

# Open Agenda



## Cabinet

Tuesday 22 July 2014

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London  
SE1 2QH

### Membership

Councillor Peter John  
Councillor Ian Wingfield

Councillor Fiona Colley  
Councillor Dora Dixon-Fyle MBE  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Darren Merrill

Councillor Victoria Mills  
Councillor Michael Situ

Councillor Mark Williams

### Portfolio

Leader of the Council  
Deputy Leader and Cabinet Member for  
Communities, Employment and Business  
Finance, Strategy and Performance  
Adult Care, Arts and Culture  
Public Health, Parks and Leisure  
Housing  
Environment, Recycling, Community Safety and  
Volunteering  
Children and Schools  
Environment, Recycling, Community Safety and  
Volunteering  
Regeneration, Planning and Transport

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### INFORMATION FOR MEMBERS OF THE PUBLIC

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#### Contact

Paula Thornton 020 7525 4395 or Virginia Wynn-Jones 020 7525 7055  
Or email: [paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk); [virginia.wynn-jones@southwark.gov.uk](mailto:virginia.wynn-jones@southwark.gov.uk)

Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 14 July 2014



# Cabinet

Tuesday 22 July 2014

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1 - 3
	To note the items specified which will be considered in a closed meeting.	
<b>4.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any interests and dispensation in respect of any item of business to be considered at this meeting.	
<b>5.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	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.	<b>MINUTES</b>	4 - 10
	To approve as a correct record the minutes of the open section of the meeting held on 2 July 2014.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
8.	<b>SOUTHWARK COMMUNITY WARDENS SERVICE (HOUSING, ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE)</b>	11 - 22
	To note the recommendations of the review of the Southwark Community Wardens Service and that the relevant cabinet member bring a report to cabinet within eight weeks.	
9.	<b>PREVALENCE OF PSYCHOSIS AND ACCESS TO MENTAL HEALTH SERVICES FOR THE BME COMMUNITY IN SOUTHWARK (HEALTH, ADULT SOCIAL CARE, COMMUNITIES &amp; CITIZENSHIP SCRUTINY SUB-COMMITTEE)</b>	23 - 44
	To note the recommendations of the review of the prevalence of psychosis and access to mental health services for the BME community in Southwark and that the relevant cabinet member bring a report back to cabinet within eight weeks.	
10.	<b>ACCESS TO HEALTH SERVICES IN SOUTHWARK (HEALTH, ADULT SOCIAL CARE, COMMUNITIES &amp; CITIZENSHIP SCRUTINY SUB-COMMITTEE)</b>	45 - 81
	To note the recommendations of the review of access to health services in Southwark and that the relevant cabinet member bring back a report to cabinet within eight weeks.	
11.	<b>COUNCIL PLAN 2014/15 - 2017/18</b>	82 - 108
	To agree the proposed council plan 2014/15 – 2017/18 and the proposed period of consultation on the cabinet’s proposal for this plan.	
12.	<b>FAIRER FUTURE ANNUAL PERFORMANCE REPORT 2013/14</b>	109 - 113
	To note the progress made against the objectives and targets for 2013/14 in the council plan 2011/12 – 2013/14.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>13.</b>	<b>BLUE BERMONDSEY BUSINESS IMPROVEMENT DISTRICT PROPOSAL AND BALLOT</b>	114 - 157
	To welcome the outcome of the ballot for a business improvement district in Bermondsey and endorse the formation of the Blue Bermondsey BID company.	
<b>14.</b>	<b>NEXT STEPS ON DEVELOPING LONG TERM PLANS FOR THE DELIVERY OF NEW COUNCIL HOMES</b>	158 - 188
	To note the progress underway with the direct delivery programme that forms part of the overall commitment to build 11,000 new council homes over 30 years from 2013 – 2043.	
<b>15.</b>	<b>MAJOR WORKS STATUS REPORT INCORPORATING WARM, DRY AND SAFE</b>	189 - 239
	To note the status of the housing investment programme with particular reference to warm, dry and safe programme and the progress of the strategic safety works programme.	
<b>16.</b>	<b>INTEGRATED COMMUNITY SUPPORT - A NEW COMMISSIONING STRATEGY, UNDERPINNED BY AN ETHICAL CARE CHARTER</b>	240 - 257
	To agree the Southwark ethical care strategy and the commissioning strategy for integrated community support which will fully deliver this charter.	
<b>17.</b>	<b>SCHOOL PLACES STRATEGY UPDATE</b>	258 - 271
	To note the updated forecast for primary school reception places and in particular the demand for additional primary school places in the north of the borough.	
<b>18.</b>	<b>NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF POLICY FOR RETAIL RELIEF, REOCCUPATION RELIEF AND NEW BUILD EMPTY PROPERTY RELIEF</b>	272 - 283
	To approve the discretionary rate relief policy for retail relief, reoccupation relief and new build empty property relief.	
<b>19.</b>	<b>ELEPHANT AND CASTLE REGENERATION PROGRESS REPORT</b>	284 - 297
	To agree to amend the Regeneration Agreement dated 23 July 2010 between the London Borough of Southwark and Lend Lease (Elephant & Castle) Limited as set out in the recommendations.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>20.</b>	<b>GATEWAY 1 ABBEYFIELD ESTATE HINE (MAYDEW HOUSE) WORKS</b>	298 - 311
	To approve the procurement strategy outlined for the Abbeyfield Estate HINE (Maydew House) works contract.	
<b>21.</b>	<b>REVIEW OF VOID DISPOSAL STRATEGY</b>	312 - 323
	To note the progress of disposals of void housing properties since the last report to cabinet in May 2011 and agree to revise the criteria for disposals in the void disposal strategy.	
<b>22.</b>	<b>QUARTERLY CAPITAL MONITORING OUTTURN REPORT FOR 2013/14 AND CAPITAL PROGRAMME REFRESH FOR 2013/14 - 2023/24</b>	324 - 349
	To note the outturn position for 2013/14 for the general fund capital programme, the outturn position for 2013/14 for the housing investment programme.	
	To approve virements and funded variations and the re-profiling of the forecast expenditure and resources in the new financial year.	
<b>23.</b>	<b>REVENUE OUTTURN REPORT 2013/14, INCLUDING TREASURY MANAGEMENT</b>	350 - 379
	To present the council's financial position for the general fund, the housing revenue account (HRA) and planned use of reserves and balances for 2013/14.	
<b>24.</b>	<b>NOMINATIONS TO CENTRE FOR LITERACY IN PRIMARY EDUCATION AND SAFEGUARDING ADULTS PARTNERSHIP BOARD 2014/15</b>	380 - 381
	To agree nominations to Centre for Literacy in Primary Education (CLPE) and Safeguarding Adults Partnership Board for the 2014/15 municipal year.	
<b>25.</b>	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	382 - 397
	To consider motions referred from council assembly 26 March 2014:	
	<ul style="list-style-type: none"> <li>• A Vision for Southwark</li> <li>• Vision for Localism</li> <li>• Local decision making</li> <li>• Free school meals</li> <li>• Meat free Mondays</li> <li>• Regulation for payday lenders</li> <li>• Fixed odds betting terminals</li> </ul>	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>26.</b>	<b>DISPOSAL OF SITE A - 5 NUNHEAD GREEN, LONDON SE15</b>	398 - 403
	To authorise the disposal of the council's freehold interest in site A – 5 Nunhead Green, SE15 3QQ.	
<b>27.</b>	<b>GATEWAY 2 - CONTRACT AWARD APPROVAL: LIFT MAINTENANCE CONTRACT</b>	404 - 416
	To approve the award of contract A (north of the borough) and contract B (south of the borough).	
<b>28.</b>	<b>PROPOSAL TO LEASE NORTHCOTT HOUSE HOSTEL</b>	417 - 424
	To agree to lease Northcott House subject to acceptable terms being agreed.	

#### **OTHER REPORTS**

The following items are also scheduled to be considered at this meeting:

- 29. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - APPOINTMENT OF CONTRACTORS FOR PRIMARY EXPANSION PROGRAMME**
- 30. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - HEATING AND WATER CONTRACTS**

#### **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.”

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**PART B - CLOSED BUSINESS**

- 31. DISPOSAL OF SITE A - 5 NUNHEAD GREEN, LONDON SE15**
- 32. GATEWAY 2 - CONTRACT AWARD APPROVAL: LIFT MAINTENANCE CONTRACT**
- 33. PROPOSAL TO LEASE NORTHCOTT HOUSE HOSTEL**

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

Date: 14 July 2014

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

### **Cabinet 22 July 2014**

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 July 2014 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: 31** Disposal of Site A – 5 Nunhead Green, London SE15 3QQ
- Item: 32** Gateway 2 – Contract Award Approval – Lift Maintenance Contract

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.

Ian Millichap,  
Proper Constitutional Officer

**Dated:** 14 July 2014





## NOTIFICATION OF CLOSED BUSINESS FOR URGENT CONSIDERATION BY AN EXECUTIVE DECISION MAKING BODY

The required 28 days notice relating to a decision likely to be considered in closed session has not been given on the forward plan in respect of the decision detailed in this document. The matter is considered to be urgent and cannot be reasonably deferred for a further 28 days to enable the required notice to be given. Details of the issue are set out below.

Note: This notice applies to meetings of the cabinet, cabinet committee or community councils considering an executive function.

### DECISION MAKER

**Name of decision maker:** Cabinet

**Date of meeting:** 22 July 2014

### LEAD OFFICER DETAILS

**Name and contact details:** Martin Green, Head of Specialist Housing Services  
[martin.green@southwark.gov.uk](mailto:martin.green@southwark.gov.uk) 020 7525 1418

### DETAILS OF THE REPORT

#### **Title and brief description of the nature of the business to be considered:**

#### **Proposal to Lease Northcott House Hostel**

That cabinet agree for officers to make an offer to lease a hostel from Central & Cecil Housing Association, with a land value of over £100,000, for a term of 4 years for use as 'step down' accommodation for vulnerable adults, now deemed able to live independently, pending their move into either a social or private rented tenancy.

- *Why the decision is urgent and cannot be reasonably deferred i.e. Why it cannot wait a further 28 days or more to enable the required notice to be given?*

The next meeting of the Cabinet is not scheduled to meet until September 2014. The decision cannot wait until then because of the urgent need to lease the hostel by September 2014 and move clients from expensive bed and breakfast accommodation.

- *What is the potential cost to the council if the decision is delayed?*

A delay would cost the council £167,000 to keep clients in bed and breakfast in September 2014.

- *How long has the department known the decision required a closed report?*

The decision was listed on the forward plan for a chief officer decision in June 2014. An evaluation subsequent to the publication of the forward plan identified that the

decision needs to be taken by cabinet.

- *If scheduled on the forward plan, what's changed to make this request necessary i.e. why a closed report is now necessary?*

The decision was on the forward plan for officer decision June 2014 and a subsequent evaluation identified that the decision should be taken by cabinet. The closed report contains confidential financial information.

**Everton Roberts**  
**For Proper Constitutional Officer**  
**Dated: 14 July 2014**



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Wednesday 2 July 2014 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Peter John (Chair)  
Councillor Ian Wingfield  
Councillor Fiona Colley  
Councillor Dora Dixon-Fyle MBE  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Darren Merrill  
Councillor Victoria Mills  
Councillor Michael Situ  
Councillor Mark Williams

### 1. APOLOGIES

All members were present.

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

No urgent items were identified.

### 3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

No closed items were identified.

### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

### 5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

## 6. MINUTES

### RESOLVED:

That the open minutes of the meeting held on 18 March 2014 be approved as a correct record and signed by the chair.

## 7. DEPUTATION REQUESTS

There were no deputation requests.

## 8. DELIVERING A FAIRER FUTURE FOR ALL IN SOUTHWARK

The cabinet members outlined their portfolios and areas of priority and focus for the next four years.

### RESOLVED:

1. That the mission, the new fairer future promises, the fairer future principles and the commitments of the council for the next four years be agreed.
2. That officers be instructed to develop a new council plan to deliver them.

## 9. APPOINTMENTS TO OUTSIDE BODIES 2014/15

### RESOLVED:

1. That the appointments to the outside bodies listed in Appendix A of the report for the 2014/15 municipal year be agreed as follows:

#### **Age UK London**

Councillor Dora Dixon-Fyle

#### **Better Bankside Board**

Councillor Adele Morris

#### **Canada Water Consultative Forum**

Councillor Mark Williams

Councillor Kath Whittam

Councillor Stephanie Cryan

Councillor Lisa Rajan

#### **Central London Forward**

Councillor Peter John

**Centre for Literacy in Primary Education**

Appointment deferred until the next meeting.

**Creation Trust**

Councillor Mark Williams  
Councillor Lorraine Lauder  
Councillor Paul Fleming

**Cross River Board**

Councillor Mark Williams

**Crystal Palace Community Development Trust**

Councillor Jon Hartley

**Greater London Enterprise Limited**

Councillor Mark Williams

**Groundwork London, Local Authority Strategic Input**

Councillor Darren Merrill

**Guys and St. Thomas NHS Foundation (Council of Governors)**

Councillor Barrie Hargrove

**Kings College Hospital NHS (Council of Governors)**

Councillor Barrie Hargrove

**Lambeth and Southwark Housing Association Limited**

Councillor Richard Livingstone

**Local Government Association (LGA) Urban Commission**

Councillor Peter John (4 votes)  
Councillor Adele Morris (1 vote)

**London Road Safety Council (LRSC)**

Councillor Mark Williams  
Councillor Michael Situ

**London Youth Games Limited**

Councillor Barrie Hargrove  
Councillor Johnson Situ (Deputy)

**North Southwark Environment Trust**

Councillor Neil Coyle

**Potters Fields Park Management Trust**

Councillor Peter John  
Eleanor Kelly, Chief Executive

**South Bank Partnership**

Councillor Ian Wingfield  
Councillor Adele Morris  
Councillor David Noakes  
Councillor Maria Linforth-Hall

**South Bank and Bankside Cultural Quarter Directors Board**

Councillor Dora Dixon-Fyle

**South Bermondsey Big Local Partnership Steering Group**

Councillor Richard Livingstone  
Councillor Sunny Lambe

**South London Gallery Trustee Limited**

Councillor Cleo Soanes  
Councillor Mark Williams  
Councillor Maria Linforth-Hall

**South London and Maudsely (SLaM) NHS Trust Members Council**

Councillor Barrie Hargrove

**Southwark and Lambeth Archaeological Excavation Committee (SLAEC)**

Councillor Bill Williams  
Mr Bob Skelly (Deputy)

**Southwark Cathedral Education Centre**

Councillor Cleo Soanes

**Safer Neighbourhood Board (formerly Southwark Police Consultative Forum)**

Councillor Michael Situ

**Waterloo Quarter Business Alliance – Southwark (Business Improvement District)**

Councillor David Noakes

**10. NOMINATIONS TO PANELS, BOARDS AND FORUMS 2014/15****RESOLVED:**

1. That the allocation of places to the panels and boards and forums set out in Appendix A of the report for the 2014/15 municipal year be agreed as follows:

**Joint Partnership Panel (Trade-Union Consultation)**

Councillor Peter John  
Councillor Fiona Colley

**Leaseholders Arbitration Panel**

Councillor Sandra Rhule  
Councillor Sunny Lambe  
Councillor Bill Williams  
Councillor Eleanor Kerlake  
Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Jon Hartley  
Councillor Anne Kirby  
Councillor Tom Flynn  
Councillor Anood Al-Samerai  
Councillor Maria Linforth-Hall  
Councillor Eliza Mann  
Councillor Hamish McCallum

**Southwark Safeguarding Children's Board**

Councillor Victoria Mills

**Standing Advisory Council on Religious Education**

Councillor Sandra Rhule  
Councillor Sunny Lambe  
Councillor Paul Fleming  
Councillor Maria Linforth-Hall

### **Tenancy Agreement Arbitration Panel**

Councillor Lorraine Lauder  
 Councillor Sandra Rhule  
 Councillor Bill Williams  
 Councillor Paul Fleming  
 Councillor Evelyn Akoto  
 Councillor Stephanie Cryan  
 Councillor Jon Hartley  
 Councillor Anne Kirby  
 Councillor Tom Flynn  
 Councillor Anood Al-Samerai  
 Councillor Maria Linforth-Hall  
 Councillor Eliza Mann  
 Councillor Hamish McCallum

### **Southwark Tenant Management Organisation Committee**

Councillor Richard Livingstone  
 Councillor Lucas Green  
 Councillor Karl Eastham  
 Councillor Sandra Rhule  
 Councillor Ben Johnson

### **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.

#### **11. MINUTES**

#### **RESOLVED:**

That the closed minutes of the meeting held on 18 March 2014 be approved as a correct record and signed by the chair.



Meeting ended at 5.05pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 10 JULY 2014.**

**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.**

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark Community Wardens Service (Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Overview & Scrutiny Committee	

### RECOMMENDATIONS

1. That the cabinet notes the recommendations of the review of the Southwark Community Wardens Service and that the relevant cabinet member bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

### BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review of the Southwark Community Wardens Service.
3. In October 2013 the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee began a short focussed scrutiny of Southwark's Community Wardens Service in order to check on value for money and to see if any improvements could be made to the service. The service currently focuses on three town centres - Elephant and Castle, Camberwell Green and Peckham - with a separately funded Better Bankside team and a smaller parks team.
4. The scrutiny review highlighted possible areas for consideration, including:
  - the balance of patrols
  - lack of public knowledge about the work of the service
  - ward councillors' input into the service
  - training
  - follow-up on issues raised by the wardens
5. The Overview & Scrutiny Committee considered the sub-committee's report at its meeting on 10 March 2014. The committee welcomed the report and the valuable work of the sub-committee.

### HOUSING, ENVIRONMENT, TRANSPORT & COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE RECOMMENDATIONS

6. The sub-committee's recommendations are summarised below. The sub-committee's report, which gives context to each of the recommendations, is attached as an appendix.

1. That community wardens (not managers) attend local police team meetings as a matter of routine.
2. That performance information be posted on the Community Wardens website on a monthly basis and advertised via social media.
3. That managers produce a quarterly newsletter on the work of the wardens service which should be made available online.
4. That the Southwark Wardens Service maintains a Twitter and Facebook account.
5. That the Wardens Service regularly emails all councillors with performance information and prominently advertises the reporting routes.
6. That representatives of the Wardens Service attend TRA meetings where it is possible and display posters about the service on estate notice boards.
7. That, each year, managers review the current allocation of wardens to different parts of the borough and consider if changes are needed. This written report should be submitted to the cabinet member to decide if changes are needed.
8. That a meeting takes place between managers from the wardens service, street cleaning and other interested departments and produces an action plan to address problems relating to Peckham Town Centre Car Park. The action plan should be reported to the cabinet member and the sub-committee.
9. That community wardens be trained regularly and educated about counter terrorism as well as crime prevention. Southwark Community Wardens should be included in "Project Griffin".

