact on social, environmental and	
	economic su	economic sustainability. Policy 48 sets out a clear	
	policy to brir	policy to bring together the specific policies in the	
	AAP, and m	AAP, and make it clear that there is a presumption in	
	favour of sus	avour of sustainable development.	
	Policy 48: P	Policy 48: Presumption in favour of sustainable	
	development	lit lit	
	isuoo ned/W	When considering development proposals we will	
	take a positi	take a positive approach that reflects the	
	presumption	presumption in favour of sustainable development	
	<u>contained in</u>	contained in the National Planning Policy	
	<u>Framework.</u>	Framework. We will always work proactively with	
	<u>applicants jo</u>	applicants jointly to find solutions which mean that	
	proposals ca	proposals can be approved wherever possible, and	

					Matter raised by the Inspector in the post hearing note.	
to secure development that improves the economic, social and environmental conditions in the area.	Planning applications that accord with the policies in this AAP (and, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise.	Where there are no policies relevant to the application or relevant policies are out of date at the time of making the decision then we will grant permission unless material considerations indicate otherwise- taking into account whether:	Any adverse impacts of granting planning permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or	Specific policies in that Framework indicate that development should be restricted.	Amend as follows: The council owned <u>AAP</u> proposals sites include:	Cinema/multi-storey car park (PNAAP 2)
					Ch	
					Paragraph 7.3.1	
					138	
					MM31	

22

Matter raised by the Inspector in the post hearing note.	Matter raised by the Inspector in the post hearing note.	Matter raised by Inspector in the post hearing note.
Amend the column 'Replaced by the AAP?' for Southwark Plan (2007) proposal site number 69P as follows: This is replaced by PNAAP 2. No, saved Southwark Plan site 69P remains part of the development plan. This will be reviewed through the preparation of the New Southwark Plan.	Amend the row on indicative capacities as follows. Non-residential uses: 4,500sqm 8,500sqm Retail (classes A1/A2/A3/A4): 4,350sqm 8,350sqm	Delete all of PNAAP 2: Cinema/multi-storey car park designation as follows. PNAAP 2: Cinema/Multi-storey car park Required land uses Leisure/ community use (Class D), retail use (Classes A1/A2/A3/A4), residential use (Class C3), public realm Other land uses that would be accepted Business use (Class B1), Student accommodation (Class sui generis) subject to Core Strategy policy 8. Indicative capacity Residential (Class C3): 160 units Non-residential use: 1,050sqm Retail (Classes A1/A2/A3/A4): 735sqm
ర్	ij	c
Appendix B: Southwark Plan proposals sites	PNAAP 1: Aylesham Centre Indicative capacities.	PNAAP 2: Cinema/Multi- storey car park
162	165	168
MM32	MM33	MM34

Business (Class B1) 315sqm Assuming 70% of non-residential is retail use and 30% of the nonresidential use is business use.	Phasing and 2016-2010	This site is owned by Southwark Council.	Site specific guidance	The cinema should be retained on this site unless appropriate facilities can be provided elsewhere in the AAP area.	Opportunities to create new public space and improved public realm through redevelopment of the site should be maximised.	Opportunities for increasing north and south, and east and west links and improvements to public realm should be maximised.	Opportunities to improve accessibility and public realm on Moncreiff Streetshould be maximised, taking into consideration neighbouring Rye Lane Peckham conservation.	There is the potential for a taller building of up to 10 storeys.

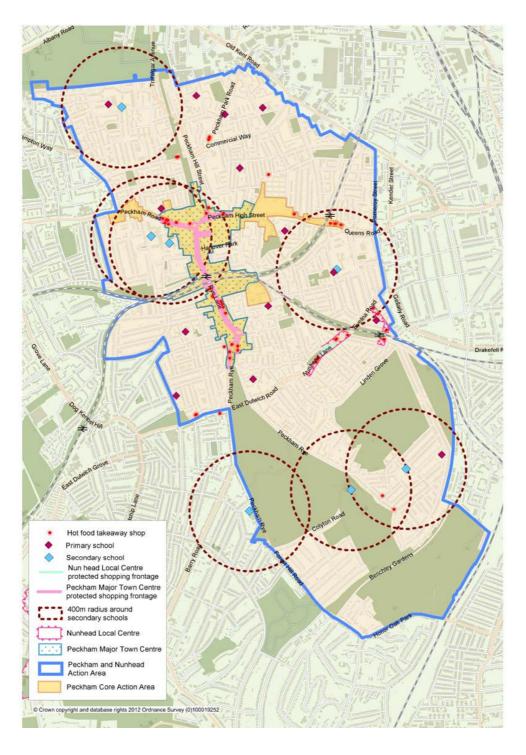
	We are making this designation because	
	Located in the centre of Deckham town centre	
	minutes walk from Dockham Rve Station, this site is	
	currently not reaching it notential for use or design-	
	Whilst interim uses have sprung up in recent years in	
	the car park, including Frank's cafe on the car park	
	roof, and Hannah Barry Gallery, there is much	
	further potential for fully using the site. The	
	improvements to Peckham Rye Station will have a	
	huge positive impact on this site and it is important to	
	bring it forward for early development to maximise	
	these opportunities. There is significant potential for	
	mixed-use development, with a combination of	
	community retail and recidential use	
	as well as possible business use.	
	_	
	The multi-storey car park is currently under-used.	
	with feedback from consultation telling us that neonle	
	do not feel cafe in the car nark especially at night	
	Our Cor Dorking Others 2010 rainformed this view	
	Cut Cat Parking Octably 2010 felling View	
	telling us that frequently less than 10% of the spaces	
	are occupied. Allowing the car park to be	
	redeveloped for new uses will increase the use of	
	this site in the heart of the town centre, improving the	
	look and feel of Rye Lane.	
	Hhe cinema is considered to be a popular local	
	attraction, with consultation feedback telling us that	
	people like having a cinema in Peckham. We want to	
	continue to meet this need for a cinema, so	
	redevelopment of this site should maintain a cinema	
	on site, unless appropriate facilities can be provided	

elsewhere in the core area. We have identified other appropriate sites where a cinema could be located to include Eagle Wharf (PNAAP 10) and Copeland Industrial Park and 1-27 Bournemouth Road (PNAAP 4).
The cinema and car park are currently set back from Rye Lane, accessed via Moncrieff Street. Redevelopment on this site has the potential to improve the street frontage on Rye Lane by
improving access to the site and linking with the improvements to the station on the other side of Rye Lane. This is particularly important to improve the setting of Rye Lane Peckham conservation area.
which borders the site and covers Moncrieff Street. Redevelopment of the site provides many opportunities to improve linkages. East—west links through Moncrieff Street through to Cerise Road and
There should be north-south connections to create an alternative route to Rye Lane, by linking with the Land between the Railway Arches (PNAAP 3), Copeland Industrial Park and 1-27 Bournemouth
1). There is the opportunity for active uses along the railway viaduct to create more activity and a more welcoming link. Through developing these improved linkages there is the opportunity to also provide new public space and much improved public realm.
A taller building of up to 10 storeys could be appropriate to help mark the centre of Peckham but

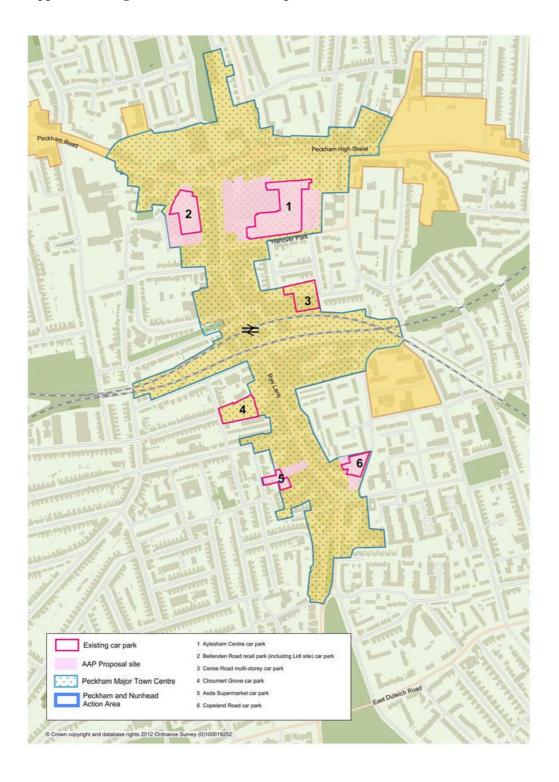
to Rye Lane ful consideration enhancing the ny proposal for ler building needs e adjoining low-rise td maintain a e facilities can be ea. We have where a cinema I Road Industrial a (PNAAP 4).	Matter raised by the Inspector in the post hearing note.	Matter raised by the Inspector in the post hearing note. (Class D), retail ess use (Class B1),	space/public Matter raised by the Inspector in the post hearing note.
due to the site's location adjacent to Rye Lane Peckham conservation area, careful consideration must be given to conserving and enhancing the wider heritage setting. Similarly any proposal for development, particularly for a taller building needs to give careful consideration to the adjoining low-rise residential areas, of this site should maintain a cinema on site, unless appropriate facilities can be provided elsewhere in the AAP area. We have identified other appropriate sites where a cinema could be located to include Eagle Wharf (PNAAP 10) and Copeland Road Industrial Park and 1-27 Bournemouth Road (PNAAP 4).	Delete figure.	Amend as follows. Required land use Cultural/Leisure/community uses (Class D), retail use Classes A1/A2/A3/A4), Business use (Class B1),	residential Use (Class C3), public space/public realm. Amend as follows Site specific guidance
	<u>ප</u>	ч	Ö
	Figure 28: PNAAP 2: Cinema/Multi- storey car park	PNAAP 4: Copeland Industrial Park Required land use	PNAAP 4: Copeland Industrial Park
	170	173	173
	MM35	MM36	MM37