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 10 March 2014	Scrutiny Team 160 Tooley Street London SE1 2QH	Peter Roberts 020 7525 4350
<b>Link:</b> <a href="#">Overview &amp; Scrutiny Committee Agenda 10 March 2014</a>		

## APPENDICES

No.	Title
Appendix A	Report of the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee

## AUDIT TRAIL

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	31 March 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	N/a	N/a
Strategic Director of Finance and Corporate Services	N/a	N/a
Chief Officers	N/a	N/a
<b>Cabinet Member</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>	31 March 2014	

# Southwark Community Wardens Service

Report of the Housing, Environment, Transport and Community  
Safety Scrutiny Sub-Committee

March 2014



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## Introduction

1. In October 2013 the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee began a short focussed scrutiny of Southwark's Community Warden service to check on the value for money and to see if any changes could be made to improve the service.
2. The Southwark Community Warden Service started in 2001 when the Bermondsey scheme was formed in response to rising crime, hate crime and anti-social behaviour. Since that time the service has been reorganised in various ways in response to community feedback and funding considerations.
3. Wardens have a range of delegated police powers under the Community Safety Accredited Scheme (CSAS) in addition to enforcing local authority bye laws and legislation.
4. In January 2012 these powers were increased to include all Fixed penalty Notices (FPNs) being issued under the scheme. Using the Clean Neighbourhoods and Environment Act 2005 wardens now have the power to issue FPNs for the following offences:
  1. Littering
  2. Dog fouling
  3. Cycling on pavements
  4. Fly posting
  5. Graffiti
5. The warden service currently focuses on three town centres: Elephant and Castle, Camberwell Green and Peckham, a separately funded Better Bankside team and parks (via a smaller parks team). However the service also includes borough wide response to emergencies and particular reported issues outside the three town centres and planned events. There are thirty-one patrolling wardens and six team leaders.
6. The service operates a single shift pattern where the teams work eight hours Monday – Friday from 9.30am-10.30pm. There is a Saturday rota with wardens working between 10am and 6pm. There is a rota providing one team on a Sunday as well the parks liaison officers. However the wardens service is flexible and can provide cover for planned events over the weekends and Bank Holidays.
7. The total cost of the wardens service for 2013/14 is £2.3m. However the direct general fund contribution to the service is just over £1m with the remaining funding from the Better Bankside bid area, Public Realm for the Parks Service and the Housing Revenue account.

## Methods used in this scrutiny

8. To carry out this scrutiny the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee used the following methods:
  - The sub-committee interviewed the Cabinet Member responsible for the service (Councillor Richard Livingstone)

- The sub-committee interviewed the senior officers responsible for managing the service. These are Jonathan Toy, Head of Community Safety & Enforcement and Ken Matthews, Wardens, LTRC & Emergency Planning Manager
- Both the Chair (Councillor Gavin Edwards) and Vice-Chair (Councillor Michael Bukola) of the sub-committee spent a day on patrol with wardens in various town centres and other parts of the borough.
- The Chair spent some time with the officer responsible for collating the statistics which are used to manage the service and monitor performance. This allowed him to see how the statistics are brought together and used by managers.
- The Chair also collected further information via email communication with officers. Particular thanks to Ken Matthews and Ruth Backhurst, Area Manager Community Wardens, for providing this information.

### Key performance statistics

9. All warden activity is recorded for performance monitoring purposes. There are a number of key service performance indicators which reflect community concerns. These are summarised in the table below.

Key Performance Indicators (KPIs)	11/12	12/13	13/14 FYTD*
Fixed Penalty Notices (FPNs) issued	538	696	1,006
FPNs paid	326	455	695
FPN Payments via warden control room	NA	397	611
Environmental reports	11,061	13,321	10,325
Crime/ASB reports	6,268	6,045	4,755
Southwark byelaws	81	277	209
Community Safety Accredited Scheme (CSAS)	1,040	1,720	1,339

\* April – Dec 2013

### Summary of interview with officers responsible for running the Community Wardens Service

10. Officers stated that, in their opinion, the people who use the service value it and feel that the service is very good and the opposite can be said for people who have not used the service.
11. Ken Matthews, Wardens, LTRC & Emergency Planning Manager, reported that the wardens were very hard working and would like to focus on estates and patrol more



often to build on this service and develop it with additional powers, but there are only thirty-one officers and resources are limited.

12. Officers said that, with the changing profile of the police, the council should look at the advantage we have in our wardens service and how best to use it for the future.
13. In response to a question regarding a day as a warden the officer replied that each and every day is different, during the summer the officer would start at midday and work until anywhere from 8 p.m. to 10.30 p.m.
14. The day would start with a briefing with team leaders followed by a patrol of highlighted estates. Wardens would then patrol around the schools from about 3 to 4 p.m. then back to the estates before final checks of the area and possibly visits to vulnerable people that are known to officers.
15. The Chair asked how the wardens were supervised. The officer stated that the supervisor would patrol with wardens or would check where they were and what they were doing from the Warden Control Centre.

### **Summary of the Chair's day patrolling with Community Wardens**

16. The following is a report from the Chair of the sub-committee on the day he spent with Community Wardens:

"On 27<sup>th</sup> November I spent the day out on patrol with Southwark's Community Wardens.

On the 9.30am to 1pm patrol, I went out with two wardens around Elephant and Castle. They knew the area extremely well and it quickly became clear that a big part of their job is dealing with issues arising from drug abuse and homelessness. What impressed me was that the wardens did not simply see their job as 'moving on' rough sleepers. In the subways of Elephant and Castle they did their utmost to make homeless people aware of the support and advice which was available, and to encourage them to attend forthcoming appointments or meetings.

This is not an easy job. On a daily basis they are interacting with people who often have complex psychological problems and have fallen on the hardest of times. Most of the people we spoke to had drug and alcohol related issues and the wardens were trying to get them to safer places where they would find it easier to get help.

During the shift the two person patrol called in around ten pieces of information ranging from fly-tipping which needed to be cleared and graffiti which needed to be cleaned. Quite rightly, they see themselves as the eyes and ears of the council.

On our way back to the Queens Road Peckham Control Room at 1pm, the wardens helped avert what could have been a violent incident. One of the wardens spotted that there was a large amount of scrap metal lying in a back alley off a main road. Three men in a van had just pulled over and another man was standing by the metal gesticulating. The wardens approached this man and found out that he had collected

together the scrap and was intending to sell it at another location. The men in the van, it turned out, were highly likely to take it away from him in their van, without his permission.

The wardens handled the situation very well. They confronted the men in the van and ensured they left the scene, taking a note of their number-plate. The man who had been threatening violence to defend his scrap metal was calmed down and instructed to remove it within the hour.

In the afternoon I spent time patrolling with the Camberwell team, who were equally diligent. One thing to highlight is a visit we made to an elderly resident who had been recently defrauded. The visit was simply to check he was OK and to reassure him that there were people looking out for him. He clearly appreciated the visit. We also visited a local shop which had recently been the victim of shop-lifting.

Finally, I spent an hour with the wardens information analyst, who does an excellent job of collating the incident reports from the wardens so that the intelligence can be analysed and so those managing the service can ensure the right areas are being patrolled.

The wardens' patrols are informed by tasking sheets which they are given at their morning briefing. These come from reports from members of the public, the police and councillors. This formal system of reporting gave me greater confidence that wardens are responding to concerns from Southwark residents, and not just doing the same patrols day in and day out."

### **Key issues identified**

17. Statistics suggest that, since the cuts made in 2007 and 2011, performance of the wardens service has not deteriorated. However, the obvious difference now is that most wardens are focussed on particular town centre areas, and so there is inevitably less coverage of other areas of the borough. In short, the service is doing a good job, given the limited resources available to it.
18. It may be necessary to review whether the balance of patrols is about right. The impression the Chair gained from patrolling Elephant and Castle and Camberwell is that the Camberwell patrol was under less pressure (although still busy). The service is heavily structured around the town centres which is understandable given the financial pressures. But there may be room for more flexibility than is currently being used.
19. One other key issue appears to be that members of the public have very little knowledge about the work of the Wardens service. This has two negative impacts. Firstly, it means they do not value the service as much as they might. Secondly, it means that they are less likely to report issues to the service.

20. It is also the sub-committee's view that local councillors are very well placed to pick up issues from the local community and pass them on to the Wardens Service. Councillors, rather than the council, are often the first port of call for people when they have a concern about environmental issue or anti-social behaviour. However, it is also the sub-committee's view that most councillors are not aware of the briefing and tasking process that takes place within the wardens service on a daily basis. This process allows them to be intelligence led and to respond quickly to community concerns.
21. It is also essential that community wardens are fully trained and up to date with the most recent developments in countering terrorism and extremist activity. If community wardens are to participate in such things as weapons sweeps, cordon control, evacuation, traffic diversion and crowd control, they must also be trained regularly and educated about counter terrorism as well as crime prevention. In particular, the North of the borough now hosts iconic buildings such as the Shard which bring new challenges.
22. It may be that Southwark Community Wardens could be included in "Project Griffin". This is a police initiative which brings together and coordinates the resources of the police, emergency services, local authorities, business and the private sector security industry.
23. During his visit to the Wardens Service the Vice-Chair reported the "impression that reporting by Wardens was not matched by the amount of issues resolved by their partners in different Council departments, especially, incidents relating to public realm or environmental queries. Incidents raised several months ago by Wardens had still to be dealt with by other council departments. To that end, would co-locating staff responsible such matters alongside the warden service bring enhanced performance in this area."
24. A particular issue was identified regarding Peckham Town Centre Car Park. The Vice-chair reported that because of the "general upkeep or maintenance" the car park is "becoming a venue for rough sleeping, urination, and general inappropriate behaviour. There was no visible on-site presence and I am unaware of any functioning CCTV in that immediate area. I believe this and other sites involving tunnels and subways, (particularly in the Elephant & Castle area) to be genuine areas of public concern."

### **Recommendations**

25. The Community Wardens service is functioning well. It is a well-managed service which operates under significant pressure, both in terms of finances and demand. Community Wardens themselves carry out a difficult and sometimes dangerous job and deserve to be commended for this. It is noticeable that there is a gap between the reality of their working lives and the outside perception of the role they carry out. It is not uncommon for people to question the usefulness of Community Wardens or even to describe the service as a "waste of money". This is categorically not true, but it does

show there may be a problem with the way the service is engaging with other bodies and the wider public. Some of the recommendations below focus on this issue:

### **Recommendation 1 – local police team meetings**

Although Community Wardens do sometimes attend local police team meetings, this is patchy and is by no means seen as an essential part of their role. The sub-committee considers police team meetings to have been a successful innovation in bringing the work of the police closer to the public they serve. We believe they provide an opportunity for the wardens service to effectively engage with the public. This is particularly the case in the areas of the borough where the warden service is not focussed. The police team meetings are useful chance to pick up further intelligence from the local community which can shape their work. Community wardens (not managers) should attend local police team meetings as a matter of routine.

### **Recommendation 2 – publicly available performance information**

To address the lack of knowledge about what Community Wardens do for the borough, Performance information posted on the [Community Wardens website](#) on a monthly basis. This should be advertised via social media (see recommendation 4)

### **Recommendation 3 – Quarterly newsletter**

Managers should produce a quarterly newsletter on the work of the wardens service which should be made available online. Such a newsletter should take very little time to produce but would help let people know what the service has been doing, but more importantly, remind them that it is a service available to them which they can contact to report various issues.

### **Recommendation 4 – Social media**

The sub-committee is aware that social media is not a magic wand which solves all communication problems (although it is often presented in this way). However, we believe that Southwark Wardens Service would be helped to engage with the public if it maintained a Twitter and Facebook account. Not only would this enable them to push out information about the service (see recommendations 2 & 3) but it would mean that people could report into the service via their own social media accounts. This is not something they can currently do. These reports could then be fed into the tasking meetings held each morning. Social media is increasingly the form of communications which Southwark residents use in order to point out environmental/ASB issues. Southwark Community Wardens service should seek to meet them where they are, not just hope that they will pick up the phone or send an email. The accounts would need to be maintained and updated on a daily basis. Clearly, there are resource implications for this in terms of officer time. The sub-committee feels this form of communication would be a worthwhile investment.

### **Recommendation 5 - More direct communication with councillors**

It is the sub-committee's view that local councillors are very well placed to pick up issues from the local community and pass them on to the Wardens Service. Councillors, rather than the council, are the first port of call for most people when they have a concern about environmental issue or anti-social behaviour. However, it is also the sub-committee's view that most councillors are not aware of the briefing and tasking process that takes place within the wardens service on a daily basis. The sub-committee recommends that the warden service regularly emails all councillors with performance information and prominently advertising the reporting routes.

#### **Recommendation 6 - More direct communication with tenants and leaseholders**

The community warden service should seek to communicate more directly with Tenants and Residents Associations. This should take the form of attending TRA meetings where it is possible and displaying posters about the service on estate notice boards

#### **Recommendation 7 –Annual review**

It is important that the flexible nature of the service is maintained. The service is heavily structured around the town centres which is understandable given the financial pressures. But this must be kept under constant review. Each year managers should review the current allocation of wardens to different parts of the borough and consider if changes are needed. This written report should be submitted to the Cabinet member who can then decide if changes are needed.

#### **Recommendation 8 - Co-ordinated push on Peckham Town Centre Car Park**

As the vice-chair has noted in his contribution above, problems relating to Peckham Town Centre Car Park have become an issue of concern for some local residents. Clearly there is a need to ensure the area is kept safe and in good condition. This is not just an issue for the Wardens service. The council needs to make a determined push to sort out these issues as a matter of urgency. The sub-committee recommends that a meeting between managers from the wardens service, street cleaning and other interested departments takes place and produces an action plan. The action plan should be reported to the Cabinet member and the sub-committee.

#### **Recommendation 9 – Project Griffin**

It is essential that Community Wardens are fully trained and up to date with the most recent developments in countering terrorism and extremist activity. If Community Wardens are to participate in such things as weapons sweeps, cordon control, evacuation, traffic diversion and crowd control, they must also be trained regularly and educated about counter terrorism as well as crime prevention. Southwark Community Wardens should be included in "Project Griffin". This is a police initiative which brings together and coordinates the resources of the police, emergency services, local authorities, business and the private sector security industry.

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Prevalence of Psychosis and Access to Mental Health Services for the BME Community in Southwark (Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Overview & Scrutiny Committee	

### RECOMMENDATIONS

1. That the cabinet notes the recommendations of the review of the prevalence of psychosis and access to mental health services for the BME community in Southwark and that the relevant cabinet member bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

### BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review of the prevalence of psychosis and access to mental health services for the BME community in Southwark.
3. Psychotic disorders include schizophrenia and bipolar disorder which are characterised by severe disturbances in thinking and perception such that perception of reality is distorted. This may result in different types of delusions about the self, others and the environment and may include hearing voices.
4. The health, adult social care, communities and citizenship scrutiny sub-committee undertook an investigation into psychosis particularly in the BME community. At this time, the sub-committee has carried out some initial evidence and we strongly recommend that the next iteration of the sub-committee carries out a more in-depth look at access to mental health services by all service users, with a specific focus on BME community access.
5. The scrutiny review particularly investigated:
  - the prevalence of psychosis in the BME community in Southwark
  - reasons behind the prevalence of psychosis amongst the BME community
  - current ways in which mental health services are accessed by the BME community, and associated problems and/or best practice
  - ways in which mental health services currently interact with each other throughout Southwark.

6. The overview & scrutiny committee considered the sub-committee's report at its meeting on 31 March 2014. The committee welcomed the report and the valuable work of the sub-committee.

### **HEALTH, ADULT SOCIAL CARE, COMMUNITIES & CITIZENSHIP SCRUTINY SUB-COMMITTEE RECOMMENDATIONS**

7. The sub-committee's recommendations for consideration by cabinet are set out below. The sub-committee's report, which also includes recommendations to Healthwatch Southwark, the Clinical Commissioning Group, SLaM and Hospital Trusts, is attached as an appendix.
2. The sub-committee notes with concern that there are a large range of factors given for the increase prevalence of mental health conditions in the BME community. We recommend that Public Health carry out further work to understand the key drivers behind this increased prevalence, using Southwark specific data where possible to look at the borough's BME communities in more detail.
  4. The sub-committee notes that there is minimal understanding of the ways in which members of the BME community present with mental health conditions, other than from research. We recommend that Public Health undertake further work to understand the pathways which Southwark residents take to access mental health services. Where relevant, this should be undertaken jointly with SLaM and the Hospital Trusts.
  9. The sub-committee welcomes the services that are currently provided by Given the success of the Black Majority Churches Pilot, the sub-committee recommends that Southwark CCG and Southwark Council jointly consider commissioning a bespoke pastoral mental health awareness training programme across established BMCs in Southwark adapting SLaM's faith and mental health model.
  10. The sub-committee further suggests that Southwark CCG and Southwark Council jointly consider commissioning further Mental Health First Aid training specifically aimed at established BMCs across Southwark.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Overview & Scrutiny Committee Agenda 31 March 2014	Scrutiny Team 160 Tooley Street London SE1 2QH	Peter Roberts 020 7525 4350
<b>Link:</b> <a href="#">Overview &amp; Scrutiny Committee Agenda 31 March 2014</a>		

**APPENDICES**

No.	Title
Appendix A	Report of the Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee

**AUDIT TRAIL**

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	N/a	N/a
Strategic Director of Finance and Corporate Services	N/a	N/a
Chief Officers	N/a	N/a
<b>Cabinet Member</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>		4 June 2014



# **Prevalence of Psychosis and Access to Mental Health Services for the BME Community in Southwark**

Report of the Health, Adult Social Care, Communities &  
Citizenship Scrutiny Sub-Committee

March 2014



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## Introduction

1. Psychotic disorders (sometimes called severe mental illness - SMI) include schizophrenia and extreme disorders of mood (mainly bipolar disorder). The disorders are characterised by severe disturbances in thinking and perception such that perception of reality is distorted. This may result in different types of delusions about the self, others and the environment including hearing voices.
2. The Health, Adult Social Care, Communities and Citizenship Scrutiny Sub-Committee undertook an investigation into psychosis particularly in the BME community.
3. At this time, the sub-committee has carried out some initial evidence and we strongly recommend that the next iteration of the Health Scrutiny Sub-Committee carries out a more in-depth look at access to mental health services by all service users, with a specific focus within the report on BME community access.
4. In particular we investigated:
  1. The prevalence of psychosis in the BME community in Southwark
  2. The reasons behind the prevalence of psychosis amongst the BME community
  3. The current ways in which mental health services are accessed by the BME community, and associated problems and/or best practice
  4. The ways in which mental health services currently interact with each other throughout Southwark

## Evidence Base

5. We received evidence from:
  - The Clinical Commissioning Group
  - Healthwatch
  - Southwark Adult Social Care Team
  - Guys and St Thomas' Hospital
  - Kings College Hospital
  - Black Majority Churches Pilot
  - South London and Maudsley (SLaM)

## Recommendations

1. At this time, the sub-committee has carried out some initial evidence and we strongly recommend that the next iteration of the Health Scrutiny Sub-Committee carries out a more in-depth look at access to mental health services by all service users, with a specific focus within the report on BME community access.