				The Bussey building should be retained as part of the redevelopment of this site. The building is identified on our local list. The continued use of the Bussey building by creative and artistic enterprises will be supported and encouraged.	
MM38	179	PNAAP 6: Peckham Rye Station	ch	Insert within the site specific guidance the following. The railway arches within the part of the site known as Blenheim Court should be retained and made available for Class B1 business use. The continued use of these premises by creative and artistic enterprises will be supported and encouraged.	Matter raised by the Inspector in the post hearing note.
MM39	179	Figure 32: Peckham Rye Station	ç	Replace figure 32: Peckham Rye Station with updated figure in appendix F. The updated figure shows the indicative boundary of Blenheim Court.	Matter raised by the Inspector in the post hearing note.
MM40	206	Appendix D: Monitoring framework	ch	Delete as follows: Targets	Matter raised by the Inspector in the post hearing note.
		Theme 4- High quality homes: providing more and better homes		Provide 50% of affordable homes as intermediate homes and 50% as social rented	

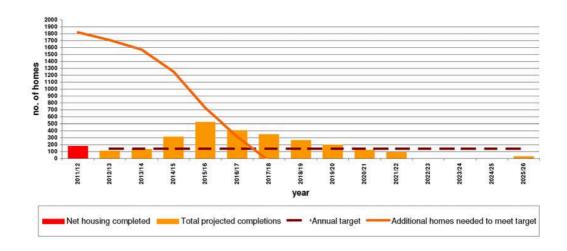
Appendix A: Figure 9: Hot food takeaways (Class A5) exclusion zone within a $400 metre\ radius\ of\ secondary\ schools$



Appendix B: Figure 13: Town centre car parks



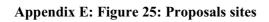
Appendix C: Figure 14: Peckham and Nunhead housing trajectory

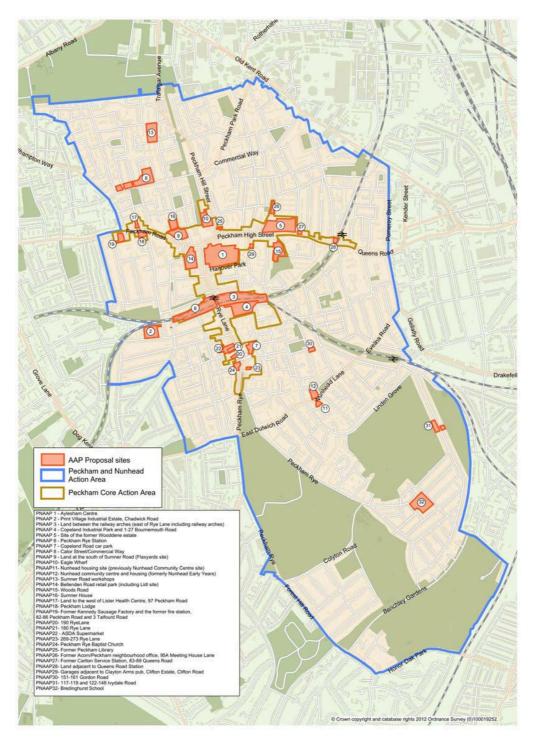


Appendix D: Figure 20: Peckham core action area vision

to Elephant & Castle Peckham Square Queens Road Milliaminiminimini to Camberwell to New Cross Peckham Rye to Dulwich Peckham Rye Common Honor Oak Shopping cluster Conservation area A terminus for a possible tram or alternative high quality public transport Protected open space Character area boundary Public transport corridor Main shopping area Large proposals sites

Figure 19: Peckham Core action area vision





Appendix F: PNAAP 6: Peckham Rye Station

Opportunity for new public space / public realm
Opportunity for active frontages
Opportunity for active frontages
Usted building
Diportunity to improve pedestrian and cycle links
Uline of existing buildings on site
Site boundary

Protected open space
Blenheim Court

Figure 32: PNAAP 6 Peckham Rye Station

Item No.	Classification:	Date:	Meeting Name:	
17.	Open	22 October 2013	Cabinet	
Report title):	Gateway to Peckh	am - Public Square and Station	
		Regeneration		
Ward:		The Lane		
Cabinet member:		Councillor Fiona Colley, Regeneration and Corporate		
		Strategy		

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

This report provides cabinet with an update on the Gateway to Peckham regeneration project.

I'm delighted to report that Network Rail has confirmed their support for the scheme and also for step free access and lifts in the station. This increases the value of the regeneration of the station area from the original £11m of Southwark Council and GLA funding, up to a combined £25m worth of improvement works.

The immediate next steps will be the appointment of architects by the end of October, followed by community engagement and consultation over the next couple of months leading up to a planning application for the new station square in February 2014.

At the same time council officers are working on a land assembly strategy which will be finalised and reported to cabinet once the design for the scheme is completed.

Greater London Enterprise (GLE) has been appointed to support occupiers and businesses within the scheme area. GLE has started to contact businesses and to build relationships with them and we will ensure the affected businesses are kept up to date as plans progress. We also continue to work closely with Peckham Vision who I am meeting with monthly.

RECOMMENDATIONS

That the cabinet

1. Notes the contents of the report.

KEY ISSUES FOR CONSIDERATION

- 2. The Gateway to Peckham project is the centre piece of the regeneration programme in Peckham and will be a catalyst for further investment leading to the achievement of the vision set out in the Peckham and Nunhead Area Action Plan (PNAAP).
- 3. The project objectives include opening out the area in front of the station into a new public space creating a focus for Peckham this, coupled with improvements to the arches and area to the rear of the station to increase economic activity

- adding to the existing vibrancy of the area. It is anticipated that it will be delivered over a four year period.
- 4. Since April 2012, officers have been working in partnership with Network Rail who have subsequently assessed the scheme and estimated the total value of the project to be £21m inclusive of the £11m funded by Southwark Council and the Greater London Authority. In July 2013, Network Rail's Property Investment Panel confirmed their support the scheme, by granting further development funds to the project.
- 5. In addition, Network Rail is currently preparing plans for an Access for All (Step free access) at Peckham Rye as part of the wider improvements at the station bringing the estimated investment to circa £25m.
- 6. In April 2013, the cabinet agreed for the council to enter into a legal agreement with Network Rail and officers have been working on this agreement to help to secure the delivery of the Gateway to Peckham scheme. This should be in place by December 2013.
- 7. Already investment has lead to a new cycle parking hub at the station which was opened in August 2013 and includes the borough's first Brompton hire station. The cycle hub, alongside parking for 62 bicycles, includes a maintenance and repair service run by a local bike shop, Bicycle Nation, based in East Dulwich.
- 8. In addition works are due to commence shortly on the northern retail unit (11a Station Way) to bring this space back into commercial use. This is anticipated to be completed by the end of 2013.
- 9. Since April 2013, a business engagement package has been agreed and an understanding built of the businesses and number of business directly impacted by the project. The council has appointed Greater London Enterprise (GLE) to assist occupiers and businesses that operate in the scheme area some of which will have unregistered leases of terms less than 7 years. GLE has commenced contact with businesses directly affected and aims to build relationships with these businesses to assist them through the life of the project.
- 10. In addition, a land information and assembly strategy is currently under development. As part of this officers have been researching the ownership arrangements. It has become clear that Network Rail have sold land on long leases on the majority of the property around the station (aside from Dovedale Court) and from these a large number of under leases have been created. There are approximately 20 long-term investment leasehold interests and approximately 5 registered occupational leases of over 7 years. Council officers are initiating contact with the owners of various head leasehold interests around the station with a view to acquiring these interests by negotiation.
- 11. Network Rail is looking to appoint architects by the end of October 2013 to progress the scheme design with a planning application expected to be submitted in late February. A community engagement and consultation process will accompany the scheme development with main public engagement focused in late 2013/early 2014.
- 12. A definitive list of interests to be acquired for the delivery of the scheme will not be available until the detailed design of the scheme is completed in early 2014, however the anticipated scheme area is shown in Appendix One as contained in

- the June 2013 cabinet report. The list of interest to be acquired will form part of the Land Assembly Strategy and will be reported to cabinet in Spring 2014
- 13. In June 2013, the cabinet noted partnership arrangements and engagement models should be investigated. Since this time the Peckham and Nunhead Area Action Plan has further progressed and it has become evident that there is a transition from policy formation to holistic delivery of town centre regeneration alongside community engagement that needs to be understood.
- 14. In response, the council is defining the workstreams required to deliver the vision set out in the Peckham and Nunhead Area action plan. As part of this work, the council will complete stakeholder mapping exercise and detailed analysis in order to implement a robust engagement model so that views can be suitably captured and used to shape the delivery of each project throughout the course of the programme. The findings and proposals will be included in a cabinet report in spring 2014 and encompass the requirements set out in the June report.
- 15. The overall impact of this project is expected to benefit all people within the community. Peckham is a diverse area and the council aims to ensure that the views of the wider community are fully represented.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

16. This report provides an update on progress with the Gateway to Peckham project. At this time, no legal issues arise although as progress is made in a number of the areas mentioned, it is likely that there will be further reports to cabinet in the early part of 2014 which will give rise to legal implications

Strategic Director for Finance and Corporate Services (FC13/039)

- 17. The strategic director of finance and corporate services notes the progress made to date and the continued investment from Network Rail, including granting further development funds to the project.
- 18. There are no new costs associated with this report. Any subsequent decisions arising from the programme will be brought to the relevant decision maker with full financial implications clearly identified.

BACKGROUND PAPERS

Background Papers	Held At	Contact
	http://moderngov.southwark. gov.uk/mglssueHistoryHom e.aspx?IId=18556	

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chie	f Executive		
Report Author	Sally Crew, Group	Manager, Policy and Pro	ogrammes	
Version	Final			
Dated	11 October 2013			
Key Decision?	No			
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET				
MEMBER				
Officer Title		Comments Sought	Comments included	
Director of Legal Se	Director of Legal Services Yes Yes			
Strategic Director of finance & Yes			Yes	
Corporate Services				
Cabinet Member	Cabinet Member Yes Yes			
Date final report se	Date final report sent to Constitutional Team 11 October 2013			

Item No. 18.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report title): :	Publication/Submission Action Plan (AAP)	n Draft Canada Water Area
Ward(s) or affected:	groups	Surrey Docks, Rotherhithe, Livesey	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

This report seeks cabinet approval to recommend the revisions to the Canada Water Area Action Plan to Council Assembly. The revised plan, if agreed, would then be subject to an examination in public before adoption next year.

The principal reason for the revisions to the Area Action Plan is the relocation of the Daily Mail Group print works from Harmsworth Quays, making a very substantial area of land available for redevelopment. Our vision is to prioritise non-residential uses on the site, in particular education uses including the opportunity for a new campus for Kings College London. This vision was strongly supported in the consultation on the proposals.

Southwark Council owns the freehold of the Harmsworth Quays site and so, alongside the changes to the AAP, officers in the regeneration team are working closely with Kings College and British Land (who have acquired the Daily Mail Group's lease on the site). We hope to come back to cabinet within the next few months to agree a process for developing a masterplan for the area which meets the vision as set out in the AAP revisions.

RECOMMENDATIONS

That cabinet recommends that Council Assembly:

- 1 Considers the publication/submission draft Canada Water area action plan (Appendix A), proposed changes to the adopted policies map (Appendix B), the sustainability appraisal (Appendix C), the equalities analysis (Appendix D), the consultation plan (Appendix E), the consultation report (Appendix F) and the Appropriate Assessment (Appendix G).
- Agrees the publication/submission draft Canada Water area action plan for publication and submission to the Secretary of State provided no substantive changes are necessary following consultation, and
- Delegates the approval of any minor non-substantive amendments resulting from its meeting or consultation on the publication/submission draft Canada Water area action plan to the director of planning in consultation with the cabinet member for regeneration and corporate strategy prior to its submission to the Secretary of State.

BACKGROUND INFORMATION

- In March 2012 the council adopted the Canada Water area action plan (AAP). The purpose of the AAP is to help shape the regeneration of Canada Water. Like the Core Strategy (2011) it is a spatial plan which provides a vision, objectives and policies designed to help manage development and growth at Canada Water. It is a development plan and alongside the Core Strategy and saved Southwark Plan policies, it is used as the basis for determining planning applications in the area. As part of the development plan, the AAP must be consistent with the Core Strategy and in general conformity with the London Plan (2011).
- Work on the AAP commenced in 2007 and its adoption followed four rounds of public consultation, as well as an examination-in-public (EIP) in which members of the public, developers and other stakeholders were able to set out their views to an independent planning inspector. The inspector found the AAP to be "sound", subject to a number of amendments.
- 6 In August 2011, the Daily Mail which occupies the Harmsworth Quays printworks confirmed that it would be relocating its printing operations to a site in Essex. Because the Daily Mail had previously indicated that it would be staying at Harmsworth Quays, the adopted AAP is predicated on the printworks remaining in situ. However, the availability of Harmsworth Quays generates a number of opportunities. It is a strategic site in the core of the action area and its availability opens a significant opportunity for redevelopment. It also helps unlock development opportunities on adjacent sites, particularly the Surrey Quays Leisure Park, Site E on Surrey Quays Road and the Mulberry Business Park. At the EIP the council committed to undertaking a review of the AAP to put in place policy to quide a redevelopment of Harmsworth Quays and the adjacent sites. The inspector agreed with the council that any review of the AAP could take place within the scope of the vision and objectives set out in the adopted AAP. However, amendments to the plan should address the land uses and quantum of development, the infrastructure required to support additional development, pedestrian and cycle connectivity and urban design, including the building heights strategy.
- 7 The review of the AAP is being carried out in several stages, comprising of the following:
 - i. Stage 1 consultation on a sustainability appraisal scoping report carried out over five weeks from 31 October 2012;
 - ii. Stage 2 informal consultation on the revisions to the AAP which took place over quarter three and quarter four 2012/13;
 - iii. Stage 3 consultation on a draft revised Canada Water AAP
 - iv. Stage 4 consideration of comments on the draft CWAAP and preparation of the final revised plan for publication in the autumn
 - v. Stage 5 (the current stage) Invitation of representations on the final plan and subsequent submission to the Secretary of State for an examination-in-public
 - vi. Stage 6 Adoption of the final revised CWAAP as part of Southwark's local plan in late 2014.
- The council is currently at stage v. in this process. Consultation on the draft revised AAP took place between May and July 2013 and all the comments made

on this document have now been assessed. Subject to the agreement of council assembly, the publication/submission draft Canada Water AAP will be published for public consultation and subsequently submitted to the Secretary of State for an examination-in-public held by an independent planning inspector. It is expected that the latter would take place in summer 2014 with adoption by the end of the year.

9 The publication/submission draft Canada Water AAP has been subject to a sustainability appraisal (SA) (Appendix C), an equalities analysis (Appendix D) and an appropriate assessment to screen any impacts on EU protected wildlife habitats (Appendix G). It is also accompanied by detailed OS based maps showing changes to be made to Southwark's adopted policies map (Appendix B).