2. The sub-committee notes with concern that there are a large range of factors given for the increase prevalence of mental health conditions in the BME community. We recommend that Public Health carry out further work to understand the key drivers behind this increased prevalence, using Southwark specific data where possible to look at the borough's BME communities in more detail.
3. The sub-committee recommends that Healthwatch Southwark should collect more information of real life cases through a number of means including Kindred Minds - a Southwark black and minority ethnic (BME) user-led mental health project - and other relevant sources and organisations in Southwark.
4. The sub-committee notes that there is minimal understanding of the ways in which members of the BME community present with mental health conditions, other than from research. We recommend that Public Health undertake further work to understand the pathways which Southwark residents take to access mental health services. Where relevant, this should be undertaken jointly with SLaM and the Hospital Trusts.
5. We welcome the decision by SLAM to collate information on classifications of presentations to Emergency Departments and would recommend that this information is shared as part of the Joint Mental Health Strategy that is being developed.
6. We recommend that Kings College Hospital and Guys and St Thomas' place the provision of safe, secure spaces for the treatment of patients presenting with mental health conditions as a key priority in their workplans for 2014.
7. We recommend that the Mental Health sub-group of the Lambeth and Southwark Emergency Care Network presents its final Action Plan to the sub-committee for further comment. We recommend that the final draft of the Joint Mental Health Strategy is presented to the sub-committee ahead of publication for further scrutiny.
8. The sub-committee welcomes the services that are currently provided by SLaM to support those with mental health conditions in Southwark. We recommend that priority is placed by SLaM on supporting people with mental health in the community, and intervening ahead of any admissions to A&E wards.
9. Given the success of the Black Majority Churches Pilot, the sub-committee recommends that Southwark CCG and Southwark Council jointly consider commissioning a bespoke pastoral mental health awareness training programme across established BMCs in Southwark adapting SLaM's faith and mental health model.
10. The sub-committee further suggests that Southwark CCG and Southwark Council jointly consider commissioning further Mental Health First Aid training specifically aimed at established BMCs across Southwark.

### Prevalence of Psychosis in the BME Community

6. In both the 2001 and 2011 censuses, Southwark had the highest percentage and number of African residents for all London Boroughs. Southwark also has the highest percentage and number of African residents of any local authority in Britain (Office for National Statistics, 2013; Southwark Council, 2011).
7. In 2001 around three fifths of the African population of the borough were born in Africa (Southwark Analytical Hub), and this proportion was approximately the same in 2011 (Office for National Statistics, 2013). African residents are predominantly from Nigeria and other parts of West Africa (Southwark Council, 2011). The proportion of Black Caribbean residents in Southwark is somewhat different, decreasing from 8.0% in 2001 to 6.2% in 2011 (Southwark Analytical Hub).
8. There is substantial research that shows that in the UK rates of mental illness including psychosis in some ethnic minority populations are higher than rates in white British populations although the levels are not consistent and are different for men and women.
9. The main source of information about the numbers of people in the population with mental ill health nationally is taken from a large household survey conducted in England in 2007, and its predecessors which covered England, Scotland and Wales in 1993 (16-64 year olds) and 2000 (16-74 year olds) by the Office for National Statistics (ONS).

**Table 1 Expected number of adults with psychosis or probable psychosis by borough**

	Population Aged 16+ years	Estimated prevalence	Estimated expected number with psychotic disorder in the past year
Lambeth	255,000	0.4%	1,020
		0.5% (probable psychosis)	1,275
Southwark	242,000	0.4%	968
		0.5% (probable psychosis)	1,120

Source: Greater London Authority Interim Round Population Projections (2012) and Psychiatric Morbidity Survey (2007)

Figure 1: Expected number of adults with psychosis or probably psychosis by borough (Public Health Southwark & Lambeth)

10. Nationally the APMS survey (ONS, 2007) found that about 65% of people with psychosis and 85% of people with probable psychosis living in private households were on treatment. The difference may be because some of the people with probable psychosis have a history of psychotic symptoms but had not experienced them in the previous year whereas some of the people with psychosis were new and had not yet accessed services.
11. One third of people with psychoses had contact with their GP in the past 2 weeks, and two thirds had had contact in the past year.

## Reasons for Prevalence of Psychosis in the BME Community

12. The sub-committee heard evidence from South London and Maudsley (SLaM) in May 2013, which detailed their thoughts on the reasons for the prevalence of psychosis.
13. They believe that there is clear evidence of increasing incidence from 1965 onwards in South London. This is likely to be the result of:
  - Increasing population size
  - Increased proportion of young people at age at risk (20-35)
  - Increased rates Black ethnic minorities
  - Increased rates with cannabis use
  - Increased rates with unemployment
14. As we can see from their projections, the number of Southwark residents with schizophrenia per 100,000 is predicted to substantially increase between 2004 and 2022.

South London and Maudsley   
NHS Foundation Trust

### Projections: schizophrenia per 100000 Southwark population 2004-2022

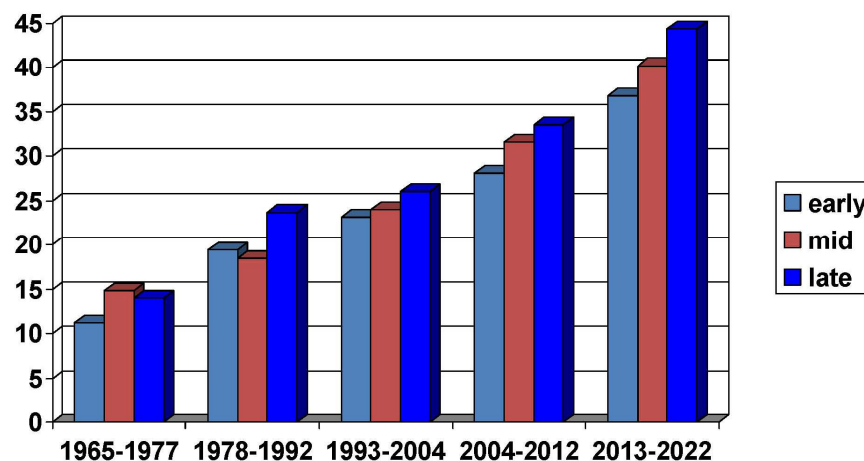


Figure 2: Projections of schizophrenia per 100,000, Southwark Population 2004-2022 (SLaM)

15. SLaM went on in their evidence to try and explain more of the reasoning behind the increased numbers of members of the BME community with psychosis.
16. They stated that there have been various hypotheses attempting to explain the raised incidence in African and Caribbean groups, including:

- Selective migration
  - Misdiagnosis based on racist assumptions
17. The differences are believed to be related to:
- Traumatic experiences (including racism/perceived racism), family breakdown and social support
18. They also drew on a number of external pieces of research which attempted to explain the risk factors that mean that psychosis in the BME community is more prevalent than in the non-BME community.
19. This includes:
- Unemployment - Members of the Black Caribbean community who are unemployed are 60 times more likely than white employed people to develop mental health problems. (Boydell et al 2012 – Study in Southwark)
  - Crime - There is a 26% increase in rates of schizophrenia with a 10% increase in crime (Bhavsar submitted 2012)
  - Psychosis increases with increasing population density (Mortensen et al 1999)
  - Cannabis use - There was a recent finding that cannabis use has a greater effect in inducing psychosis in urban environments - probable synergy (Kuepper et al 2011)
  - Poor education
20. However, whilst these factors are seen to increase the occurrence of psychosis, a recent study in Lambeth indicated that the increased incidence of psychosis in black people disappeared once they formed >25% of the population at neighbourhood level (1500 people) (Schofield et al 2011).
21. Public Health Southwark & Lambeth explained to the sub-committee that the reasons for increased occurrences included biological, psychological and environmental (social, family, economic etc) factors.
22. They told the sub-committee that opinions have swung to and fro between the relative contribution of biomedical (such as genes and brain chemistry) and environmental factors (such as parenting, school, work and life events) and between different interpretations and understanding of the brain and the mind. More recently there has been increasing recognition of the impact of nurturing on brain development in infancy and early childhood and specifically on the impact of negative infant and childhood experiences on future mental illness.
23. Studies now suggest that early childhood neglect and certainly more overt emotional or physical abuse can affect brain development adversely and increase risk of various issues including mental illness especially if other circumstances occur. There is also recognition that some forms of mental illness seem to run in families especially bipolar disorder although in nearly two thirds of people with schizophrenia there is no other family member with the disorder.

24. Psychological factors that may contribute to mental illness include:
- Severe psychological trauma suffered as a child, such as emotional, physical, or sexual abuse
  - An important early loss, such as the loss of a parent
  - Neglect (emotional and, or physical)
  - Poor ability to relate to others
25. Environmental factors or stressors that may trigger mental illness (although not specifically psychosis) in a person who is susceptible (especially having been exposed to some of the factors above) include:
- A dysfunctional family life including domestic violence
- Death or divorce
  - Unemployment
  - Bullying or harassment (in the workplace, school etc)
  - Substance misuse by the person or the person's parents
26. They also highlighted that there is a strong relationship between mental health problems and substance and, or alcohol misuse. This includes common mental illness, severe mental illness, problems with self harm and suicidal behaviour. Misuse of drugs and, or alcohol is also associated with increased risk of suicide. The Department of Health reports that about 30% of people seeking help for a mental health problem are likely to be misusing drugs
27. The evidence around the influence of cannabis is controversial but may have a role in psychosis in genetically susceptible people (less than 20% of those developing a psychotic illness) when used in early teenage years. Cannabis can also exacerbate symptoms and sign in established psychotic illness e.g. paranoia and hallucinations

### **Recommendation**

2. The sub-committee notes with concern that there are a large range of factors given for the increase prevalence of mental health conditions in the BME community. We recommend that Public Health carry out further work to understand the key drivers behind this increased prevalence, using Southwark specific data where possible to look at the Borough's BME communities in more detail.



### Ways in which Psychosis Services are Accessed

28. In evidence from Healthwatch Southwark, it is apparent that BME communities are not being offered the services that they require. From a group of 10 people who were part of a BME service user group commenting on psychological therapy services, the comments received back included that:
- "It has not been offered"
  - "Because you have CPN it is not offered"
  - "No Black psychologist"
  - "Need to know more about it/unable to make decision"

### Recommendation

3. The sub-committee recommends that Healthwatch Southwark should collect more information of real life cases through a number of means including Kindred Minds - A Southwark Black and minority ethnic (BME) user-led mental health project - and other relevant sources and organisations in Southwark.
29. In terms of the way in which services are directly accessed, analysis by major ethnic groupings indicates that black patients are referred more by "emergency" type services, such as A and E or the justice system than by GPs.
30. Public Health in their research, explained to the sub-committee that nationally there is evidence of differential access to services for ethnic minority populations although some of this information is relatively historic.
- Admission rates to psychiatric hospitals for African-Caribbean populations are higher than for the general population (Coker 1994, Cochrane & Bal 1989)
  - Diagnoses of schizophrenia among persons admitted to psychiatric hospitals are 3 to 6 times higher among African-Caribbean groups than among the white population (Coker 1994, Cochrane & Bal 1989)
  - Diagnoses of depression and anxiety are less likely among African-Caribbean groups than among the general population (Lloyd 1993)
  - African-Caribbean groups are more likely to be subjected to harsh and invasive types of treatment including intramuscular injections and electro-convulsive therapy, more likely to be placed in secure units, to be described as aggressive and to be hospitalized compulsorily under the Mental Health Act (Dunn and Fahy 1990, Davies 1996, Bhat 1996)
  - Diagnoses of schizophrenia among persons admitted to psychiatric hospitals are 3 times higher among Asian males than among the white population (Coker 1994, Bhat 1996)

- Suicide rates among women from the Indian sub-continent and men and women from East Africa are higher than those for the general population (Soni Raleigh 1992, 1990) – this is very difficult to look at locally as suicide numbers are low and suicides in women are very low. Suicide rates among Asian women 15-24 years are more than twice the national rate and 60% higher in Asian women aged 25-34 years (Soni Raleigh 1992, 1990)
- Psychiatric patients from B&EM groups make less use of psychiatric services (Donovan 1992, Kareem 1989)
- The ethnicity of a patient influences the clinical predictions and attitudes of practicing psychiatrists (Lewis 1990) <sup>1</sup>

### **Recommendation**

4. The sub-committee notes that there is minimal understanding of the ways in which members of the BME community present with mental health conditions, other than from research. We recommend that Public Health undertake further work to understand the pathways which Southwark residents take to access mental health services. Where relevant, this should be undertaken jointly with SLaM and the Hospital Trusts.

### **Ways in which Southwark is Tackling BME Psychosis**

31. As we noted above, many of those presenting with psychosis first interact with healthcare services at A&E departments.
32. SLaM in their evidence to the sub-committee explained some of the background of these presenting at Emergency Departments. Those presenting at Kings and St Thomas' Emergency Departments, who are referred to the mental health liaison teams, typically fall into the following categories:
  - Actual deliberate self-harm
  - Intoxicated and suicidal
  - Psychotic
  - Hypomanic
  - Depressed
  - Depressed & Suicidal
  - Anxious
  - Requesting to see a Mental Health Professional

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<sup>1</sup> Source: Lee, B., Syed, Q., Bellis, M. (2001). Improving the Health of Black and Ethnic Minority Communities: A North West England Perspective. North West Public Health Observatory.

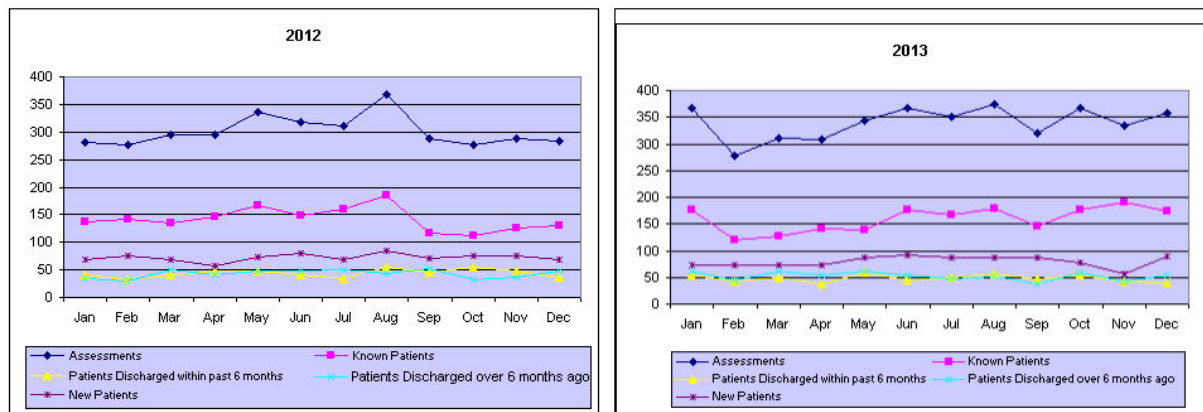
- Strange behaviour - often due to drug intoxicated

Self harm accounts for approximately 1/3rd of all presentations.

- Of those presenting to the department, some are 'first presentation' patients (not known to SLaM) but from the local area, some are patients already under the care of SLaM and some are out of area patients. The latter group is particularly represented in those presenting at St Thomas' ED due to its proximity to major transport hubs and London's West End.
- The Hospital Trusts and SLaM told the sub-committee that there was an increase especially amongst local people who are unknown to the service. SLaM also told the sub-committee that they do not have detailed records of the numbers of different classifications of presentations to Emergency Departments, but are now in the process of collating this information.

### Recommendation

- We welcome the decision by SLAM to collate information on classifications of presentations to Emergency Departments and would recommend that this information is shared as part of the Joint Mental Health Strategy that is being developed.



	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Assessments</b>	282	277	295	294	336	318	312	369	287	276	287	284	366	277	311	308	344	367	351	374	319	368	333	357
<b>Known Patients</b>	138	141	136	147	168	149	159	185	117	113	126	131	176	119	127	142	138	176	168	180	147	177	190	175
<b>Patients Discharged within past 6 months</b>	42	31	41	47	47	41	34	55	46	55	49	37	55	42	50	37	58	44	49	56	48	55	43	39
<b>Patients Discharged over 6 months ago</b>	34	30	50	42	47	48	50	44	52	33	37	48	62	44	62	55	62	55	46	52	38	59	43	54
<b>New Patients</b>	68	75	68	58	74	80	69	85	72	75	75	68	73	72	72	74	86	92	88	86	86	77	57	89

Figure 3: Kings College Hospital Mental Health Liaison Team 2012-2013, South London and Maudsley Mental Health Paper, January 2014

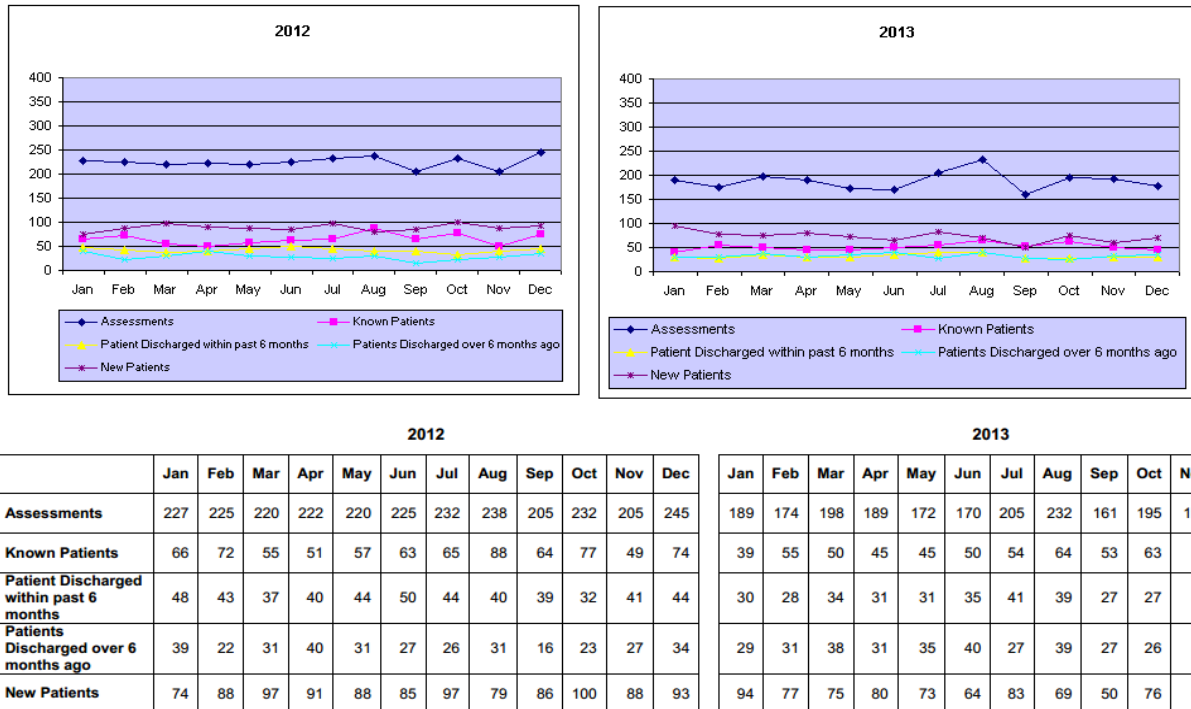


Figure 4: Guys and St Thomas' Hospital Mental Health Liaison Team 2012-2013, South London and Maudsley Mental Health Paper, January 2014

### Guys and St Thomas' Hospital

35. In their evidence to the sub-committee, Guys and St Thomas' explained how they are making changes to benefit the facilitation of psychosis services. They explained to the sub-committee that the emergency department is a very stressful environment for any patient, but more so if someone is presenting with paranoia, psychosis, in distress or with suicidal thoughts.
36. The hospital currently has two cubicles within the main department which can be separated from some of the noise and the lights can be dimmed but this is not an ideal solution. Where clinically appropriate, patients will be moved to the emergency medical unit which is a quieter area that provides a more relaxing atmosphere for patients awaiting placement to other hospitals or who need a further period of observation. Long delays especially when an in-patient bed is needed result in a patient needing to spend a long time in what is not a therapeutic environment.
37. Guys and St Thomas' highlighted to the sub-committee that the main challenge facing mental health patients throughout London is access to mental health beds. Patients can wait for >24 hours to gain access to an appropriate bed in their local area, during which time they are in a suboptimal environment for their condition leading to poor quality of care.
  - An example this month showed a patient awaiting placement and the nearest bed was in Manchester. This is not uncommon.
  - The result of this is patients being kept in an inappropriate environment for a prolonged period of time that is not good quality care for the patient.