Consultation

- 10 Consultation on the Canada Water AAP has been carried out in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 (amended 2008) and the council's Statement of Community Involvement (SCI). The council consulted extensively in preparing the adopted Canada Water AAP. Formal consultation was undertaken on an issues and options report, a preferred options report, the publication AAP and further alterations to the publication AAP.
- Because a significant amount of consultation has already taken place and because the vision and objectives of the AAP are already established, the council did not consider it necessary to reconsult on an issues and options report in revising the AAP. Instead, the council carried out informal consultation which informed the draft revised AAP. A public consultation event was held in November 2012 in Alfred Salter primary school which aimed to provide a forum in which the public and other stakeholders could have their say on the future of Harmsworth Quays and the adjacent sites. In addition to this event, letters were sent to all the TRAs in the area, inviting people to submit their views on the future of Harmsworth Quays and indicating that officers would be happy to attend meetings to discuss, if requested.
- 12 The council consulted on the draft revised Canada Water area action plan over a period of 12 weeks from 7 May until 30 July 2013, including a formal period of consultation of 6 weeks ending on 30 July.
- The plan was published on the council's website and made available at Canada Water library and at the Abbeyfield Road housing services office. An advert publicising the AAP was put in the press, the council sent written notification to around 1000 contactees on the Planning Policy mailing list and a flyer advertising the AAP was sent to every address in the AAP area. Officers gave presentations on the AAP at Bermondsey and Rotherhithe community council, the area housing forum and at the Canada Water consultative forum. Exhibitions were held at Canada Water library and Surrey Quays shopping centre and 6 drop-in sessions were arranged on different days and times at these venues. In addition, officers had a stall with the exhibition and activities at Bermondsey Carnival and Rotherhithe Festival.
- In all 70 responses were received from a range of individuals, landowners, developers and other stakeholders. These included 46 responses to a questionnaire. These responses have been broken down into 340 individual comments on the AAP. The comments made and questionnaire responses are summarised below.

Questionnaire responses (46 respondents)

Question	Agree (%)	Disagree (%)	Unsure/n ot filled in (%)
Do you agree that we should we should prioritise non-residential uses on Harmsworth Quays and the adjacent sites?	78	9	13
Do you agree that the design and layout of Harmsworth Quays should make it easy for pedestrians and cyclists to move around?	89	2	9
Do you agree with the changes to leisure facilities and schools in the AAP?	61	24	15
Do you agree that we should use some tall buildings to help create more public space and make developments easy to walk and cycle around?	50	46	4
Do you agree with our proposals to protect additional open spaces?	85	2	13

Summary of comments made

Local residents/amenity groups

- The proposed site allocation for Harmsworth Quays and the adjacent sites which seeks to maximise the amount of non-residential space was supported. In particular there was support for more cafes and restaurants, a new university campus and more accommodation which provides space for local businesses and which generates jobs.
- There was support for promoting walking and cycling and extending the cycle hire scheme to Canada Water. Some respondents considered that improvements could be made to cycle facilities, including segregated routes and more clearly signposted routes. There was support for continuing the strategy to simplify the Lower Road gyratory, although some respondents considered it to be unnecessary.
- There was support for the proposed protection of open spaces. Some respondents considered that more open space is needed. An additional space adjacent to the St Olavs City Business Park should be protected.
- Housing policies: A number of respondents stated that more social housing is required.
- Some respondents stated that more community facilities are needed, including facilities for children and young people, health facilities and space for churches.
- The strategic cultural area should be extended to the south to cover the Scandinavian churches on Albion Street.
- Views on the changes to the tall buildings policy were mixed (as suggested by the questionnaire responses). Some respondents supported them and others considered them inappropriate. Many responses emphasised that the tall buildings need to be of the highest quality and should not create overshadowing. Those respondents who objected to tall buildings did so on many grounds, including impacts on wildlife, local character, water bodies including the Canada Water basin and Albion channel, views and overshadowing; loss of light; density;

- lack of community; false choice between tall buildings and public space; and the policy should be more prescriptive.
- There were mixed views on leisure facilities. Some considered that 7 Islands should be refurbished urgently and others considered it to be in the wrong place and not capable of providing modern leisure facilities and therefore a new site should be found.
- Schools: Irrespective of the proposal for a new school in Bermondsey, some respondents considered that the council should continue to press for a new school in Rotherhithe. There were a number of objections to the Bermondsey proposal on the grounds that people did not support the principle of free schools.

Developers/landowners

- The promotion of a business cluster in the core area on the sites identified is supported.
- It is unhelpful to refer to a specific quantum of development on Harmsworth Quays as proposals should be assessed on a case by case basis.
- Residential use should be a "required" use on Harmsworth Quays and not just an
 "acceptable" use. As a minimum residential uses should be seen as being
 equally important in both place making terms and in ensuring that the AAP vision
 is deliverable.
- King's College's masterplan includes sports facilities and King's would intend to
 deliver these in association with a wider campus development. It is envisaged
 that these facilities would also be available for public use and therefore this
 aspect should be considered as part of the council's long term options and
 strategy for the area.
- The AAP should not make it a requirement that proposals for large student housing schemes should also provide other university campus facilities.
- The council should set out the limit of the number of student homes it would consider acceptable.
- The town centre boundary should be redrawn to include the entirety of Harmsworth Quays, Mulberry Business Park and the Surrey Quays Leisure Park.
- The proposed changes to policy 17, Building heights, are supported; tall buildings should be allowed both in the town centre and outside where there is justification; here is no justification for a change of approach on the shopping centre site; the plan should state that a tall building will be allowed on the Surrey Quays Leisure Park site.
- The wording of the affordable housing policy should place stronger emphasis on the need to ensure the viability and deliverability of development.
- The allocation for the old Surrey Docks stadium should be updated to reflect Fairview's proposal to refurbish the sports facilities at the nearby St Pauls Sports Ground and convert the MOL land on Salter Road into a park. The residential capacity estimate should be changed back to 100 homes.

Surrey Docks ward councillors

- On page 39 there is a reference to closing the southern end of Surrey Quays Road at its junction with Redriff Road. What is the reasoning behind this?
- Additional tall buildings beyond Ontario Point and a 10-15 storey building on the shopping centre were never envisaged. What is the rationale behind the change to the building heights policy?
- In para. 4.5.28 the reference to considering more detailed proposals for St Paul's Field has gone. Whilst there is no suggestion in the document that it would remain anything other than open land, a more detailed proposal could have been

- included to aid future implementation.
- The suggestion that the Compass school will solve all the present and future local secondary school provision shortfall appears very complacent and references to possibly expanding other secondary school places does not provide a solution.
- The timescale for the implementation of improvements to Lower Road (2016-2020) is unacceptable. The right turn into Surrey Quays can be separated from the project and implemented independently.
- Para 4.7.21 is very woolly on providing increased NHS facilities and when they
 would be provided. The proposal seems predicated on getting more housing into
 the area first, which does not make sense.
- Unless King's College are going to provide a new leisure centre, the idea of a refurbishment which extends the life of 7 Islands by up to 10 years should be dropped and a proper job done. There is not going to be another site in the town centre.

GLA

- Policy 22 of the AAP should explicitly identify affordable rent as a type of affordable housing. As currently proposed, the AAP would not be in general conformity with the London Plan.
- The Mayor welcomes the council's new tall building strategy and its approach to building heights in the core area; the amended Policy 26 on 'Schools' is supported as well as the identification of a new primary school site (para 4.7.7a); the proposed amendment to the town centre boundary to include Harmsworth Quays and Site E and to enable the town centre to expand to the east is welcomed.

Transport for London

• TfL considers that the document is in general conformity with the transport policies of the London Plan.

English Heritage

 Further clarification should be given on what constitutes a special building (Policy 17: Building heights). There could be greater clarity in respect of the Canada Water basin and public spaces around it. It would be useful to see the underlying evidence that supports this suggested change in focus for tall buildings in this location.

Environment Agency

No objections.

Sport England

 Sport England objects to the proposed loss of sports facilities and car parking ancillary to the Surrey Docks Stadium and recommends that this site is removed from the schedule of proposals sites.

Port of London Authority

• There is no target or indicator in the document for monitoring river transport

usage and the document needs to be updated to reflect the target in the River Action Plan to increase passenger journeys on the River Thames to 12 million a year by 2020 and maximise its potential for river travel

Thames Water

- No objections.
- 15 The consultation report (Appendix F) provides a detailed analysis of the consultation undertaken on the draft revised Canada Water AAP. Council officers have reviewed all the representations made and made an individual response to each (see the consultation report). The comments made have been taken into account in preparing the publication/submission draft Canada Water AAP.
- The council will invite the public and other stakeholders to make representations on the publication/submission draft Canada Water AAP in accordance Regulation 19 and the council's statement of community involvement. Subject to the approval of council assembly, the publication/submission draft will be published for a period of 6 weeks between 3 December 2013 and 14 January 2014. The publication/submission draft will be made available on the website, in local libraries and council offices. An advertisement will be put into the press and the council will write to contacts on the Planning Policy database to advise of the consultation. A plan for publicising the publication/submission draft is included in appendix E.