- This bed is then not available for a medically appropriate patient and contributes to significant bed pressure within Trusts.
38. The Hospital explained that the financial implications of the management of these patients are material and they recognised the need to create a safe and calm environment for patients requiring mental health assessments.
39. As a result the new Emergency Flood will contain two dedicated in-patient beds. Each contains its own en-suite facilities and, similar to the cubicles in the Major Treatment area, both are furnished in such a way that the potential for these patients to cause harm to themselves is minimised. These treatment rooms have been located so that they are slightly away from the busy clinical areas but have been provided with facilities to ensure that they can be fully observed at all times.

### **Kings College Hospital**

40. King's College Hospital told a similar story to the sub-committee. They believe that the Emergency Department (ED) at King's treats the largest number of mental health patients in the UK.
41. They have an agreed service aim for all patients to be seen by the specialist psychiatric team within thirty minutes from referral and this is monitored as a key performance indicator alongside other pathway measures such as time to first clinician. They also have clear clinical and operational pathways in place that support the rapid assessment and referral of patients at the point of initial assessment.
42. All ED staff undertake specialist training from the Psychiatric Liaison Team, delivered as a rolling programme of events throughout the year, to ensure that they are able to identify signs of mental illness and distress, how to risk assess and are aware of how best to manage patients presenting in crisis.
43. They have a dedicated assessment room for patients with mental health needs to meet with members of the psychiatric team that is separate from the main clinical area and provides a quiet space to minimise any additional stressors that the busy ED environment can place on an individual.
44. However, they see a number of challenges facing the Trust:
- Increasing volumes and acuity of attendances to KCH ED
  - Capacity – staffing (inpatients and ED), assessment space
  - Social services, response times specifically out of hours
  - MH bed provision/access
  - Child and adolescent pathways
  - Drugs and alcohol and the impact on the assessment process
  - 136 suite provision

- Physical health support to the Mental Health inpatient environment to support colocated management
  - Metropolitan Police and LAS relationships, training and pathways specifically for mental capacity assessments
  - documentation and the section 136 process
45. Whilst these cannot be immediately resolved, they do have plans to help in the immediate term with the increasing number of presentations:
- Development and recruitment of a hospital wide team of specialist nurses and healthcare support workers to provide greater consistency of one-to-one supervision and support to patients with mental health and behavioural problems
  - Organisational reconfiguration of KCH out-patients to support the final phase of the mental health assessment suite and new main entrance opening

### **Recommendation**

6. We recommend that Kings College Hospital and Guys and St Thomas' place the provision of safe, secure spaces for the treatment of patients presenting with mental health conditions as a key priority in their workplans for 2014.

### **The Clinical Commissioning Group**

46. The Clinical Commissioning Group (CCG) told the sub-committee that they had commissioned a review of the partnership arrangements in place for delivering mental health services in the borough.
47. The review made a number of recommendations to strengthen partnership working in the area of mental health and endorsed the lead commissioner role of the CCG. The review recommended the development of a new Mental Health Strategy for Southwark to set out clearly the vision, outcomes and key actions to be taken across partners to deliver better mental health for the population of Southwark.
48. Significant reforms to the strategy and policy landscape for the public services have strengthened a number of themes to set a clear strategic framework for mental health services in Southwark. These include:
  - Focus on increasing independence and moving people on from dependency through personalisation, normalisation and reforms to welfare benefits
  - Renewed emphasis on making local government, the NHS and other sectors work together with greater impetus for integration
  - Increased significance of prevention and early intervention
  - Importance attached to person-centred care, with attention given to co-designing services and achieving outcomes in partnership with patients and users to give them more choice and control
  - Prioritisation of responses to mental health to put it on a par with physical health
  - Drive for efficiency and budget savings in the context of pressures on the public purse from the economic climate and demographic growth
49. The CCG also told the sub-committee that they had convened a Mental Health Working Group which will be putting together a Joint Mental Health Strategy. This will operate on a cross-sectoral approach with the CCG, Council, Public Health and Healthwatch along with the Hospital Trusts.

### **Recommendation**

7. We recommend that the Mental Health sub-group of the Lambeth and Southwark Emergency Care Network presents its final Action Plan to the sub-committee for further comment. We recommend that the final draft of the Joint Mental Health Strategy is presented to the sub-committee ahead of publication for further scrutiny.

### **South London and Maudsley**

50. SLaM told the sub-committee about the services that currently exist, allowing BME community members to access mental health services.

*The OASIS Team*

51. The OASIS team offers help to people who are at high risk of developing psychosis but who are not yet psychotic [Broome et al 2005]. This is the first service of this type in the country and without treatment about a third of people with symptoms will develop a first episode of psychosis within 12 months [Yung et al, 2003] Clients are seen in non-psychiatric community settings to maximise accessibility and minimise stigma. OASIS has been very successful at engaging clients from ethnic minorities, who comprise two thirds of the client group. Among those engaged by OASIS there are no significant differences between ethnic groups in the rates of psychosis, hospital admission and use of the Mental Health Act.

*The STEP Team*

52. The STEP team is a community based multi-disciplinary team which provides a holistic and comprehensive early intervention service to individuals aged 14-35 who are experiencing their first episode of psychosis. The team uses well-researched early intervention strategies and works intensively with service users and carers to promote engagement with the team and with treatment and to facilitate social inclusion and recovery.
53. There is an Adolescent Mental Health worker who is part of the STEP team and who works across both the Child and Adolescent Mental Health Service and STEP team, care coordinating the under 18's with psychosis and ensuring a smooth transition to adult services where this is necessary.
54. Service users are encouraged to make informed treatment choices and are offered the following interventions. SLAM however took the time to explain to the sub-committee the types of intervention that exist to facilitate psychosis treatment.
- Engagement – flexible; can be seen at GP surgery, home or a community setting
  - Immediate contact – service users are seen within one week of referral. Supportive and empathic relationship in which service users' aspirations, strengths, priority need are central
  - Psychological interventions – including Cognitive Behavioural Therapy and individual and group work
  - Working with families – involvement in treatment plans, carers assessments and groups, family interventions
  - Social inclusion interventions – vocational and educational assessment and support, facilitating access to other agencies both mental health an mainstream
  - Medication – this involves use of low dose medication in the first instance with regular review and side effect monitoring
  - Relapse prevention – working to understand and recognise their early warning signs and make plans to prevent relapse where possible
  - Physical health – promotion of healthy lifestyle, physical wellbeing, good communication with primary care



## OASIS and STEP patients seen in Q4 2012/13

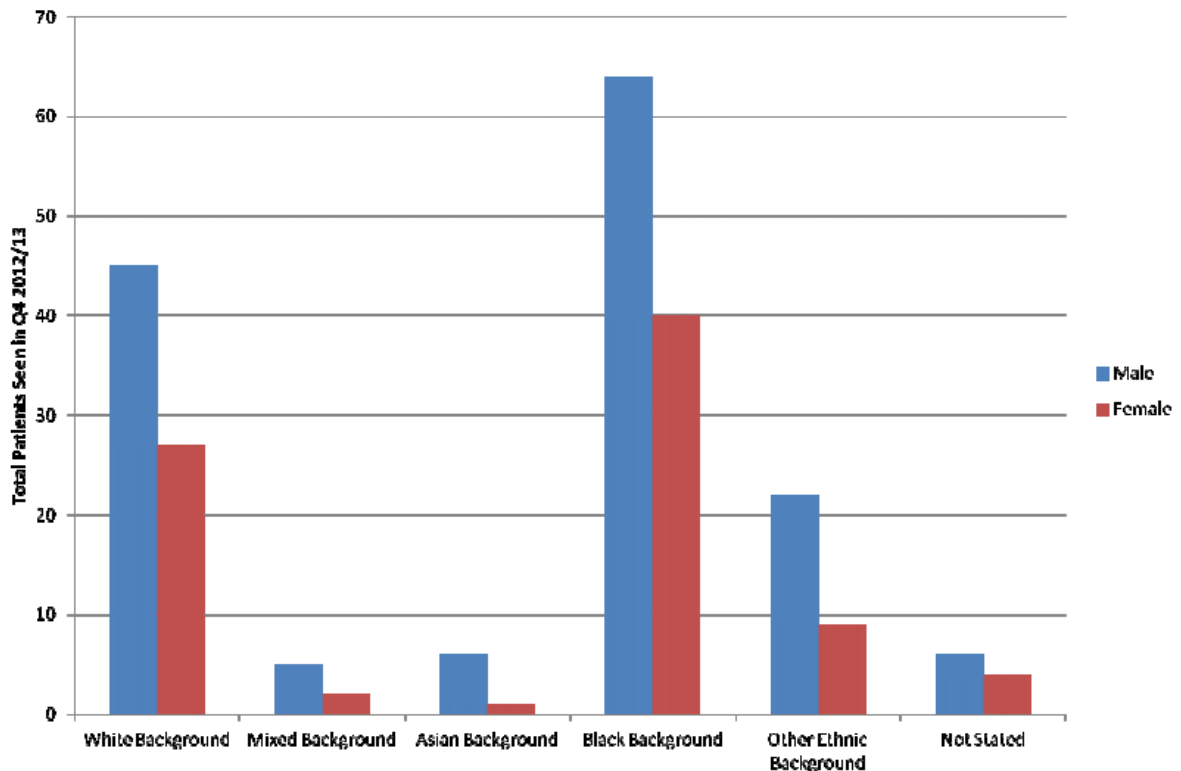


Figure 5: OASIS and STEP patients seen in Q4 2012/13

### Recommendation

8. The sub-committee welcomes the services that are currently provided by SLaM to support those with mental health conditions in Southwark. We recommend that priority is placed by SLaM on supporting people with mental health in the community, and intervening ahead of any admissions to A&E wards.

### Black Majority Churches Pilot

55. SLaM, through its Charitable Trust, piloted a "Faith and Mental Health Training" project ("the project") with a number of Black and Minority Ethnic (BME) Churches in four London Boroughs including Southwark. The project has made links with both local and faith communities and increased mental health literacy as well as improved communication and understanding between mental health services and BME communities.
56. The project has now trained a hundred people from a variety of faith groups predominantly from across SLAM Boroughs, Southwark, Lambeth, Lewisham and Croydon. The project has concretely demonstrated the impact of taking a dual approach (spirituality and medicinal practice) to addressing mental illness within the BME community. The mental health courses on the pilot for local faith groups were oversubscribed, and the conference held to celebrate the completion of the courses

and discuss the issue of spirituality and mental health attracted over 130 local people from BME communities and highlighted the need for more training in mental health issues within faith groups.

57. Pastors have spoken eloquently about how they have “seen the light” following the mental health awareness training. Armed with a better understanding of the causes and cures of mental illness, they have been able to provide a far better and pragmatic pastoral care for those in their congregation. The biggest change that these trained pastors have initiated is that they no longer take the approach to mental illness as a form of demonic possession, but that members of the congregation must see a health professional, take their medication and that the church will also continue to support them spiritually. Some of the participants of the pilot have said:

“I no longer see mental illness as incurable”

“I feel better to be around people who may have mental health issues”

“My response to suffering has changed. Prayer does not always make a difference”

“I will now not treat every individual regarded to have mental health issues with suspicion”

### **Recommendations**

9. Given the success of the Black Majority Churches Pilot, the sub-committee recommends that Southwark CCG and Southwark Council jointly consider commissioning a bespoke Pastoral mental health awareness training programme across established BMCs in Southwark adapting SLaM’s faith and mental health model.
10. The sub-committee further suggests that Southwark CCG and Southwark Council jointly consider commissioning further Mental Health First Aid training specifically aimed at established BMCs across Southwark.

### **Adult Social Care Team**

58. The council's Adult Social Care team has a number of initiatives to support people with mental health conditions in the community, which aim to help keep them safe in the community.
59. The mental health services in Southwark are provided by integrated health and social care teams, under the auspices of SLaM. They use a holistic approach which enables teams to support all health and social care needs under one service. These teams also 'in-reach' onto wards to enable earlier discharges.
60. The Adult Social Care team in their evidence, told the sub-committee about the services that are provided, including
  - Home Treatment Teams (HTT) who provide 24/7 care to service users in a crisis in their own homes, accept out of hours referrals from GPs, provide peer support for people in leaving HTT
  - Psychiatric Liaison Nurses (PLN) who are based in A&E and provide 24/7 mental health triage, as well as assessing for HTT
  - 13 weeks support through reablement with a Recovery and Support Plan aimed at avoiding future mental ill-health episodes leading to a crisis situation
  - Maudsley's 'place of safety' which is open 24/7 and where those with mental illness who are picked up by the police can be taken to instead of A&E
  - AMHP team who can undertake assessments under the Mental Health Act without a need for referral to A&E
  - Emergency Duty Workers (EDT) who provide rapid assessment under the Mental Health Act as well as care planning

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Access to Health Services in Southwark (Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Overview & Scrutiny Committee	

### RECOMMENDATIONS

1. That the cabinet notes the recommendations of the review of access to health services in Southwark and that the relevant cabinet member bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

### BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review of access to health services in Southwark.
3. Access to health services throughout Southwark is varied, with differing issues presenting at each access point. Each of these issues is interlinked, and an under-performance in one sector will necessarily impact on other health services. With increased, sustained pressure on the health service it is important, now more than ever, to have services which are truly delivering for our residents. The Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee therefore decided to consider the range of health services provided in the borough, and the ways in which our residents interact with these. In doing so, the sub-committee found a number of key issues which are leading to strains being placed on other health services
4. The scrutiny review focused on four areas of concern:
  - Access to out of hours care – specifically the 111 Service and rollout in Southwark
  - Understanding the reasons for increased use of A&Es over winter and how this could be reduced
  - Access to individual GP surgeries and walk-in centres
  - The implications of the Trust Special Administrator (TSA) and King's Health Partners (KHP) merger on access to emergency and urgent care
5. The Overview & Scrutiny Committee considered the sub-committee's report at its meeting on 10 March 2014. The committee welcomed the report and the valuable work of the sub-committee.

## **HEALTH, ADULT SOCIAL CARE, COMMUNITIES & CITIZENSHIP SCRUTINY SUB-COMMITTEE RECOMMENDATIONS**

6. The sub-committee's recommendations for consideration by cabinet are set out below. The sub-committee's report, which also includes recommendations to the Health & Wellbeing Board, Clinical Commissioning Group and Hospital Trusts, is attached as an appendix.

### **Accident & Emergency Departments**

7. We further recommend that Public Health supports the CCG in their (Not Always A&E) campaign, ensuring that public awareness of the alternative healthcare services increases.
8. We recommend that the Clinical Commissioning Group continues its programmes working specifically with older people and that Public Health identifies the further support that we, as an authority, can be giving them.
9. This sub-committee commends the work of the CCG, jointly with the local authority and community services to help people stay well at home for longer. We would like to see further evidence of the work being done on the frail elderly pathway to ensure that we are offering our residents the best care services.
10. This sub-committee welcomes the work being taken forward by the Adult Social Care department. We recommend an update report on the services provided for older people with high needs to be made to the next sub-committee.
11. We recommend that further work is done by the Adult Social Care team within the council, looking specifically at the ways in which we can identify and support older people to prevent admissions to A&E.
12. We remain concerned however that there seems to be a lack of co-ordinated action by the health community to tackle the issue of increased acuity of patients. The sub-committee recommends that the Health & Wellbeing Board places this as a priority for 2014/15 and that Public Health carries out a piece of research into the reasons behind the increased acuity in Southwark.

### **Access to GP Surgeries**

13. We recommend that the Housing Options & Assessment and the Disabled Travel Team should carry out a review looking at the ways in which to influence customer signposting to ensure that residents are aware of the services that the council provides in terms of assessing residents for blue badges and receipt of benefits.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Overview & Scrutiny Committee Agenda 10 March 2014	Scrutiny Team 160 Tooley Street London SE1 2QH	Peter Roberts 020 7525 4350
<b>Link:</b> <a href="#">Overview &amp; Scrutiny Committee Agenda 10 March 2014</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Report of the Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee

**AUDIT TRAIL**

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	N/a	N/a
Strategic Director of Finance and Corporate Services	N/a	N/a
Chief Officers	N/a	N/a
<b>Cabinet Member</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>	4 June 2014	

## APPENDIX A

# Access to Health Services in Southwark

Report of the Health, Adult Social Care, Communities &  
Citizenship Scrutiny Sub-Committee

March 2014



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## **Introduction**

1. Access to health services throughout the Borough of Southwark is varied, with differing issues presenting at each access point.
2. Each of these issues is interlinked, and an under-performance in one sector will necessarily impact on other health services.
3. With increased, sustained pressure on health service it is important, now, more than ever, to have services which are truly delivering for our residents.
4. This sub-committee therefore decided to consider the range of health services provided in Southwark, and the ways in which our residents interact with these. In doing so, we found a number of key issues which are leading to strains being placed on other health services.
5. In this report, we set out a number of recommendations to help alleviate some of this pressure and ensure that Southwark residents are able to access the highest quality of healthcare services.

## **Terms of the inquiry**

6. The inquiry focused on four areas of concern:
  1. Access to out of hours care – specifically the 111 Service and rollout in Southwark
  2. Understanding the reasons for increased use of A&Es over winter and how this could be reduced
  3. Access to individual GP surgeries and walk-in centres
  4. The implications of the Trust Special Administrator (TSA) and King's Health Partners (KHP) merger on access to emergency and urgent care

## **Oral evidence session attendees**

7. Evidence was received from:
  - Kings College Hospital
  - Guys and St Thomas' Hospital
  - South London and Maudsley (SLaM)
  - Southwark Clinical Commissioning Group (SCCG)
  - Public Health, Southwark & Lambeth
  - Healthwatch
  - Southwark Council Cabinet Member for Health
  - NHS England
  - London Ambulance Service
  - Local Medical Committee
  - Southwark Residents through an online survey

8. The following appeared in person before the Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee:

- Harjinder Bahra, Equality and Human Rights Manager (SCCG)
- Andrew Bland, Chief Officer (SCCG)
- Kevin Brown, Assistant Director Operations for South London, London Ambulance Service
- Steve Davidson, Service Director, Mood Anxiety and Personality Clinical Academic Group, SLaM
- Angela Dawe - Director of Community Services, Guy's & St Thomas' NHS Foundation Trust (GST)
- Dr Roger Durston, GP Clinical Lead for Mental Health (SCCG)
- Dr Katherine Henderson, Clinical Lead (GST)
- James Hill, Head of Nursing for the Emergency Dept (GST)
- Dr Patrick Holden, Urgent Care Clinical Lead (SCCG)
- Tamsin Hooton, Director of Service Redesign (SCCG)
- Gwen Kennedy, Director of Client Group Commissioning (SCCG)
- Alvin Kinch, Healthwatch
- Sarah McClinton, Director of Adult Care, Southwark Council
- Cllr Catherine McDonald, Cabinet Member, Health, Adult Social care & Equalities
- Keith Miller, Ambulance Operations Manager at Waterloo, London Ambulance Service
- Hayley Sloan, 111 lead (SCCG)
- Briony Sloper - Deputy Divisional Manager for Trauma and Emergency Medicine, King's College Hospital (KCH)
- Dr Ruth Wallis, Public Health Director, Southwark and Lambeth
- Jill Webb Deputy Head of Primary Care (South London) NHS England
- Nicola Wise, General Manager, Guy's and St Thomas'
- Dr Amr Zeineldine, Chair of the NHS Southwark Clinical Commissioning Group

## Summary of recommendations

### The 111 Service

1. We recommend that the Clinical Commissioning Group should report an update when there are next discussions on the potential rollout of the NHS 111 Service in Southwark.
2. We recommend that the Clinical Commissioning Group should provide clarity on the telephone numbers that residents can use to access out of hours healthcare services in the borough.
3. We recommend that the Health & Wellbeing Board and the Clinical Commissioning Group place signposting to healthcare services as a key priority for 2014/15, with key activities to reach all communities throughout the borough.

### Accident and Emergency Departments

4. We recommend that the Trusts regularly report to the sub-committee on current staffing levels and the ways in which they are working to ensure that they are adequate.
5. The sub-committee recommends that Hospital Trusts should report quarterly on the number of beds available to A&E patients and how this compares to the number of beds needed, with particular reference to emergency admissions for older people and people in mental health crisis.
6. The sub-committee commends the 'Not Always A&E' campaign and recommends that it is rolled out throughout the year to help promote public awareness of the alternative healthcare services that residents can access.
7. We further recommend that Public Health supports the CCG in their campaign, ensuring that public awareness of the alternative healthcare services increases.
8. We recommend that the Health & Wellbeing Board and the Clinical Commissioning Group make raising the public awareness of the healthcare services available to Southwark residents a priority for the next year.
9. We recommend that the Clinical Commissioning Group continues its programmes working specifically with older people and that Public Health identifies the further support that we, as an authority, can be giving them.
10. This sub-committee commends the work of the CCG, jointly with the local authority and community services to help people stay well at home for longer. We would like to see further evidence of the work being done on the frail elderly pathway to ensure that we are offering our residents the best care services.

11. This sub-committee welcomes the work being taken forward by the Adult Social Care department. We recommend an update report on the services provided for older people with high needs to be made to the next sub-committee.
12. We recommend that further work is done by the Adult Social Care team within the council, looking specifically at the ways in which we can identify and support older people to prevent admissions to A&E.
13. We remain concerned however that there seems to be a lack of co-ordinated action by the health community to tackle the issue of increased acuity of patients. The sub-committee recommends that the Health & Wellbeing Board places this as a priority for 2014/15 and that Public Health carries out a piece of research into the reasons behind the increased acuity in Southwark.
14. We also recommend the establishment of a joint working group, led by the CCG and working alongside those involved in the JSNA and including the council, Hospital Trusts, Public Health and Healthwatch to look specifically at the ways in which we can support those people with long-term conditions in the community, and reduce presentations at A&E wards.
15. We recommend that the Mental Health sub-group of the Lambeth and Southwark Urgent Care Board presents its final Action Plan to the sub-committee for further comment.
16. We recommend that the final draft of the Joint Mental Health Strategy is presented to the sub-committee ahead of publication for further scrutiny.
17. We welcome the decision by SLAM to collate information on classifications of presentations to Emergency Departments and would recommend that this information is shared as part of the Joint Mental Health Strategy that is being developed.
18. We recommend that Kings College Hospital and Guy's and St Thomas' place the provision of safe, secure spaces for the treatment of patients presenting with mental health conditions as a key priority in their workplans for 2014.
19. The sub-committee welcomes the services that are currently provided by SLaM to support those with mental health conditions in Southwark. We recommend that priority is placed by SLaM on supporting people with mental health in the community, and intervening ahead of any admissions to A&E wards.

### **Access to GP Services**

20. We recommend that the CCG and Hospital Trusts work together to reduce the time taken for GP surgeries to receive outpatient reports. We also recommend the CCG look into the ways in which they can provide template forms and support to GPs to help them reduce the time taken on administrative tasks related to patient consultations.

21. We recommend that the Housing Options & Assessment and the Disabled Travel Team should carry out a review looking at the ways in which to influence customer signposting to ensure that residents are aware of the services that the council provides in terms of assessing residents for blue badges and receipt of benefits.
22. This sub-committee has actively followed and partaken in the consultation around the future provision of health services at the Dulwich Hospital site. We have welcomed the work done by the CCG, and the sub-committee recommends that the CCG provides an update as necessary.
23. We recommend that the CCG report back to the sub-committee on the Lister Urgent Care Centre once more work has been done on the preferred option for the provision of urgent care services in the south of the borough.
24. We recommend that GP services promote the SELDOC service within their local practices, to signpost patients to out of hours services.
25. We recommend that NHS England report to the sub-committee with an update on proposed opening hours of GP surgeries.
26. We recommend that NHS England, with the support of the Clinical Commissioning Group, undertake a study into the best method for providing appointments consistently across the borough and consider a Southwark offer that ensures minimum standards of access for patients in Southwark in regards to contact with a GP if appropriate following NHS England's Call for Action response.

### **The Kings Health Partners Merger**

27. The sub-committee noted with interest that this process has now been delayed and recommends that when a Full Business Case is developed, King's Health Partners should return to the sub-committee for further scrutiny.

## The 111 Service

9. The NHS 111 Service was set out by the Secretary of State for Health as

‘[an] underlying concept...that everyone can agree with: it is a simple number that everyone can remember; the fact that you are connected directly to a clinician, if you need to speak to one, rather than being called back is something people like; the idea that you are triaged only once and do not have to repeat your story lots and lots of times is a good one; and the fact you have a service that is broader than the old NHS Direct.’ (House of Commons, Health Select Committee Report: Urgent and emergency services, 24 July 2013, p.41)

10. However, there have been a number of problems with its initial rollout. The initial provider of the 111 service, NHS Direct, was not financially sustainable, although it performed relatively well after initial teething problems. Performance in Southwark’s surrounding boroughs - Bexley, Bromley and Greenwich - was below national standards for clinician referrals and call-backs.
11. In Southwark, the decision was taken to delay the rollout of the 111 Service in Southwark, Lambeth and Lewisham while the new provider, London Ambulance Service (LAS), became established. As the CCG highlighted in their report to this sub-committee, ‘A stable, high standard of service is what we wish to be available for our patients across the whole area’ (CCG Submission, South East London NHS 111 service update, July 2013).
12. At the same time the NHS Direct 111 service ended the NHS Direct number (0845 4647) was also switched off in March 2013. As the CCG set out in their evidence, a Southwark resident who calls the NHS Direct number will be advised to call 111. The call handler will be able to deal with the call, and redirect Southwark residents to the local out-of-hours provider (SELDOC) if they require GP out of hours services. This has obviously led to some complications, with residents having to phone multiple different telephone numbers in order to be able to access the right service. Southwark Healthwatch has been monitoring the feedback provided on the NHS 111 Service and highlighted in their evidence a number of key issues, including access and awareness of GP out of hours service (SELDOC) and the process by which residents are redirected to the NHS 111 Service. (NHS 111 Feedback Report, Healthwatch, 30 August 2013). It is reassuring that the new provider for South East London (SEL) of the 111 service is in the top 5 for 111 providers in the country.

## Recommendations

1. We recommend that the Clinical Commissioning Group should report an update when there are next discussions on the potential rollout of the NHS 111 Service in Southwark.

2. We recommend that the Clinical Commissioning Group should provide clarity on the telephone numbers that residents can use to access out of hours healthcare services in the borough.
3. We recommend that the Health & Wellbeing Board and the Clinical Commissioning Group places signposting to healthcare services as a key priority for 2014/15, with key activities to reach all communities throughout the borough.

## Accident and Emergency Departments

### Problems in Accident and Emergency Departments

13. It is fair to say that there is an increased pressure on Accident & Emergency (A&E) departments in Southwark. Whilst the number of attendees has not changed significantly over the past two years, there are a number of problems, which when combined together are affecting the way in which the service operates. There has been an increase in the volume and acuity of both older people presenting at A & E and in demand for emergency mental health services.

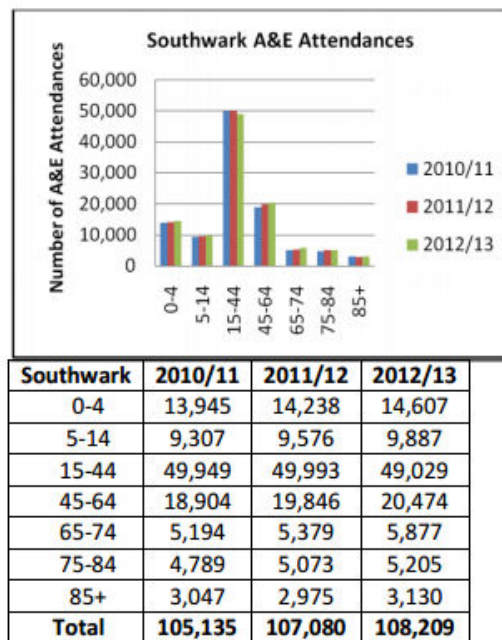


Figure 6. (Source: Local SUS data)

**Figure 1:** Trends in Acute Care Usage in Lambeth and Southwark: Public Health Analysis, Public Health Southwark, January 2014

14. As the Lambeth and Southwark Urgent Care Board noted in their evidence to the sub-committee, both Kings College Hospital and Guy's and St Thomas' have experienced issues with capacity.

15. Briony Sloper from Kings College Hospital said in her evidence that Denmark Hill A&E was not well set up for the volume and acuity of patients with mental health needs, and this was confirmed too by Guy's and St Thomas' who said that a lot of their overspend is around mental health issues. Both hospitals also raised the issue of increased economic pressures contributing to the rise in acuity of patients. Clinical staffing was also raised as an issue, with Kings College Hospital noting that there was a particular problem with approved social workers.

**i. Staffing levels in hospital A&E departments**

16. There have been increasing reports of the number of locum doctors that are being drafted in to support A&E departments. On 14 January 2014, the BBC reported that spending on locum doctors to plug the gaps in A&E units in England had risen by 60% in the last three years. Spending rose from £52million in 2009-10, to £83.3m last year. (Sharp rise in spending on A&E locum doctors, 14 January 2014, <http://www.bbc.co.uk/news/health-25713374>)
17. This same issue was raised as part of the sub-committee's inquiry. As a result, the Lambeth and Southwark Urgent Care Board, in their evidence to the sub-committee told us that both Hospital Trusts are implementing large scale emergency department developments over the next two years which will create additional physical capacity.

**Recommendation**

4. This sub-committee notes with concern that staffing levels are an issue in Accident & Emergency departments. We recommend that the Trusts regularly report to the sub-committee on current staffing levels and the ways in which they are working to ensure that they are adequate.

**ii. Numbers of beds for admissions**

18. The numbers of beds for hospital admissions has been reducing consistently over the past two and half decades. This is not a new problem. As The Guardian reported in January 2014 'successive governments have closed over 50% of NHS beds. In 2013/14 there were 135,000 NHS beds compared with 297,000 in 1987/88.' (Why A&E departments are fighting for their life, 14 January 2014, The Guardian). However reductions in bed capacity can be warranted by reductions in length of stay, which is the objective of the CCG admission avoidance programme and investment in community capacity.
19. The Lambeth and Southwark Urgent Care Board noted in their evidence that there were issues with numbers of beds. Sufficient bed capacity in acute hospitals is linked to A&E capacity and their ability to manage pressures. Guy's & St Thomas' bed capacity is historically less pressured than at King's College Hospital.



## Recommendation

5. The issue of not having enough beds for patients is a worrying one. The sub-committee recommends that Hospital Trusts should report quarterly on the number of beds available for admissions from A&E and how this compares to the number of beds needed, with particular reference to emergency admissions for older people and people in mental health crisis.

### iii. Length of stay and discharge processes

20. Matthew Cooke, an academic and clinical director of Heart of England Foundation Trust suggested in the Health Services Journal in October 2013, that the reason for increased pressure on A&E services was in fact down to delayed discharges from hospitals. (Delayed Hospital Discharge to blame for A&E pressure, October 2013, [http://www.hsj.co.uk/acute-care/exclusive-delayed-hospital-discharge-to-blame-for-ae-pressure/5063876.article#.UwSNqPI\\_tnE](http://www.hsj.co.uk/acute-care/exclusive-delayed-hospital-discharge-to-blame-for-ae-pressure/5063876.article#.UwSNqPI_tnE))
21. Public Health in their evidence, told the sub-committee that the proportion of short (1-2 day) admissions had increased in Southwark, whilst the proportion of long-stay admissions had decreased. Dr Wallis suggested that one possible explanation for this was a lower number of delayed discharges.

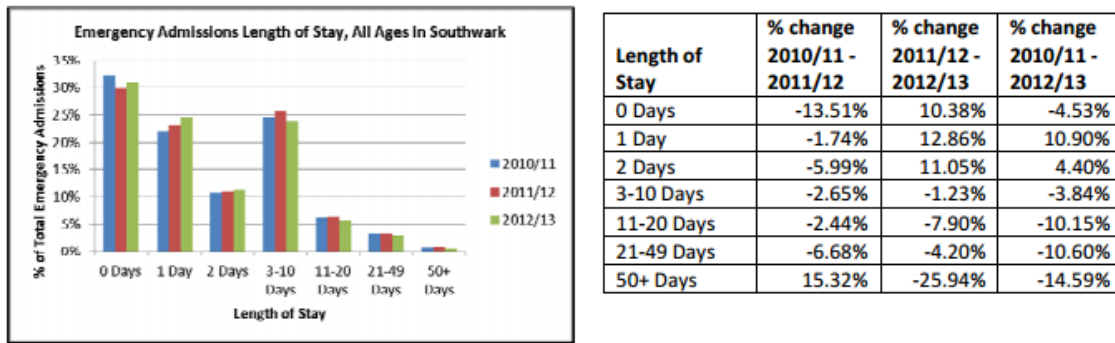


Figure 17. (Source: Local SUS Data)

**Figure 2:** Emergency admissions length of stay, all ages in Southwark, Public Health, January 2014

22. However, she also noted that whilst hospital data suggested that delayed discharges have reduced, it is important to ensure that pressures in the system do not lead to premature discharges.
23. The Hospital Trusts addressed this in their evidence to the sub-committee. Kings College Hospital told the sub-committee that they had initiatives such as 'home for lunch' and a discharge suite, to help speed up the process.

24. And Guy's and St Thomas' told the sub-committee that they had plans to further improve discharge planning, looking at the ways in which they can use community support to help patients outside of hospitals. They also hoped that this would help to reduce readmissions in the future.

### Type of people presenting at A&E departments

#### i. People presenting with non A&E conditions

25. Both Guy's & St Thomas and King's College Hospital emergency staff reported that around 20% of presentations at A&E are more minor ailments that could be treated outside of A&E or urgent care.
26. However, their concern was that it is hard to turn people away, especially when they are presenting in person at the A&E department. For those that present at an A&E department without an urgent medical condition, they will get streamed to a GP or emergency nurse. This has a cost implication for the hospitals, who said in their evidence that a hospital may get paid the lower tariff for providing care, but none of the emergency tariffs actually covers the cost of providing the service.
27. The London Ambulance Service also gave evidence as part of this review, explaining that the calls that they receive have been increasing by about 3% year on year. However, around half of all patients are not being taken to A&E.
28. London Ambulance Service suggested that there are people dialling 999 when it is not an emergency, because they do not know what to do and do not know how to access help and support from other parts of the healthcare system.
29. The sub-committee notes with interest the high proportion of people contacting, or presenting at A&E departments who do not have an immediate medical emergency. We believe that there is continued confusion about where residents can access minor care, versus urgent care.
30. The Clinical Commissioning Group in Southwark have taken steps to help educate residents about when to access A&E services through the 'Not Always A&E' campaign, launched in Winter 2013.

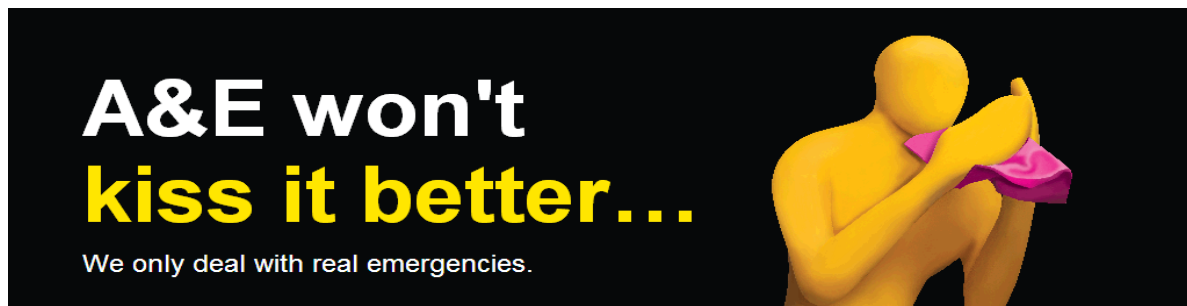


Figure 3: Not Always A&E Campaign

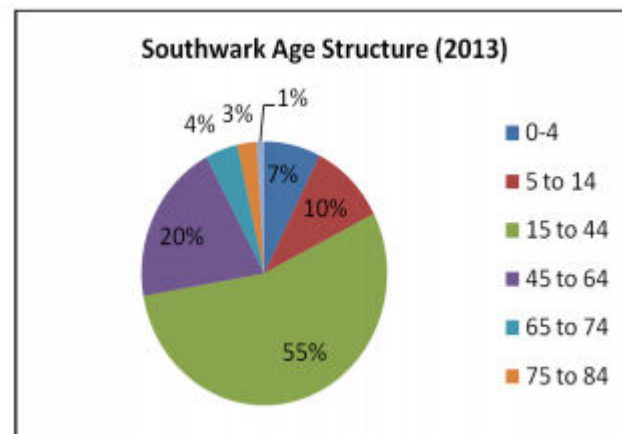
31. The NHS campaign explains that people should only go to A&E when it is absolutely necessary and reminds people of the alternative services that are available. The campaign is focused around yellow men, with different minor ailments, highlighting the alternative places that they can go to get expert advice and treatment if they need it.