KEY ISSUES FOR CONSIDERATION

- 17 The availability for Harmsworth Quays for development generates a number of opportunities both on that site and on the adjacent sites. These opportunities relate to land uses, supporting infrastructure, pedestrian and cycle connectivity and urban design.
- Land uses: The AAP vision seeks to consolidate Canada Water as a major town centre in the borough's town centre hierarchy through intensification of town centre uses, such as shops, offices, cafes, restaurants, civic and leisure uses. The availability of Harmsworth Quays for development would enable the town centre to expand to the eastern side of Surrey Quays Road. Because of the need to ensure that development across Harmsworth Quays, Site E, Mulberry Business Park and Surrey Quays Leisure Park is coordinated to achieve the right combination of land uses, a network of routes and a coherent urban design, we have drawn these sites together into a single land use allocation, proposals site CW AAP 24 in appendix 5 of the AAP.
- 19 Site allocation CW AAP 24 requires development proposals to maximise employment generation and the contribution to the regeneration of the town centre. A range of criteria would be used to assess this policy, including demand for space and financial viability. Non-residential uses could include retail, business space, leisure facilities (including the retention of the existing leisure space on the Surrey Quays Leisure Park) and education, including higher education. King's College London, which currently has an option to acquire Mulberry Business Park and recently received a resolution to grant planning consent, is exploring options to expand its portfolio to meet its need for a range of spaces which include teaching and research space, offices and supporting infrastructure. New academic and research facilities could make a strong contribution to the mix of activities in the town centre. Such facilities would

generate jobs, strengthen the day-time economy and support other town centre uses such as shops and offices. Relocating a faculty or providing a significant amount of academic space could also help boost the town centre's profile.

- 20 CW AAP 24 and its promotion of non-residential uses was broadly supported during consultation. There was particularly strong support for provision of more cafes and restaurants and developments which brings jobs. In the light of the support for non-residential space and the benefits of diversifying the economic base of the town centre, officers are recommending a minor change to the AAP vision which articulates this support.
- 21 Residential homes and student homes will be appropriate uses on site CW AAP 24, providing that the maximum employment generation is secured. The council received an objection stating that residential use should be a required use on the site. However, officers consider that position taken in the draft revised AAP is justifiable in the light of the AAP vision which seeks to consolidate Canada Water as a town centre.
- Few changes were proposed to the housing policies in the adopted AAP because these largely rely on and must be consistent with the Core Strategy policies. However, the GLA has stated that the failure to update the AAP policy to explicitly acknowledge affordable rent would undermine the strategy in the London Plan and is therefore not in general conformity. Following the recent examination-in-public into the Peckham and Nunhead AAP, the inspector has recommended that the council delete references to the split between social rented homes and intermediate homes. The council is now recommending a similar course of action with regard to the Canada Water AAP. It is important to note that the affordable housing policies in the Core Strategy would continue to apply at Canada Water i.e. the council would continue to seek 35% affordable housing in new developments and a 70%/30% split between social rented and intermediate provision. The issue of affordable rent would be considered at a borough-wide level, through the review of the local plan. This is considered to be a more appropriate way of addressing the issue than through ad-hoc amendments to area-based planning documents such as AAPs. In the meantime, the council's policy position on affordable housing at Canada Water is not weakened.
- Student homes can contribute to widening the mix and choice of homes in the area. However, the AAP states that the appropriate level of student housing will depend on the accompanying mix of uses. This is emphasized in CW AAP 24 and policy 29a on higher education and student housing. The council received an objection stating that the link between student accommodation and other on-site university facilities is not needed; developments for student accommodation should be acceptable, irrespective of size provided that they have a satisfactory management plan and have convenient access to campus facilities elsewhere. However, officers do not consider that the principle expressed in the policy should be altered. Provision of a large student housing development on its own would not bring the range of regeneration benefits that would be generated by provision of teaching space and other facilities and would not deliver the council's aspiration to maximise non-residential use.
- 24 Supporting infrastructure: The adopted AAP recognises that improvements to the surface transport network are required in order to accommodate growth at Canada Water. The AAP provides a strategy to reintroduce two way traffic movement on Lower Road as part a wider set of improvements to the Lower

Road gyratory. With regard to timing, 2016-2020 is the timescale set out in the adopted AAP and was based broadly on when the council expects development to occur and trigger the need to carry out improvements and when sufficient funding may be available. The council and TfL are currently undertaking a more detailed feasibility study for this project which is due to report in the autumn. This study is looking at a number of options, including delivery in 2015 in order to meet TfL's deadline for the implementation of the cycle superhighway on Lower Road.

- With regard to schools, in policy 26 the AAP notes that the council will keep the need to expand existing primary schools under review. There may also be the potential to accommodate new primary schools, including on Harmsworth Quays, depending on the quantum of non-residential uses provided on that site. Anticipated demand for secondary school places would be met by provision of a new school in Bermondsey, approved to open in September 2013 and exploring the possibility of expanding existing secondary schools.
- Funding for improvements to the Seven Islands Leisure Centre is committed in the council's capital programme for the years 2014/2015 and 2015/2016. The revised AAP policy 12 suggests that this could be used to extend the life of the Seven Islands by up to 10 years. In the long term however, there is an opportunity to provide a new leisure centre in the town centre. The representations contained a mix of view of leisure facilities: some stated that refurbishment should be carried out as a matter of urgency and others considered that a new site should be found. King's College has proposed a new leisure centre as part of their proposals for a new campus and the council is keen to explore this further with King's College and British Land.
- The area around St Mary's Rotherhithe has a number of arts, culture and tourism uses including, St Mary's Church itself, the Brunel Museum, the Mayflower Inn and Sands Film Studios is designated as a strategic cultural area (SCA). The council received a representation suggesting that the SCA be extended to the south to include St Olav's church and the Finnish church, both of which are important centres for the Scandinavian community in London. The current boundary was designated during the preparation of the Southwark Plan following a recommendation by the Southwark Plan (2007) Inspector. The SCA includes the concentration of cultural and tourism uses around St Mary's Church. The two churches on Albion Street are relatively isolated from the SCA and there are a lot of residential streets between the SCA and Albion Street. On balance it is not considered that there is justification to extend the boundary.
- 28 Pedestrian and cycle connectivity: A key aspiration of the AAP is to ensure that the town centre is well connected to the rest of Rotherhithe through a network of pedestrian and cycle routes. The new site allocation for Harmsworth Quays and the adjacent sites provides indicative routes.
- Urban design: The site allocation for Harmsworth Quays emphasises the desirability of creating a network of streets and spaces that have a town centre and urban feel and which are not dominated by cars. At the EIP, the council recognised that the tall building strategy should be reviewed and the inspector concurred with this in his recommendation. The revised AAP maintains the guidance in the adopted AAP that building heights in the core area should generally be between 4 and 8 storeys. While these general heights should be maintained, officers recommend that the approach to tall buildings be revised.

- The availability of Harmsworth Quays for development, the scope expand the centre eastwards and bring in new land uses, such as business and higher education, provide an opportunity to rethink the approach to town centre development. Currently the footprint of the existing large sheds in the centre make it difficult to move around the area. With the exception of the plaza outside the library the public realm is uninspiring and offers little to residents, visitors or shoppers. A key advantage of tall buildings is that they can utilise much smaller footprints, enabling the creation of more public realm and making it easier for pedestrians to move around. The design policies in the AAP have been revised to make provision of new public realm a crucial element of new development.
- 31 The key to a vibrant and successful town centre is a range of shops, leisure opportunities and businesses which create a destination. Tall buildings can provide a range of uses to help animate the base of the building and contribute to the vibrancy of the centre. They are an important source of capacity and will help deliver the range of non-residential uses which are sought by the AAP vision.
- Policy 17 in the revised AAP states that buildings will be appropriate in important locations in the town centre, where they reinforce the character and function of the centre. In particular, they will help to define the importance of the Canada Water basin and surrounding public spaces as the focal point within the town centre. The policy requires tall buildings which are significantly higher than existing tall buildings in the area (20-25 storeys) to make an exceptional contribution to the regeneration of the area and where feasible, contain a facility accessible to the public which takes advantage of spectacular views from upper floors.
- The summary of consultation responses above suggests that views on the potential for tall buildings are mixed. Those representations which supported provision of tall buildings in principle emphasised the need for high quality of design and careful analysis to ensure that impacts on wind and overshadowing are avoided. Officers consider that the criteria which are proposed in policy 17 are robust and should serve to secure well designed buildings and an attractive and comfortable public realm. English Heritage suggested that the concept of "special buildings" should be more clearly defined and amendments are proposed to the publication/submission draft in this respect.
- Since adopting the AAP in March 2012, the council has also adopted its Open Space Strategy (2013). This recommended that three additional spaces be protected as "other open space": Cumberland Wharf, Neptune Street Park and Surrey Docks Adventure Playground. In addition to this, it is also proposed that the former nursery is designated as metropolitan open land. Together with Southwark Park, the former nursery is part of a clearly distinguishable break in the built environment which would justify extending the MOL designation over the site. Protection of these spaces was broadly supported during consultation. During consultation, protection of an additional space (the space between St Olav's Court and Blick House on Lower Road) was also suggested. However, officers consider that it is late in the AAP revision process to introduce a new designation which has not been the subject of any consultation. There will be opportunities to review the site in the future, including through the New Southwark Plan.
- 35 Sport England have recommended that the site allocation for the former Surrey docks stadium be deleted. However, this allocation was included in the adopted AAP and has already been subject to an examination-in-public. The site has

been acquired by Fairview New Homes who plan to compensate for the loss of the existing sports pitch by refurbishing the St Paul's playing field, enabling future use by Fisher Athletic and other users.

- In his report on the adopted AAP, the inspector noted the lack of allotments and food growing spaces in the area. The adopted open spaces policy has been amended to state that new development will be expected to provide opportunities for food growing. It is not envisaged that a significant new open space would be provided on Harmsworth Quays, given the proximity of Russia Dock Woodland and Southwark Park. However, some provision would be made to provide play facilities, informal recreation, food growing, etc. The guidance states that a green link connecting Canada Water basin and Russia Dock Woodland should be incorporated.
- 37 Factual updates: A number of minor amendments have also been made to the adopted AAP to reflect factual changes, changes in policy (eg. the fact that CIL can be used to fund infrastructure required to support growth, rather than s106 planning obligations) and progress in developments which have been completed, are under construction or are the subject of new planning applications.
- 38 Subject to the approval of council assembly, the council will invite representations on the publication/submission draft Canada Water AAP over a 6 week period. The council will consider all representations made and if appropriate suggest minor changes to the AAP to address these. It is anticipated that the AAP would then be submitted to the Planning Inspectorate for an examination in public.

Community impact statement

Equalities analysis

In preparing the adopted AAP (2012), the council completed equalities impact assessment (EqIA) report. This highlighted the AAP would have a number of beneficial impacts for all members of the community, including new job opportunities, more homes, improved community facilities and more opportunities for walking, cycling and using public transport. The EqIA has been updated to reflect the policies in the publication/submission draft AAP. Site allocation CW AAP 24 would have a broadly positive impact on people with protected characteristics as it would encourage new uses on the site which would provide jobs and increase the activity in the town centre as well as providing opportunities for new public spaces and routes through the area which would make it more accessible to all. It also has the potential to provide more new homes, potentially including some student homes.

Sustainability appraisal

The adopted Canada Water AAP was accompanied by a detailed sustainability appraisal that informed the development of the final strategy and policies. The AAP had an overall positive impact on all the sustainability indicators, although some issues were identified around the possibility of new development increasing the risk of climate change, waste and flooding. The SA has been updated to take the changes to the AAP (including changes in the publication/submission draft) into account and assess their impact. Overall, the preferred option for CW AAP 24 and the other policies which have been changed as a result of this site coming forward for redevelopment, have a positive effect

on the sustainability indicators. In particular, SDO 1. To tackle poverty and encourage wealth creation and SDO 5 To promote social inclusion, equality, diversity and community cohesion scored very well overall. This is due to the positive impacts of providing more new homes, attracting new business and investment which will increase the number of jobs in the area as well as providing an improved landscape and townscape. The sustainability of the plan is strengthened in the publication/submission version by the addition of a policy which explicitly states that there is a presumption in favour of sustainable development.

Financial implications

- There are no immediate financial implications arising from consultation on the publication/submission draft Canada Water AAP and submission to the Planning Inspectorate.
- Any potential additional costs from any specific proposals emerging from the preparation and adoption of the plan or any queries thereof will be submitted as separate reports for consideration in line with the appropriate protocols.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services (RMK)

- 43 report requests that The recommendation of the cabinet provide both consider recommendations for Council Assembly to publication/submission of the draft CWAAP, proposed changes to the Adopted Policies Map, the Sustainability Appraisal, the Equalities Analysis, the Consultation Plan, the Consultation Report and the appropriate Assessment set out at (Appendices A - G), agree the publication/submission of draft CWAAP to the Secretary of State, subject to the necessity of any substantive changes following consultation, and delegate the approval of any minor non-substantive amendments resulting from the respective consultation to the director of planning, in consultation with the cabinet member for regeneration and corporate strategy, prior to its submission to the Planning Inspectorate.
- 44 The draft revised CWAAP will comprise several stages of consultation, identified as Stages 1-6 at paragraph 7 of the report. Paragraph 7 advises that the draft CWAAP is currently at the publication and submission stage of the development plan process, headed 'Stage 5'. Subject to the approval of both, the recommendation to cabinet and approval of Council Assembly to the recommendations, the draft revised CWAAP will be consulted upon prior to its submission to the Secretary of State. As the CWAAP is a Development Plan Document the proposed draft revisions to the CWAAP will be subject to Independent Examination (EiP) by an Inspector appointed by the Secretary of State, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 (as amended) ('the Act') and the requirements of the Town and Country Planning (Local Planning)(England) Regulations 2012 ('the Regulations'). This will take place following the closure of proposed round of consultation and review of any further representations received in response to the consultation, cabinet is advised that it is expected that the revised draft CWAAP will be adopted as part of the Southwark Local Plan in 2014 (Stage 6).
- The report confirms that the council consulted extensively upon on the adopted AAP, including formal consultation on an Issues and Options report, a Preferred

Options report, the Publication AAP and further alterations to the publication AAP. Further, consultation on the draft revised AAP took place between May and July 2013. All the representations received in response have been fully assessed and taken into account by the council in preparing the publication/submission draft (Appendix F). Due to the extent of the consultation previously undertaken upon the Issues and Options as part of the adopted AAP the council did not consider it necessary to re-consult on this issue as part of the revised draft AAP.

- Cabinet will note that this stage of consultation is a statutory requirement and has been carried out in accordance with the requirements of the Act and Regulations. Regulation 18 sets out the criteria for the preparation of a local plan and provides that a local planning authority must notify specific consultation bodies, that have an interest in the subject of a local plan, and such general consultation bodies and members of the public as the Local Planning Authority consider appropriate. The Regulation further provides that the Local Planning Authority should invite such consultees to make representations about what the respective local plan should contain. In preparing the local plan the Local Planning Authority has a statutory duty to take into account any representation made to them in this respect. The council has satisfied this requirement
- 47 Regulation 19 sets out the criteria for the publication of a local plan. It provides that prior to submitting a local plan to the Secretary of State under section 20 of the Act, the local planning authority must (a) make a copy of each of the proposed submission documents and a statement of the representations procedure available in accordance with regulation 35, and (b) ensure that a statement of the representations procedure and a statement of the fact that the proposed submission documents are available for inspection and of the places and times at which they can be inspected, is sent to each of the general consultation bodies and each of the specific consultation bodies invited to make representations under regulation 18(1). Subject to cabinet's agreement to make the recommendations sought by the report, to Council Assembly, and Council Assembly's subsequent approval, the council will invite the public and other stakeholders to make representations on the publication/submission draft in accordance with Regulation 19 and the council's Statement of Community Involvement for a period of 6 weeks. Following this consultation period, and the making of any necessary non-material amendments by the director of planning, the draft plan will be submitted to the Secretary of State for an Examination in Public (EiP).
- The approval of a Development Framework Document for consultation is delegated to the cabinet member for regeneration and corporate strategy who may take Individual Executive Member decisions ("IDM") for her area of responsibility. However, the cabinet Member has the option of taking the decision herself or to refer it the cabinet for decision. The cabinet member for regeneration and corporate strategy has exercised the option to refer the recommendations to the full cabinet for a decision and cabinet is requested to approve the recommendations for Council Assembly approval.
- Paragraph 10, Part 3A: Council Assembly of the Southwark Constitution 2012/13 reserves the agreeing the policy framework including Development Plan Documents (which form part of the development plan framework) to Council Assembly. The report requests that cabinet provide recommendations to Council Assembly to agree the publication/submission of the draft CWAAP to the Planning Inspectorate, provided that no substantive consequential changes are

required following the receipt of the consultation responses in accordance with Regulation 22. The Secretary of State will then undertake an Examination In Public ('EiP') into the plan.