### Recommendations

6. The sub-committee commends this campaign and recommends that it is rolled out throughout the year to help promote public awareness of the alternative healthcare services that residents can access.
7. We further recommend that Public Health supports the CCG in their campaign, ensuring that public awareness of the alternative healthcare services increases.
8. We recommend that the Health & Wellbeing Board and the Clinical Commissioning Group make raising the public awareness of the healthcare services available to Southwark residents a priority for the next year

### ii. High acuity patients

32. The Public Health function of the council has looked into the changing demographic of Southwark and found that GLA predictions indicate that the population of Southwark will grow by 15% by 2025, but the age structure will stay similar, with approx. 7% of the population between 65 and 84.



**Figure 4:** Southwark Age Structure, 2013, Public Health Southwark and Lambeth, January 2014

33. As part of their evidence, they suggest that A&E attendance and admission rates increased amongst 65 - 84 year olds, but fell amongst younger groups.
34. This was reinforced by the Lambeth and Southwark Urgent Care Board which noted that there is an increase in activity amongst the over 65 age group across Lambeth &

Southwark in accessing A&E services. (Lambeth and Southwark Urgent Care Board Briefing, September 2013)

35. The council took over responsibility for Public Health in April 2013, which means that we as an authority now have responsibility to ensure that the right services are available for our residents for public health related concerns.
36. Dr Ruth Wallis, Director of Public Health for Southwark & Lambeth set out in her evidence a number of ways in which the council should be focusing its efforts on public health concerns, especially for older people.
37. Focusing on issues that affect people as they become older may be one way in which increased older people A&E admissions can be combated. Dr Wallis suggested that long-term conditions need care and there should be an increased focus on diabetes and flu immunisation. In doing so, the causes of accessing A&E services by older people can be prevented through intervention by another part of the healthcare system.

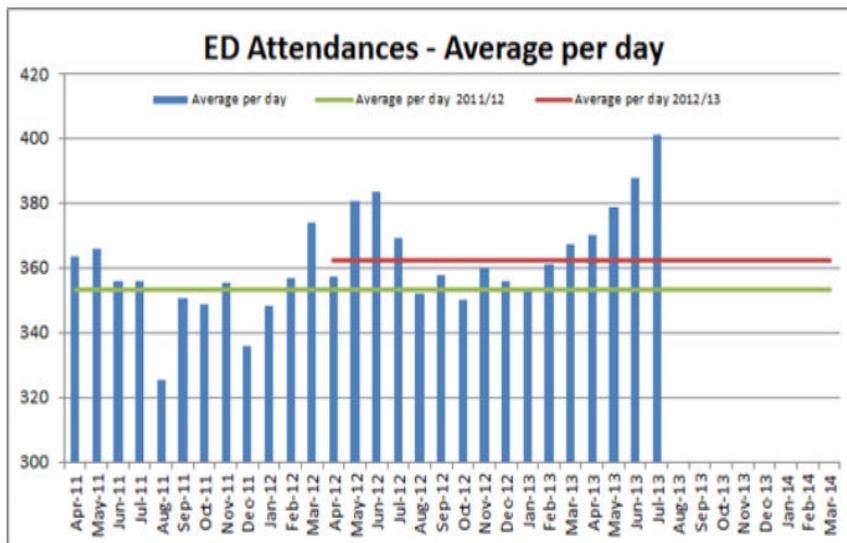
### **Recommendation**

9. The sub-committee notes with interest that public health drivers can play a part in reducing admittance to A&E's. We recommend that Public Health continues to support the work of the CCG in this and that the CCG, with Public Health support, undertakes a programme to look specifically at older people and the further support that we, as an authority, can be giving them.
38. Alongside an increase in the number of older people presenting at A&E departments, Hospital Trusts reported an increase in the acuity of these patients.
39. In Southwark, the number of emergency admissions in 2012/13 was 1.5% lower than in 2010/11, but the rate per 1,000 populations fell by a more significant 4.66%. However A&E attendance rate per 1,000 population had risen by around 10% in both 65-74 and 75-84 age groups since 2010/11, but the emergency admission rate per 1,000 population actually fell by 2.50% in the 65-74 age group, whilst rising 11.56% in the 75-84 age group.
40. This may indicate that the increase in attendances by 65-74 year olds is predominantly amongst less seriously ill individuals, whereas the increase in the older 75-84 year old age group consists of more seriously ill individuals who then require admission.

Age group	% change 2010/11-2011/12	% change 2011/12-2012/13	% change 2010/11-2012/13
0-4	-4.92%	0.18%	-4.74%
May-14	-3.45%	-0.31%	-3.75%
15-44	-3.39%	-6.58%	-9.74%
45-64	-4.79%	-5.36%	-9.90%
65-74	-1.37%	-1.15%	-2.50%
75-84	11.25%	0.28%	11.56%
85+	2.43%	-2.03%	0.35%
Overall	-1.47%	-3.24%	-4.66%

Figure 5:CCG data on older people and acuity February 2014

41. In their evidence, Kings College Hospital said that this increase in patients with acute conditions presenting at A&E departments meant that the number of people being admitted to the hospital was increasing, and they were staying longer. This necessarily puts more pressure on hospitals.



	A&E attendances	Average Daily
Jan-13	10944	353
Feb-13	10106	361
Mar-13	11400	368
April-13	11112	370
May-13	11747	379
Jun-13	11651	388
Jul-13	12443	401

Figure 6:Report to the Southwark Health and Adult Social Care Scrutiny Sub-Committee on Emergency Care, Emergency Department Attendances, Kings College Hospital, September 2013

42. As Public Health set out in their evidence, the proportional increase in attendance of patients of older age may mean a greater proportion of patients with co-morbidities as elderly patients are more likely to present with a number of conditions. Managing chronic conditions during an acute illness presents challenges, and this could be part of the explanation for the increased 'acuity' noted by local clinicians.

### **Providing support for those with high acuity in hospitals**

43. Hospital Trusts however have set up a number of programmes to try and relieve the pressure caused by patients presenting with high acuity. The CCG in their evidence suggests that the provision of 'soft care' can help to keep people at home. They talked in their evidence to the sub-committee of an increased focus on community based admission avoidance schemes.
44. As part of the Southwark and Lambeth Integrated Care Programme's (SLIC) frail elderly pathway, the CCG has worked with the local authority and community services to keep people well and cared for in the home. This plan includes enhanced rapid response and home wards, which allow people to be discharged from hospital earlier.
45. However, when probed, the CCG admitted that whilst the use of 'rapid response' has been very good, the effectiveness of 'home wards' was less effective.
46. Guy's and St Thomas' further detailed their work as part of the frail elderly pathway, highlighting a focus on simplified discharge process, enhanced seven day working arrangements, redesign of the falls pathway, Community Multi-Disciplinary Team registers, holistic checks and case management.

### **Recommendation**

10. This sub-committee commends the work of the CCG, jointly with the Local Authority and community services to help people stay well at home for longer. We would like to see further evidence of the work being done on the frail elderly pathway to ensure that we are offering our residents the best care services.

### **Providing support for those with high acuity conditions in the community**

47. The Adult Social Care Department also presented evidence on their actions to support those older people with high needs in our community.
48. Sarah McClinton highlighted that 'risk of hospital admission is a key factor in assessing eligibility for social care, and services are put in place to minimise the risk.' (Adult Social Care, Access to Health Services, January 2014).

49. A key objective of the social services that the Authority provides is to prevent, delay or avoid the need for people to access more intensive health and care services including A&E, by helping people to live independently and safely in the community.

50. Sarah McClinton went on to say that:

‘for older people identified as at risk of admission we take a multi-disciplinary team approach with a single lead professional co-ordinating support from different agencies that should help prevent avoidable admissions through A&E. This priority is recognised nationally and will be taken forward in 2014/15 through the Better Care Fund which necessitates pooled funding and joint working in areas that will reduce pressure on health and care services.’(Adult Social Care, Access to Health Services, January 2014)

### **Recommendation**

11. This sub-committee welcomes the work being taken forward by the Adult Social Care department. We recommend an update report on the services provided for older people with high needs to be made to the next sub-committee.

51. Southwark Council provides a large number of services as part of its social care package, which further helps to enable people to remain safely and independently in the community. This includes a 24 hour 7 day social care service, increased telecare resources, support for care homes to manage the health of residents, occupational therapy service and community equipment services.

52. Councillor Catherine McDonald, Cabinet Member for Health, in her annual scrutiny interview with the sub-committee also highlighted the work being done by GPs to provide assessments for older people to prevent demand at a later point in time - for example recommending the installation of grab rails to prevent falls in the home.

53. She also talked about the council’s work looking at housing policy, including the re-introduction of wardens and the plans for expansion of extra care, which would provide nursing on-site.

### **Recommendations**

12. The sub-committee is pleased to know that the Adult Social Care teams within the Council are working hard to ensure that Southwark residents are receiving the best levels of care to help them stay safely and independently in the community. We recommend that further work is done to specifically look at the ways in which we can identify and support older people to prevent admissions to A&E.

13. We remain concerned however that there seems to be a lack of co-ordinated action by the health community to tackle the issue of increased acuity of patients. The sub-committee recommends that the Health & Wellbeing Board place this as a priority for

2014/15 and that Public Health carries out a piece of research into the reasons behind the increased acuity in Southwark.

14. We also recommend the establishment of a joint working group, led by the CCG and working alongside those involved in the JSNA and including the Council, Hospital Trusts, the Public Health and Healthwatch to look specifically at the ways in which we can support those people with long-term conditions in the community, and reduce presentations at A&E wards.

### **iii. Helping people with mental health conditions**

54. In 2011, the Department for Health published 'No Health without Mental Health', a cross-government mental health outcomes strategy for people of all ages.
55. The report emphasised the importance of mental health, stating this: 'Mental health is everyone's business...good mental health and resilience are fundamental to our physical health, our relationships, our education, our training, our work and to achieving our potential.' (No Health without Mental Health, February 2011, p.5)
56. The impact of mental health problems is estimated to continue to increase. As the CCG set out in their evidence, there are suggestions that the cost of treating mental health problems could double over the 20 years from the current estimated cost of £105billion per year. (NHS England statistics)
57. The sub-committee established that there are two distinct working groups looking at addressing the issues around mental health in Southwark.
58. First, a sub-group of the Lambeth and Southwark Urgent Care Board has recently been formed, which includes Gwen Kennedy, Director of Client Group Commissioning at the Clinical Commissioning Group, with representatives from the hospital trusts. This group is looking directly at supporting patients who present with mental health conditions at A&E. The group is currently working on an Action Plan, which sets out the activities the Trusts will be undertaking to help relieve the pressures.

### **Recommendation**

15. We recommend that the Mental Health sub-group of the Lambeth & Southwark Urgent Care Board presents its final Action Plan to the sub-committee for further comment.
59. Secondly, the Council and the Clinical Commissioning Group commissioned a review of the partnership arrangements that were in place for delivering mental health services in the borough. The review made a number of recommendations, including the developments of a new Mental Health Strategy for Southwark.



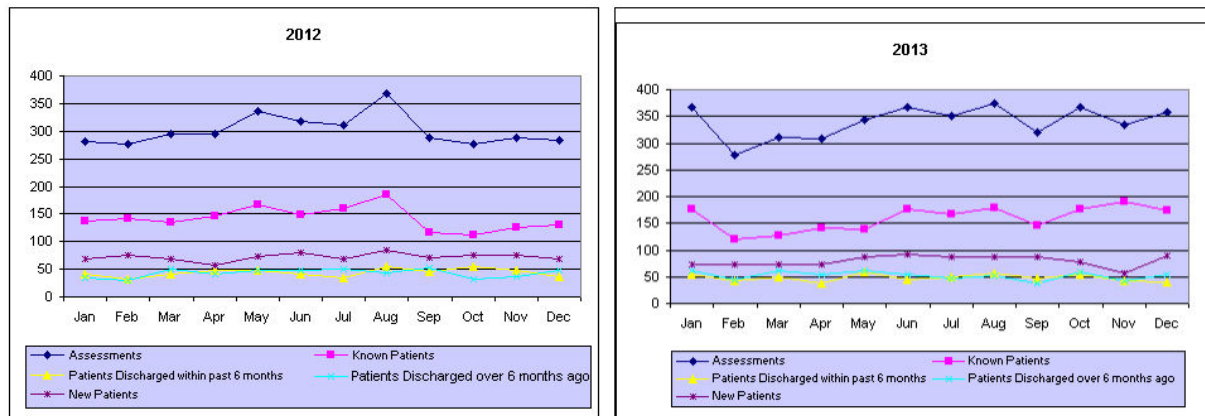
- 60. The initial thoughts on this document were presented to the sub-committee by the Clinical Commissioning Group in October 2013.

**Recommendation**

- 16. We recommend that the final draft of the Joint Mental Health Strategy is presented to the sub-committee ahead of publication for further scrutiny.

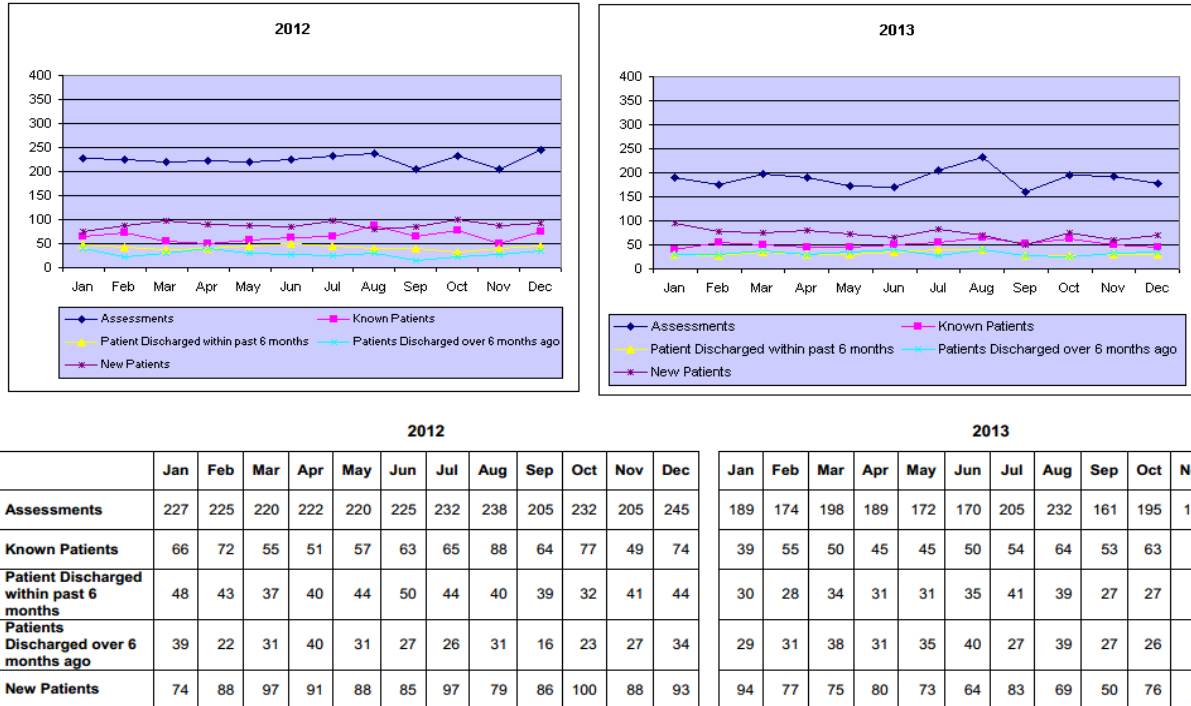
**Numbers of people presenting at A&Es**

- 61. The sub-committee heard from the Hospital Trusts specifically about the increasing numbers of people presenting at A&E departments with mental health conditions, alongside increased acuity and increased co-morbidity.
- 62. Hospital Trusts reported the worrying statement that the number of mental health patients presenting at A&E departments requiring assessment and appropriate interventions has increased significantly. In terms of numbers of presentations, Kings College Hospital reported that there was a 10.2% increase in assessments between 2011-2012 and 2012-13 (3370 to 3717). At the same time, there was a 32% increase in MHA admissions in the same time period from 88 to 117.



	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Assessments</b>	282	277	295	294	336	318	312	369	287	276	287	284	366	277	311	308	344	367	351	374	319	368	333	357
<b>Known Patients</b>	138	141	136	147	168	149	159	185	117	113	126	131	176	119	127	142	138	176	168	180	147	177	190	175
<b>Patients Discharged within past 6 months</b>	42	31	41	47	47	41	34	55	46	55	49	37	55	42	50	37	58	44	49	56	48	55	43	39
<b>Patients Discharged over 6 months ago</b>	34	30	50	42	47	48	50	44	52	33	37	48	62	44	62	55	62	55	46	52	38	59	43	54
<b>New Patients</b>	68	75	68	58	74	80	69	85	72	75	75	68	73	72	72	74	86	92	88	86	86	77	57	89

**Figure 7:** Kings College Hospital Mental Health Liaison Team 2012-2013, South London and Maudsley Mental Health Paper, January 2014



**Figure 8:** Guys and St Thomas' Hospital Mental Health Liaison Team 2012-2013, South London and Maudsley Mental Health Paper, January 2014

63. The Trusts also noted that there was an increase especially amongst local people who are unknown to the service and this is further complicated by the complexity of the social problems that these individuals are facing.
64. South London and Maudsley also told the sub-committee that they do not have detailed records of the numbers of different classifications of presentations to Emergency Departments, but are now in the process of collating this information.

### Recommendation

17. The sub-committee finds these statistics concerning, especially in light of the comments that this increase seems to be amongst local people who are unknown to the service. We welcome the decision by SLAM to collate information on classifications of presentations to Emergency Departments and would recommend that this information is shared as part of the Joint Mental Health Strategy that is being developed.

### Providing support for those with mental health conditions in hospitals

65. Individual Trusts also told us about the work that they are doing to support patients presenting with mental health concerns. Kings College Hospital has a KPI that all patients are to be seen by the specialist psychiatric team within 30 minutes from referral. It is also encouraging to see that they are up-skilling their staff through

specialist psychiatric training and increase provision of Psychiatric Liaison Nurses (PLN).