- The purpose of the independent examination is set out in section 20(5) of the Act. This is required to determine whether the submitted DPD is sound and has been prepared in accordance with:
 - Certain statutory requirements under s19 (as to preparation) & s24(1) (as to conformity with regional / London Plan policies) of the 2004 Act and
 - The associated Regulations (The Town and Country Planning (Local Development) (England) Regulations 2004;SI.2004 No. 2204);
- As advised at paragraph 4 of the report, the AAP was adopted by Council Assembly on 28 March 2012 to shape the regeneration of Canada Water and the surrounding area. The AAP focuses on implementation of planning policy, by providing an important mechanism for safeguarding development of an appropriate scale, mix and quality for the Canada Water area. This followed an ("EiP"), conducted by an Inspector appointed by the Secretary of State, who found the plan to be 'sound'. During the plan making process the Harmsworth Quays Print Works ("CWAAP12"), a strategic site within the core of the Action Area, announced its proposal to vacate and relocate its business from its current location. In view of the advanced stage that the AAP had reached at this juncture, the CWAAP was submitted for EiP and subsequently adopted without the addressing the implications that this would have in planning policy terms for the area.
- The Inspector acknowledgement of the advanced stage of the plan and the fact that the fundamental vision and objectives of the plan were unlikely to be altered by the intended vacation of the site. He therefore held that any future review of the AAP, to deal with this site, could take place within the scope of the vision and objectives set out in the adopted AAP. The Inspector further held, that amendments to the plan should address the land uses and quantum of development, the infrastructure required to support additional development, pedestrian and cycle connectivity and urban design, including the building heights strategy.
- In response to this, the council has prepared a draft revised CWAAP to address the site allocation for the Harmsworth Quays Print Works site, parts of the CWAAP that are affected by the site becoming vacant have also been revised and updated. These amendments seek to address the land uses, quantum of development, the infrastructure required to support development, pedestrian and cycle connectivity, urban design, including a building heights strategy for the new proposal site CWAAP24. As part of this process, the publication/submission draft revised CWAAP has been subject to a Sustainability Appraisal (Appendix C), the Equalities Analysis (Appendix D), and Appropriate Assessment to screen any impacts on EU protected wildlife (Appendix G).
- 54 In preparing the final draft revised CWAAP the council must have regard to:
 - a) National Policies and Guidance.
 - b) The London Plan.
 - c) The Community Strategy.
 - d) Any other DPDs adopted by the council.

e) The resources likely to be available in implementing the proposals in the draft revised CWAAP.

General Conformity

- Section 24(1)(b) of the Act requires that Local Development Documents ("LDDs") issued by the council, such as the CWAAP, must be in general conformity with the spatial development strategy, namely the London Plan (consolidated with alterations since 2004). On submission of the final draft of the revised CWAAP to the Secretary of State for independent examination, the council will be required to simultaneously seek the Mayor's opinion in writing as to whether the final draft revised CWAAP is in general conformity (Regulation 30). The purpose of the independent examination is to ensure legal compliance with the legislative framework, including consultation and soundness of the AAP (Section 20(5)(b) of the Act). General conformity must be determined as a matter of law and policy practice.
- Paragraph 22 of the report advises that the Greater London Assembly have advised that the council's failure to update the draft revised CWAAP to explicitly acknowledge the tenure of affordable rent would undermine the strategy set out in the London Plan and is therefore not in general conformity. The council recently received a decision from the Secretary of State in regards to the EiP into the Peckham and Nunhead AAP, which also dealt with this particular issue. The Inspector has suggested that the council should not seek to define any particular tenures of affordable housing as part of its policy requirement to provide 35% affordable housing in new developments. The council will now be seeking to adopt a similar approach in regards to the draft CWAAP. The council will be addressing the issue of Affordable Rent tenures at a borough-wide level, through the review of the Local Plan, and it's therefore considered that the provision of affordable housing at Canada Water is not jeopordised by this issue.
- Cabinet is advised that general conformity is not a defined term anywhere within the legislative framework. However, the Court of Appeal decision of Persimmon Homes (Thames Valley) Ltd & Oths v Stevenage Borough Council [2005] EWCA 1365 considered the judicial construction of the term and contains authoritative guidance. The term is to be given its ordinary meaning and take into account the practicalities of planning control and policy, namely the long lead times for the implementation of planning policy and the exigencies of good planning policy which are liable to change. The 'general conformity' requirement must accommodate these factors and on its true construction allow a 'balanced approach' favouring 'considerable room for manoeuvre within the local plan' in the measures taken to implement the structure plan (the London Plan) so as to meet the changing contingencies that arise.
- The word 'general' is therefore designed to allow a degree of flexibility in meeting London Plan objectives within the local development plan. The fact that the statutory regime makes provision for the possibility of conflict between the London Plan and local plan to be resolved in favour of the latter subject to general conformity envisages that 'general conformity' requirement allows for flexibility at local level and not strict compliance with every aspect of the London Plan (Section 46(10) of the 1990 Act as substituted by the Act). This is provided that the effectiveness of the London Plan strategic objectives are not compromised and there is local justification for any departure.

Sustainability appraisal

Section 19(5) of the Act requires Sustainability Appraisal ("SA") of the economic, social and environmental sustainability of plans in DPDs. Accordingly, a SA has been prepared to ensure the wider impacts of the draft revised CWAAP policies are addressed. The SA focuses on those areas of the plan which have been amended. While this has been the focus, to ensure that the plan remains coherent, all policies have been reassessed in full. The sustainability appraisal provides a sound evidence base for the plan and forms an integrated part of the plan preparation process.

Equalities

- The Equality Act 2010 brought together the numerous acts and regulations that formed the basis of anti-discrimination law in the UK. It provides for the following "protected characteristics": age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. Most of the provisions of the new Equality Act 2010 came into force in October 2010 ("the 2010 Act").
- In April 2011 a single "general duty" was introduced namely the Public Sector Equality Duty ("PSED"). Merging the existing race, sex and disability public sector equality duties and extending the duty to cover the other protected characteristics namely age, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation, (including marriage and civil partnership).
- The single public sector equality duty requires all public bodies to "eliminate unlawful discrimination, harassment and victimisation", "advance equality of opportunity between different groups" and "foster good relations between different groups".
- Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
 - (a) "Promote equal opportunities between disabled persons and other persons;
 - (b) Eliminate discrimination that is unlawful under the Act
 - (c) Eliminate harassment of disabled persons that is related to their disabilities;
 - (d) Promote a positive attitude towards disabled persons
 - (e) Encourage participation by disabled persons in public life; and
 - (f) Take steps to take account of disabled person's disabilities even where that involves treating disabled persons more favourably than other persons"
- 64 The adopted CWAAP was subject to a full Equalities Impact Assessment ("EqIA") which assessed the equalities impacts at each stage of drafting and consultation. The Equalities Assessment appended at Appendix D of this report represents an updated analysis that builds on the previous EqIA and reassesses the draft revised CWAAP and its revisions in light of the 2010 Equality Act.

Human Rights Considerations

The draft revised CWAAP potentially engages certain human rights under the Human Rights Act 2008 ("the HRA"). The HRA prohibits unlawful interference by

public bodies with conventions rights. The term 'engage' simply means that human rights may be affected or relevant. In the case of the draft revised CWAAP, a number of rights may be engaged: -

- The right to a fair trial (Article 6) giving rise to the need to ensure proper consultation and effective engagement of the public in the process;
- The right to respect for private and family life (Article 8) for instance impacts on amenities or the quality of life of individuals;
- Article 1, Protocol 1 (Protection of Property) this right prohibits interference with individuals' right to peaceful enjoyment of existing and future property / homes. It could be engaged, for instance, if the delivery of any plan necessitates CPOs or results in blight or loss of businesses/homes;
- Part II Protocol 1 Article 2 Right to Education this is an absolute right enshrining the rights of parents' to ensure that their children are not denied suitable education. This is a relevant consideration in terms of strategies in the plan which impact on education provision.
- It is important to note that few rights are absolute in the sense that they cannot be interfered with under any circumstances. 'Qualified' rights, including the Article 6, Article 8 and Protocol 1 rights, can be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local planning authority in the policy making process against potential interference with individual human rights. Public bodies have a wide margin of appreciation in striking a fair balance between competing rights in making these decisions.
- This approach has been endorsed by Lough v First Secretary of State [2004] 1 WLR 2557. The case emphasised that human rights considerations are material considerations in the planning arena which must be given proper consideration and weight. However, it is acceptable to strike a balance between the legitimate aims of making development plans for the benefit of the community as a whole against potential interference with some individual rights.
- Public bodies have a wide margin of appreciation in striking a fair balance between competing rights in making these decisions. The approach and balance between individual and community rights set out in the publication/submission is within justifiable margins of appreciation.
- The council has undertaken robust public participation, iterative sustainability and equalities assessments throughout the production of the CWAAP and draft revised CWAAP as well as engaging with the issue of human rights at each decision making process. Therefore the draft revised CWAAP is not deemed to interfere with any human rights which may be engaged and strikes the appropriate balance between making strategic policies for its communities against any potential interference. In approving the draft revised CWAAP for consultation, cabinet is reminded to have regard to human rights considerations and strive to strike a fair balance between the legitimate aims of making development plans for the benefit of the community against potential interference with individual rights.