66. Guy's and St Thomas' also have PLNs available 24/7, in conjunction with SLAM to ensure that patients are receiving the highest levels of care at all times. They currently also have two cubicles which can be separated from some of the noise and the lights can be dimmed, but this is not an ideal situation.
67. The main issue raised by both Trusts was the provision of beds to admit patients to, and physical spaces within A&E departments to treat those presenting with mental health conditions.
68. As Guy's and St Thomas' set out in their evidence, this is a key issue, with patients from across the country utilising mental health bed provision in South London. In their experience, patients can wait for up to 24 hours to gain access to an appropriate bed in their local area, and during this time they are in a sub-optimal environment for their condition. The table below shows the wide range of areas that patients come from.

	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	
<b>Abertawe</b>					1	<b>1</b>
<b>Barking &amp; Dagenham</b>	1					<b>1</b>
<b>Barnet</b>	3	2	2		1	<b>8</b>
<b>Bedford</b>		1			1	<b>2</b>
<b>Berkshire East</b>			3	2	1	<b>6</b>
<b>Bexley</b>	1		1	2	2	<b>6</b>
<b>Blank / Unknown</b>	12	12	11	12	4	<b>51</b>
<b>Bournemouth</b>	1					<b>1</b>
<b>Bradford</b>		1	1			<b>2</b>
<b>Brent</b>	1	2	2	2	3	<b>10</b>
<b>Brighton</b>		2				<b>2</b>
<b>Bristol</b>		1		1	1	<b>3</b>
<b>Bromley</b>	1		1	1	2	<b>5</b>
<b>Bucks</b>		1				<b>1</b>

<b>Cambridge</b>					1	1
<b>Camden</b>	1	3	1	2	4	11
<b>City &amp; Hackney</b>	1	3		1	1	6
<b>Cornwall &amp; Scilly</b>	1			1		2
<b>Cumbria</b>				1		1
<b>Cwm Taf</b>		1			1	2
<b>Ealing</b>	1	2	1	2	2	8
<b>East &amp; North Herts</b>		1				1
<b>Eastern &amp; Coastal Kent</b>				2	1	3
<b>East Sussex Downs</b>					1	1
<b>Enfield</b>		1				1
<b>Gateshead</b>					1	1
<b>Glasgow</b>		1				1
<b>Gloucs</b>		1				1
<b>Great Yarmouth</b>	1	2	1			4
<b>Greenwich</b>	1		3	4	2	10
<b>Hammersmith &amp; Fulham</b>			1	1		2
<b>Haringay</b>	1		2	1	2	6
<b>Harrow</b>		1	1		1	3
<b>Hastings</b>			1			1
<b>Havering</b>			2	1		3
<b>Herts</b>	1				2	3
<b>Hillingdon</b>					1	1

<b>Hounslow</b>				1		<b>1</b>
<b>Islington</b>	1	2	1	1	1	<b>6</b>
<b>Kensington &amp; Chelsea</b>	4	1	2	2	2	<b>11</b>
<b>Kingston</b>	1		1		1	<b>3</b>
<b>Leeds</b>			1		1	<b>2</b>
<b>Lincolnshire West</b>					1	<b>1</b>
<b>Liverpool</b>		1				<b>1</b>
<b>Luton</b>	1				1	<b>2</b>
<b>Medway</b>	1		1			<b>2</b>
<b>Newcastle</b>			2	2	1	<b>5</b>
<b>Newham</b>		1	1	2		<b>4</b>
<b>North East Essex</b>	1					<b>1</b>
<b>North Lancs</b>			1			<b>1</b>
<b>Nottingham</b>				2		<b>2</b>
<b>Portsmouth</b>					1	<b>1</b>
<b>Redbridge</b>	1	1		1	2	<b>5</b>
<b>Richmond &amp; Twickenham</b>	1	1		2		<b>4</b>
<b>Sheffield</b>		1		1		<b>2</b>
<b>Somerset</b>				1		<b>1</b>
<b>South Birmingham</b>			1		1	<b>2</b>
<b>South East Essex</b>	2					<b>2</b>
<b>South West Essex</b>		1		1		<b>2</b>
<b>Surrey</b>	5	1	1	2	1	<b>10</b>

<b>Sutton &amp; Merton</b>		6	4			<b>10</b>
<b>Tower Hamlets</b>	1	4	1	3	2	<b>11</b>
<b>Waltham Forest</b>			1	2	2	<b>5</b>
<b>Wandsworth</b>	8	6	4	5	3	<b>26</b>
<b>West Essex</b>				1		<b>1</b>
<b>West Kent</b>	2	1	1	1	2	<b>7</b>
<b>West Sussex</b>		3	2			<b>5</b>
<b>Western Cheshire</b>				1		<b>1</b>
<b>Westminster</b>	16	11	14	20	12	<b>73</b>
<b>Wiltshire</b>		1			1	<b>2</b>
<b>Worcester</b>			1			<b>1</b>
<b>Total</b>	<b>73</b>	<b>80</b>	<b>74</b>	<b>87</b>	<b>71</b>	<b>385</b>

**Figure 9:** Guys and St Thomas' Hospital, Mental Health Paper, January 2014

69. Both Hospital Trusts however are taking steps to change the way in which they provide support for mental health patients.
70. Kings College Hospital is in the process of an organisational reconfiguration in their outpatients department. This will support the final phase of the mental health assessment suite which will then provide a separate space for the treatment of these patients.
71. Guy's and St Thomas' are also in the process of a rebuild for the emergency floor which is due to begin in early 2014. This will lead to the creation of two specifically designed and located cubicles for the treatment of mental health patients in the Major Treatment Area.

### **Recommendation**

18. The sub-committee notes with concern the current facilities for patients presenting with mental health conditions at A&E wards. We recommend that Kings College Hospital and Guy's and St Thomas' place the provision of safe, secure spaces for the treatment

of patients presenting with mental health conditions as a key priority in their workplans for 2014.

### **Providing support for those with mental health conditions in the community**

72. The Council's Adult Social Care team currently has a number of initiatives to support people with mental health conditions in the community, which aim to help keep them safe in the community and away from A&E wards.
73. The mental health services in Southwark are provided by integrated health and social care teams, under the auspices of SLaM. They use a holistic approach which enables teams to support all health and social care needs under one service. These teams also provide 'in-reach' onto wards to enable earlier discharges.
74. The Adult Social Care team in their evidence, told the sub-committee about the services that are provided, including:
  - Home Treatment Teams (HTT) who provide 24/7 care to service users in a crisis in their own homes, accept out of hours referrals from GPs, provide peer support for people in leaving HTT.
  - Psychiatric Liaison Nurses (PLN) who are based in A&E and provide 24/7 mental health triage, as well as assessing for HTT.
  - 13 weeks support through reablement with a Recovery and Support Plan aimed at avoiding future mental ill-health episodes leading to a crisis situation.
  - Maudsley's 'place of safety' which is open 24/7 and where those with mental illness who are picked up by the police can be taken to instead of A&E
  - AMHP team who can undertake assessments under the Mental Health Act without a need for referral to A&E
  - Emergency Duty Workers (EDT) who provide rapid assessment under the Mental Health Act as well as care planning.

### **Recommendation**

19. The sub-committee welcomes the services that are currently provided by SLaM to support those with mental health conditions in Southwark. We recommend that priority is placed by SLaM on supporting people with mental health in the community, and intervening ahead of any admissions to A&E wards.

## General Practitioner Services

### Pressure on GP Services

#### i. Bureaucracy

75. GP services are experiencing ever-increasing pressures, particularly in terms of bureaucracy. The Local Medical Committee (LMC) in their evidence to the sub-committee said that the Department of Health recognises that there is a 35% administrative 'tail' for every consultation. For every hour a GP sees patients, there is a further 20 minutes administration. Alongside this, clinical information following outpatient consultations is not sent to GPs in a timely manner, leading to further time spent chasing for information.

#### Recommendation

20. This extra time spent on largely bureaucratic tasks is concerning to this sub-committee. We recommend that the CCG and Hospital Trusts work together to reduce the time taken for GP surgeries to receive outpatient reports. We also recommend the CCG look into the ways in which they can provide template forms and support to GPs to help them reduce the time taken on administrative tasks related to patient consultations.

#### ii. Local Authority Support

76. The LMC reported to the sub-committee that as part of their GP Workload Survey, which was conducted Londonwide in August 2013, there were reported that whilst not contractually obliged to undertake the work, GPs are spending time dealing with local authority related issues such as assessments for blue badges and housing assessments.
77. The sub-committee requested further information on this from council officers directly. Southwark Council told the sub-committee that if a resident does not qualify for automatic entitlement for a blue badge, they will need to see an occupational therapist. The council employs two OT contractors to provide this service, to prevent redirection to GP services.
78. Southwark also carried out housing assessments for residents requesting re-housing. NMC registered nurses are employed to undertake these assessments, using the criteria as set out in Southwark's housing allocation policy.

#### Recommendation

21. The sub-committee is pleased to see the Local Authority supporting its residents directly, rather than directing them to healthcare services. However, we remain concerned that some residents may not know that these services exist within the



Council. We recommend that the Housing Options & Assessment and the Disabled Travel Team should carry out a review looking at the ways in which to influence customer signposting to ensure that residents are aware of the services that the Council provides in terms of assessing residents for blue badges and receipt of benefits.

### iii. **Walk-in centres and Urgent Care**

#### **Dulwich Hospital, Dulwich**

79. A consultation was carried out by the Clinical Commissioning Group on future health service provision in Dulwich and the surrounding areas. Between 28 February and 31 May 2013, NHS Southwark CCG undertook a formal consultation, where people were asked to comment on a proposed service model for health services in community settings and two options for how these might be delivered.
80. Key findings from the consultation included:
- 80% of respondents were in agreement with the overall model of delivering healthcare in the community
  - Respondents were supportive of more accessible settings for healthcare in the community rather than hospital
  - Having healthcare delivered locally was an important issue for many respondents
  - That health care should be joined up
  - That provision of out of hours care was a concern for many respondents with 92% of respondents rating access to evening and weekend primary care as an important issue

### **Recommendation**

22. This sub-committee has actively followed and partaken in the consultation around the future provision of health services at the Dulwich Hospital site. We have welcomed the work done by the CCG, and the sub-committee recommends that the CCG provides an update as necessary.

#### **Lister Urgent Care Centre, Peckham**

81. The LMC further highlighted the reports in the media about reductions in the number of walk-in centres nationally. They believe that this will impact in terms of capacity and workload.
82. In January 2014, the CCG presented to the sub-committee proposals for the Lister Urgent Care Centre in Peckham. The Lister Walk-in Centre has been operating since May 2009, and the contract is due to come to an end in September 2014. The CCG

agreed to review the current service, but wanted to use the opportunity to review the commissioning of urgent care across Southwark on the whole.

83. As part of the review into the Lister Walk-in Centre, a meeting was held on 26 November 2013, which aimed to engage the public about access and urgent care and provide information about the proposed plans for changes at Lister.
84. Four options for the provision of urgent primary care services were presented to the Southwark Commissioning Strategy Committee (CSC) for consideration in December 2013:
  - Re-commission the Walk-in Centre service in line with the existing specification
  - Commission limited Walk-in Centre service – unregistered patients and Kings re-directed patients only
  - De-commission Lister Walk-in Centre and focus upon improvements in primary care access
  - Commission alternative model of urgent primary care access based on extended access to GP practices on a locality basis

### **Recommendation**

23. The sub-committee is pleased that this was brought to their attention by the CCG, and is grateful for the time taken to attend the scrutiny meeting. We recommend that the CCG report back to the sub-committee once more work has been done on the preferred option for the provision of urgent care services in the south of the borough.

### **Access to GP services**

85. There is an ongoing perception within Southwark that there are difficulties in accessing GP services. This is not a view confined just to Southwark, but is being seen throughout England.
86. Reasons for this include the increase in patients presenting with complex conditions, which require more time to be spent by GPs in appointments, rather than the 10 minute slot allocated. At the same time, patients whose first language is not English often require extra time in consultation, which further extends the time spent with patients outside of the 10 minute slot.
87. Both local and national NHS policy is to promote more care out of hospital, which will mean that sicker patients are being cared for in primary care settings, placing further pressures on GP surgeries.
88. There are 45 GP practices in Southwark, with a combined registered patient list of 305,841 (as at 1 April 2013). All Southwark practices are required to be open from 08.00 – 18.30 and the majority of Southwark practices have not opted out of

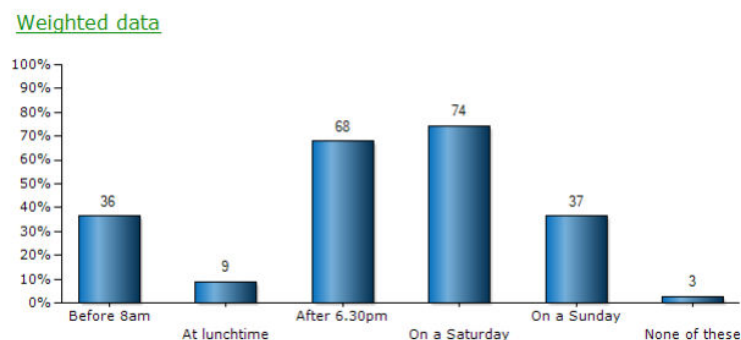
responsibility for Out of Hours Care and are members of South East London Doctors' Co-Operative (SELDOC), a co-operative organisation of member practices which provides Out of Hours Services across Lambeth, Southwark and Lewisham CCGs, including telephone advice, GP consultations and home visits.

89. In addition to SELDOC, there is an 8am-8pm GP Led Health Centre at the Lister Health Centre in Peckham, which provides walk-in based care for registered and un-registered patients, 7 days a week.
90. NHS England carried out a survey into access to GP services for the whole of England. They found that people's overall experience of GP surgeries across England showed 87% of people thought they were overall good, whilst only 82% of residents in Southwark agreed with this view.

***i. Opening hours of GP surgeries***

91. The CCG in their Community Care Strategy notes that whilst they found there to be sufficient capacity in terms of number of appointments across the borough and across days of the week, this masks the differences between practices and across days of the week.
92. The NHS England Access Survey looks at when patients would like to have more access to GP services, finding that this was primarily after 6.30pm, and on Saturdays and Sundays.

### Additional times that would make it easier for you to see or speak to someone



GP Patient Survey July 2012 to March 2013

**Figure 10:** GP Patient Survey, Additional times that would make it easier for you to see or speak to someone, July 2012 – March 2013, NHS England Access to GP Services, October 2013

93. The LMC reported that most GP practices in Southwark are now offering extended hours for patients, alongside providing out of hours care through SELDOC (South East London Doctors' Co-operative).

## Recommendation

24. The sub-committee welcomes the provision of the SELDOC service, especially in light of the delay in the rollout of the 111 Service in Southwark. We recommend that GP services promote the SELDOC service within their local practices, to signpost patients to out of hours services.
94. NHS England's GP Survey found that the percentage of people who were satisfied with the opening hours of GP surgeries was 80% for the whole of England, and 79% of Southwark residents.
95. As part of the Community Care Strategy, the CCG set out that it would be working to action clear arrangements for extended hours care in primary care. Jill Webb of NHS England also said as part of her evidence that 8am to 8pm opening will be considered in 2014.

## Recommendation

25. The sub-committee welcomes this move. We recommend that NHS England report back to the sub-committee with an update on proposed opening hours of surgeries when appropriate.

## ii. Appointment booking services

96. The sub-committee's own survey showed that a large percentage of respondents found it fairly difficult/very difficult to get a timely appointment with a GP.



**Figure 11:** Access to GP appointments, Health Committee Survey, January 2014

97. GP practices throughout the borough do not have a consistent way of providing appointments for patients. These range from the ability to book appointments in advance, to having to call on the morning of the day you would like an appointment, through to calling for cancellations if you want an appointment on a specific day.
98. NHS England's Access Survey compared the responses for Southwark and the rest of England.

	Yes	Yes but had to call back	No	Can't remember
Southwark	70%	12%	13%	5%
England	74%	13%	10%	3%

**Figure 12:** Able to get an appointment or speak to someone, NHS England GP Patient Survey July 2012 – March 2013, NHS England Access to GP Services, October 2013

99. The sub-committee collated a number of comments from individuals who expressed their frustration with the appointment services.

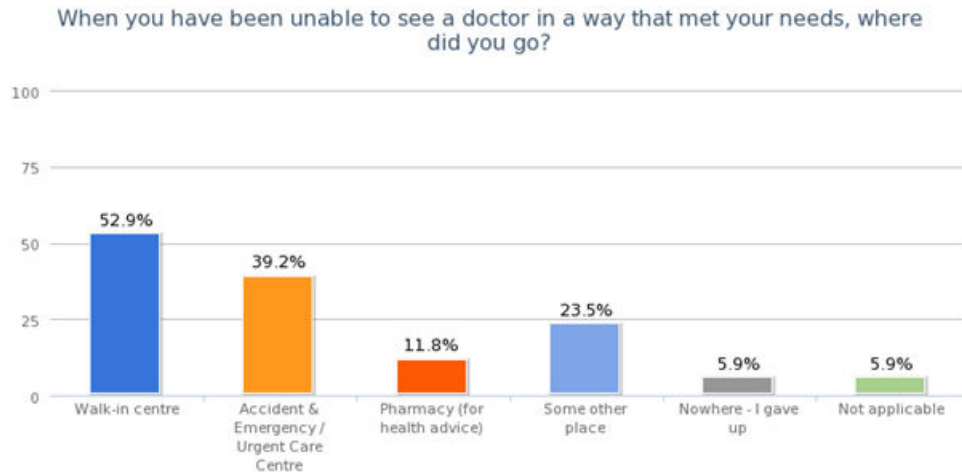
*"No appointments available in the next month, unless you call for an emergency one, plus they only take bookings for the next four rolling weeks"*

*"No appointments available unless you can call at the crack of dawn - impossible for working people who can't take time off without clearing it in advance"*

*"You have to call right at 8am - if you're lucky you'll get something that day. Making appointments for any date in the future is absolutely impossible"*

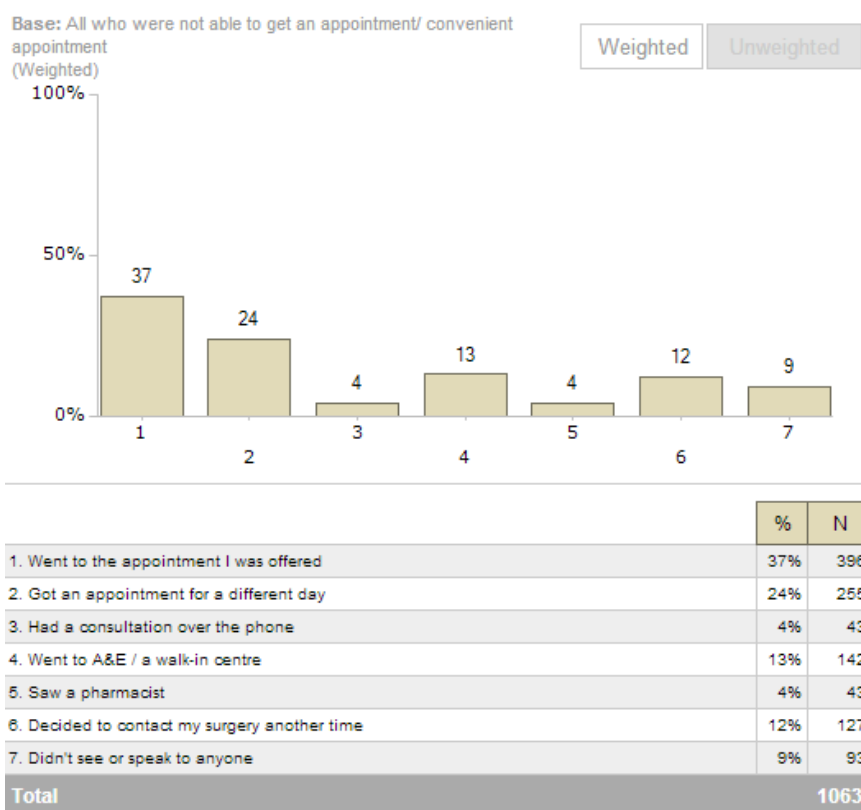
- Comments from Southwark residents

100. The sub-committee went on to look at where those who could not access a GP appointment went to for medical assistance.
101. From the survey conducted by the Health Scrutiny Sub-Committee, we found that a large proportion of people either went to walk-in centres, or to A&Es, thereby putting unnecessary pressure on other parts of the healthcare system.