Adoption Process – Procedural Requirements

- Members' are advised that should the draft revised CWAAP ultimately be adopted by Council Assembly, following the recommendation of cabinet, a number of statutory requirements will need to be complied with by the council. These requirements are set out in Regulations 35 and 36 and must be complied with as soon as reasonably practicable after the date of adoption.
- In summary, Regulation 35(1) requires that the council complies with section 20(8)of the Act to publish the Inspector's recommendations and reasons as follows:
 - (a) That the recommendations of the Inspector's report be deposited for the purposes of public inspection at the same venue that the pre-submission proposal documents were deposited;
 - (i) That Inspector's recommendations be published upon the council's web-site; and
 - (ii) That notification of publication be provided to those persons who requested to be notified of the recommendations publications.
- Regulation 36 further provides that the council make available for inspection the following documents at the same place where the pre-submission documents were deposited:
 - a) The draft final revised CWAAP;
 - b) An Adoption Statement, and
 - c) The Sustainability Appraisal report
 - d) Publish the Adoption Statement on the council's web-site;
 - e) Give notice by local advertisement of the Adoption Statement and details of where it can be inspected
 - f) Send the Adoption Statement to any person who has asked to be notified of the adoption of the draft final revised CWAAP; and
 - g) Send the draft final; revised CWAAP and Adoption Statement to the Secretary of State.

Application to the High Court

- 73 If the draft revised CWAAP is ultimately adopted the final version will establish the strategic planning policy framework for Southwark. Under Section 113 of the Act, any party aggrieved by the adoption of the draft revised CWAAP may make an application to the High Court within 6 weeks of the publication of the adoption statement. Such applications may only be made on limited grounds namely that:
 - a) the document is not within the appropriate power; and / or
 - b) that a procedural requirement has not been complied with.
- The recommendation of this report seeks cabinet approval to recommend that Council Assembly consider and agree the publication/submission draft of the CWAAP, changes to the Adopted Policies Map and the supporting documents (Appendices A -G) for publication and submission to the Secretary of State, subject to any minor amendments resulting from delegation to be submitted to be delegated to the director planning. It is considered that the making of the recommendation is within the remit of the decision making functions of cabinet.

Strategic Director of Finance and Corporate Services (FC13/067)

75 The strategic director of finance and corporate services notes that this report contains no new financial implications and that any additional costs arising from specific schemes will be submitted in separate reports.

BACKGROUND DOCUMENTS

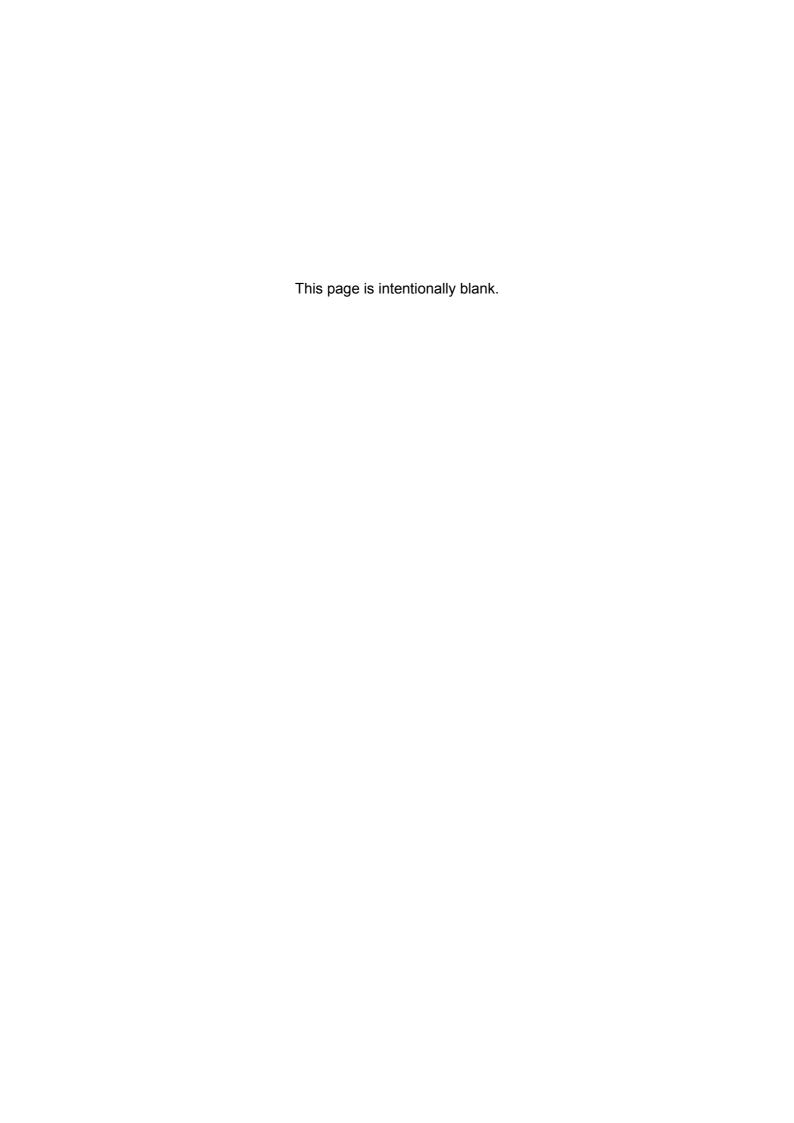
Background paper	Held at	Contact
Canada Water area action plan	160 Tooley Street	Sandra Warren
(2012) (available on the website:	London SE1 2QH	020 7525 5471
http://www.southwark.gov.uk/downloa		
d/7125/adopted canada water aap)		
Core strategy (2011) (available on the	160 Tooley Street	Sandra Warren
website:	London SE1 2QH	020 7525 5471
http://www.southwark.gov.uk/downloa		
d/5823/adopted core strategy)		

APPENDICES

No.	Title
Appendix A	Publication/submission draft Canada Water area action plan
	(circulated separately)
Appendix B	Proposed changes to the adopted policies map (available on the
	website)
Appendix C	Sustainability appraisal (available on the website)
Appendix D	Equalities Analysis (available on the website)
Appendix E	Consultation Plan (available on the website)
Appendix F	Consultation Report (available on the website)
Appendix G	Appropriate assessment (available on the website)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Co	olley, Regeneration and	Corporate Strategy	
Lead Officer	Eleanor Kelly, Chie	f Executive		
Report Author	Tim Cutts, Team Le	eader, Planning Policy		
Version	Final			
Dated	10 October 2013			
Key Decision?	Yes			
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET				
	MEMB	ER		
Officer Title		Comments Sought	Comments included	
Director of Legal Se	Director of Legal Services Yes Yes			
Strategic Director of	Finance and	Yes	Yes	
Corporate Services				
·				
Cabinet Member	Cabinet Member Yes Yes			
Date final report sent to Constitutional Team 10 October 2013				



CABINET AGENDA DISTRIBUTION LIST (OPEN)

MUNICIPAL YEAR 2013/14

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

Name	No of	Name	No of
	copies		copies
Cabinet Members		Corporate Management Team	
Peter John	1	Eleanor Kelly	1
lan Wingfield	1	Romi Bowen	1
Fiona Colley	1	Deborah Collins	1
Dora Dixon-Fyle	1	Gerri Scott	1
Barrie Hargrove	1	Duncan Whitfield	1
Richard Livingstone	1	0.00	
Victoria Mills	1	Officers	
Catherine McDonald	1	Danier Fernantes Brasses	4
Veronica Ward	1	Doreen Forrester-Brown	1
Other Councillors		Jennifer Seeley	1
Other Councillors		Trade Unions	
Catherine Bowman	1	Trade Unions	
Toby Eckersley	1	Roy Fielding, GMB	1
Neil Coyle	1	Henry Mott, Unite	1
Gavin Edwards	1	Sue Plain, Unison	1
Dan Garfield	1	Neil Tasker, UCATT	1
David Hubber	1	Michael Davern, NUT	1
Lorraine Lauder	1	James Lewis, NASUWT	1
Rebecca Lury	1	Irene Bishop, ASCL	1
Paul Noblet	1		
The Right Revd Emmanuel Oyewole	1	Others	
Geoffrey Thornton	1		
Andy Simmons	1	Robin Campbell, Press Office	1
Tim McNally	1	Paula Thornton, Constitutional Officer	20
Anood Al-Samerai	1		
		Total:	66
Group Offices			
		Dated: 5 June 2013 (pt)	
Chris Page, Cabinet Office	1		
Laura Kavanagh, Opposition Group Office	1		
Press			
Southwark News	1		
South London Press	1		
Members of Parliament			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		