**Figure 13:** Health services accessed when unable to attend GP surgeries, Health Committee survey, January 2014

102. The Switham CCG Health Survey, which will be more reliable, as it spoke to a larger sample of people, asked a similar question, about what a resident would do if they were not offered a convenient appointment. In that case, 13% of people went to A&E or an urgent care centre. Whilst this figure is less than the one from the Health Scrutiny Survey, it is still concerning to see 13% of people turning to urgent care services when they cannot access a GP appointment at a convenient time, thereby placing pressure on emergency services.



**Figure 14:** GP Patient Survey: Southwark CCG. What you would do if you were not able to get an appointment/convenient appointment (December 2013)

103. We are also aware from the Health Sub-Committee's own survey, that there is a significant proportion of people who use GP services for managing their long-term conditions. In these cases, many patients would like appointments with their named GP, who understandably has more of an understanding of their ongoing medical needs.
104. The appointments system seems to be creating difficulties for many of these individuals.

*"Appointments with your preferred GP have to be booked about 4 weeks in advance."*

*"When I try and book an appointment for more than four weeks ahead I'm told they only take bookings for the next few weeks and to call back in a week. When I do all the appointments are filled so I'm told to call again in a week. I do and again there are no appointments."*

*"Difficult to get an appointment with the same GP because you seem to have to always ring back as they release more appointments. This is despite them asking me to try to see the same person. It works for urgent problems but is not set up well for people like me with chronic health problems who would like to book well ahead for review."*

- Comments from Southwark residents

105. The issue of not being able to access GP services as required is a worrying one. The sub-committee is concerned that whilst we are assured that there are enough appointments available within the system, patients are struggling to get them at times they would like. This is leading to extra pressure on other healthcare services.

### **Recommendation**

26. We recommend that NHS England, with the support of the Clinical Commissioning Group, undertake a study into the best method for providing appointments consistently across the borough and consider a Southwark offer that ensures minimum standards of access for patients in Southwark in regards to contact with a GP if appropriate following NHS England's Call for Action response.

## The King's Health Partners Merger

106. The previous sub-committee last received an update on the King's Health Partner merger in May 2013. At that point in time, King's Health Partners were continuing with the idea of a partnership. They noted that their partnership currently is complicated, with three different NHS organisations, with different structures, cultures and ways of doing things.
107. The Strategic Outline Case was published in July 2012, with a more detailed Full Business Case due to be developed, which would test a range of organisational models, including creating a single academic health organisation by merging the trusts, alongside looking at alternatives short of a three way merger.
108. They hoped to publish the Full Business Case in autumn 2013 and this sub-committee was committed to scrutinising that process. However, in November 2013, it was announced in a statement that the proposed merger would be progressing less quickly than anticipated.
109. In their statement, King's Health Partners stated that

"The further work we have been doing points us to the conclusion that only a merger between the NHS foundation trusts as well as closer integration with the university would enable us to maximise the benefits of our AHSC to patients.

Organisational change on this scale and complexity would need to take place at a measured pace, informed by clear evidence of the benefits for the patients and communities we serve.

If we are to proceed towards a merger then the next step would be to develop a full business case, for consideration by our boards, and in the case of the NHS partners, our councils of governors.

This is not the right time to take that step, not least because we will only do this if we are confident that a case for merger is likely to be approved by the regulators and we have made further progress in coordinating our services." (Kings Health Partners Statement, November 2013)

## Recommendation

27. Since the merger was proposed, the sub-committee has taken an active interest in the decision-making process. The sub-committee noted with interest that this process has now been delayed and recommends that when a Full Business Case is developed, King's Health Partners should return to the sub-committee for further scrutiny.



<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Council Plan 2014/15 – 2017/18	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

## **FOREWORD FROM COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

Earlier this month cabinet agreed the mission, the new fairer future promises, the fairer future principles and the commitments of the council for the next four years. This report kicks off the process of embedding this mission into a new council plan and agreeing a programme for delivering the promises and commitments we have made and adds an indicative delivery programme for those commitments.

The council plan forms part of the council's policy framework and as such needs to be subject to consultation and final agreement by council assembly. With the delivery of the programme being so closely intertwined with our financial plans I am recommending that this consultation should be combined with our budget consultation in the autumn.

## **RECOMMENDATIONS**

That cabinet:

1. Agrees to the proposed Council Plan 2014/15 – 2017/18.
2. Agrees to the proposed period of consultation on the cabinet's proposals for the Council Plan 2014/15 – 2017/18.
3. In line with above, instructs officers to work with cabinet members to develop a detailed performance schedule for each Council Plan theme.
4. Agrees to the proposed arrangements for monitoring and reporting on progress against the Council Plan 2014/15 – 2017/18.

## **BACKGROUND INFORMATION**

5. The Council Plan is Southwark Council's (the council's) overarching business plan for the organisation. It sets out the key things that the council will work towards over the period 2014 to 2018. It provides a clear statement to the residents, businesses, local voluntary and community sector organisations and other stakeholders about the programme of work that their council is working towards and ensures that the whole organisation is pulling together to deliver a set of shared promises and objectives.
6. This Council Plan builds on the achievements of the organisation's previous

Council Plan, which delivered free school meals to all primary school children, delivered new affordable homes through our regeneration programmes and halved the cost of meals on wheels.

7. It is underpinned by our continued vision for a fairer future for all in Southwark that was agreed by cabinet earlier this month and centres on a set of ten “fairer future promises” that are our key promises to Southwark over the next four years.
8. This Council Plan has been developed in the context of a continued reduction in the council’s “settlement” from central government. This is the amount of money that we receive in grant funding from central government, which along with council tax and other income, we use to fund the services we deliver to the residents and businesses of Southwark.
9. Over the last four years the council has had to make some tough decisions about how to allocate our reduced budget, whilst still delivering on our fairer future programme. We listened to the community and prioritised front line services, we reduced our spending on our back office, made your council more efficient and worked more effectively in partnership with other organisations.
10. Our funding from central government is likely to be reduced further in the years to come so the council will continue to have to prioritise how it spends its money, whilst keeping our commitment to keep council tax low and increase the value for money of our services.

## **KEY ISSUES FOR CONSIDERATION**

### **The Council Plan**

11. The Council Plan 2014/15-2017/18 includes:
  - A vision for a fairer future for Southwark, including the key principles that underpin that vision
  - Ten fairer future promises that set out our key commitments for the residents and businesses of Southwark
  - An outline of the financial context in which this plan will be delivered and the tough budget decisions that the council has made and will need to continue make to deliver this plan
  - A set of fairer future themes and commitments around which future delivery will be based.
12. We’ve structured this Council Plan around six themes and geared it towards delivering outcomes that enable a fairer future for all who live, learn and work in Southwark. These reflect the things that the people of Southwark said were most important. These six themes are:
  - Quality affordable homes
  - Best start in life
  - Strong local economy
  - Healthy active lives
  - Cleaner, greener, safer
  - Revitalised neighbourhoods.

13. We will use these six themes to guide our future budget planning and to organise the way we monitor and report on the progress we're making on all our promises and commitments. Each theme will include a set of key objectives and a series of "measures" and "milestones" that show in a clear and transparent way, the way in which you can judge our performance. These measures and milestones under each objective will be developed over 2014/15 in conjunction with the budget setting process.

### **Fairer Future promises**

14. In 2010, the council made ten promises to the residents and businesses of Southwark. We have kept every one of these promises and are now making ten more promises for the next four years. These set out the key things that we will deliver for the people in Southwark and describe what we want to achieve through our fairer future for all programme. The ten new fairer future promises were agreed by Cabinet on 2 July 2014. These are:

- Promise 1: Value for money. "We will continue to keep Council Tax low by delivering value for money across all our high quality services."
- Promise 2: Free swimming and gyms. "We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks."
- Promise 3: Quality affordable homes. "We will improve housing standards and build more homes of every kind including 11,000 new council homes by 2043 with 1,500 by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee."
- Promise 4: More and better schools. "We will meet the demand for primary and secondary school places and drive up standards across our schools so at least 70% of students at every secondary get at least five good GCSEs."
- Promise 5: Nurseries and childcare. "We will help parents to balance work and family life including investment in our children's centres to deliver more quality affordable childcare and open two new community nurseries."
- Promise 6: A greener borough. "We will protect our environment by diverting more than 95% of waste away from landfill, doubling the estates receiving green energy and investing in our parks and open spaces."
- Promise 7: Safer communities. "We will make Southwark safer with increased CCTV, more estate security doors and a Women's Safety Charter. We will have zero-tolerance on noisy neighbours."
- Promise 8: Education, employment and training. "We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships."
- Promise 9: Revitalised neighbourhoods. "We will revitalise our neighbourhoods to make them places in which we can all be proud to live

and work, transforming the Elephant and Castle, the Aylesbury and starting regeneration of the Old Kent Road.”

- Promise 10: Age friendly borough. “We want you to get the best out of Southwark whatever your age so will become an age friendly borough including the delivery of a Southwark ethical care charter and an older people’s centre of excellence.”

### **Monitoring, reporting and communicating on progress**

15. The Council Plan contains a range of promises and commitments which the council will work towards over the coming four years. A more detailed performance schedule will be developed for each Council Plan theme to be agreed by cabinet in January 2015.
16. Starting with cabinet and working through to individual members of staff, we will ensure that the whole organisation is working towards delivering our Council Plan. To ensure accountability for each commitment, we will identify a lead cabinet member and chief officer.
17. To ensure that this plan has real impact, the measures and milestones that will underpin it will be monitored every three months to assess progress. The cabinet will receive quarterly monitoring reports on progress against the measures and milestones that will be set out in a performance schedule for each Council Plan theme. The Leader will present an Annual Performance Report on progress to council assembly in July each year. The council’s website will be the primary channel of communication, with updates also provided through our Southwark Life magazine.

### **Consultation**

18. In accordance with the council’s constitution, upon the recommendations in the attached Council Plan 2014/15-2017/18 being agreed, these proposals will be subject to a period of consultation. This will focus on the detailed delivery of the promises and commitments in the Council Plan and on the development of the performance schedules for each Council Plan theme.
19. It will include engagement with the chairs of the overview and scrutiny committee and its sub committees and engagement with other stakeholders through the council’s consultation on its future budgets. At the end of this period of consultation, the cabinet will update the Council Plan having given regard to the outcomes of the consultation. An updated Council Plan will be presented to Cabinet in January 2015, alongside the budget, and then to council assembly in February 2015.

### **Community impact statement**

20. The purpose of this report is for cabinet to agree the proposed new Council Plan 2014/15-2017/18. Throughout the plan we have made specific commitments to equality and fairness.
21. The proposed promises and commitments may have an impact on different sections of the community and particularly on residents who possess one or more of the protected characteristics. In line with the council’s approach to equality, as

the performance schedules are developed over 2014/15, more detailed equality analysis will be undertaken.

22. Future decisions made on the basis of the commitments highlighted in this plan may require equality analysis to be undertaken and more detailed consideration of the impact on local people and communities as appropriate.
23. The Forum for Equalities and Human Rights in Southwark will be consulted on the development of the equality analysis that will support the Council Plan 2014/15-2017/18.

### **Policy implications**

24. The Council Plan aligns with the strategic objectives agreed through other key council strategies and plans, including the Vision for a New Housing Strategy for Southwark, the Children's and Young People's Plan, the Economic Wellbeing Strategy and the Health and Wellbeing Strategy. Consideration will be given to the 2014 annual report from the Director of Public Health when available.

### **Financial implications**

25. Resources to implement the new Council Plan will be identified during the budget setting for financial year 2015/16 and beyond. The cost and officer time required for the consultation will be contained within existing resources.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

26. It was previously a requirement for local authorities to publish a best value performance plan. The Local Government and Public Involvement in Health Act 2007 removed the powers of the Secretary of State to specify performance indicators and standards for local authorities, the duty on authorities to meet such standards and to publish best value performance plans. However there are clear advantages to the council providing a clear statement to the residents, businesses and other stakeholders about the programme of work that the council is working towards to deliver a set of agreed objectives.
27. A local authority is still required to achieve best value.
28. No specific equality analysis has been undertaken for this report as there are no impacts on the community arising from the report itself, but Cabinet is reminded of the requirement to have due regard to the public sector equality duty set out in s.149 Equality Act 2010 in its future deliberations and conclusion.

### **Strategic Director of Finance and Corporate Services (FC14/017)**

29. This report seeks cabinet agreement to the proposed Council Plan 2014/15-2017/18 and agrees a period of consultation. There are no new financial implications resulting from this report, although it is noted above (paragraph 25) that the resources to implement the new Council Plan will be identified through budget setting.
30. The strategic director of finance and corporate services expects that financial

appraisals will be carried out as any new plans are developed and will be subject to future reports.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Delivering a Fairer Future for All in Southwark	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Graeme Gordon Email: graeme.gordon@southwark.gov.uk
<a href="http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MId=4860&amp;Ver=4">http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MId=4860&amp;Ver=4</a>		
Fairer Future Annual Performance Report 2013/14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Chima Amiaka– chima.amiaka@southwark.gov.uk
<a href="http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4">http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4</a>		
Fairer Future Interim Performance report 2013/14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Chima Amiaka– chima.amiaka@southwark.gov.uk
<a href="http://www.southwark.gov.uk/interimreport">http://www.southwark.gov.uk/interimreport</a>		
Council Plan 2011-14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Chima Amiaka– chima.amiaka@southwark.gov.uk
<a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>		

## APPENDICES

No.	Title
Appendix 1	Council Plan 2014/15-2017/18
Appendix 2	Council Plan 2014/15-2017/18: indicative delivery plan (July 2014)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Strategy and Performance	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Chima Amiaka, Senior Strategy Officer, Corporate Strategy	
<b>Version</b>	Final	
<b>Dated</b>	11 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		11 July 2014



APPENDIX 1

# Council Plan 2014/15 to 2017/18

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## Foreword



Four years ago I set out the cabinet and council's mission to create a fairer future for all in Southwark. I feel an enormous sense of pride in what we have achieved since then. In the last four years, our values have informed the decisions we have made and we have delivered on the promises we made to our residents. In the next four years, we will continue to put our values at the heart of everything we do.

Our policies and our work will be informed by our values. And our values will be informed by our residents: the people who use and often rely on our services. Working together with residents, businesses and partners, we have begun to transform public services for the people of Southwark, creating new opportunities for individuals and communities to realise their potential.

With the government making deep cuts to local authority budgets, councils up and down the country have struggled to keep going and still balance their books. The cuts have hit Southwark hard too, but we have been determined to find new and better ways of doing things, rather than scaling back our ambition and ceasing provision of cherished front line services.

For the next four years, our mission remains the same: delivering a fairer future for all in Southwark. We will do this by following the same principles which we agreed with the public in 2011, which this plan reaffirms. By embedding these principles into the council they will shape our future plans and the way we work as an organisation.

This plan also set out ten new fairer future promises as well as dozens of specific commitments that we are inviting residents to judge us against. Our promises are bold and ambitious, showing our belief that by working together, our staff and residents have the creativity, talent and strength of purpose to overcome the challenges we face and make a real difference for all the amazing and diverse people that make up this borough.

A handwritten signature in black ink, appearing to read 'Peter John', written in a cursive style.

**Councillor Peter John the Leader of Southwark Council**

## Introducing the cabinet team





Southwark Council's cabinet is headed by the Leader of the Council, Councillor Peter John. Together, the Leader and cabinet members will ensure that the different parts of this plan are delivered.

### Cabinet members

	<b>Councillor Peter John</b> Leader of the Council		<b>Councillor Ian Wingfield</b> Deputy Leader and cabinet member for communities, employment and business
	<b>Councillor Fiona Colley</b> Cabinet member for finance, strategy and performance		<b>Councillor Dora Dixon-Fyle</b> Cabinet member for adult care, arts and culture
	<b>Councillor Barrie Hargrove</b> Cabinet member for public health, parks and leisure		<b>Councillor Richard Livingstone</b> Cabinet member for housing
	<b>Councillor Victoria Mills</b> Cabinet member for children and schools		<b>Councillor Mark Williams</b> Cabinet member for regeneration, planning and transport
	<b>Councillor Michael Situ</b> Cabinet member for environment, recycling, community safety and volunteering (community safety and volunteering)*		<b>Councillor Darren Merrill</b> Cabinet member for environment, recycling, community safety and volunteering (environment and recycling)*

\* Cllrs Merrill and Situ will be undertaking a job share in respect of this portfolio

## Deputy cabinet members

	<p><b>Councillor Stephanie Cryan</b> Deputy cabinet member for financial inclusion</p>		<p><b>Councillor Jamille Mohammed</b> Deputy cabinet member for inter-faith community relations</p>
	<p><b>Councillor Radha Burgess</b> Deputy cabinet member for women's safety</p>		<p><b>Councillor Leo Pollak</b> Deputy cabinet member for excellence in design</p>

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## About this council plan

As the overall plan for the organisation, it describes how we will deliver our vision, through the promises and commitments that we have made to the people of Southwark. As our plan of action, it will shape what every team and member of staff does, meaning that we are all working together to achieve our shared goals.

We aspire to be more than the sum of our parts. We know that when we work together to achieve shared goals, we achieve so much more and it's by working together that we can make the vision of a Fairer Future for all a reality.

We want to be a council that doesn't overlook any one group or community. We want to bring everyone with us, which means we must hear the voices of all in our borough, acknowledge when some groups are not getting the most out of opportunities and do all we can to resolve this. So, throughout the plan, we have made specific commitments to equality and fairness.

And since the council took over important responsibilities for public health, we have been thinking differently and more ambitiously about what we want to achieve. Our vision of a fairer future is one that can't happen unless we address the inequalities in health that prevent too many from reaching their full potential. We are determined to be a council that truly makes a difference to the health of our people. Throughout this plan, there are specific actions that will help us achieve this.

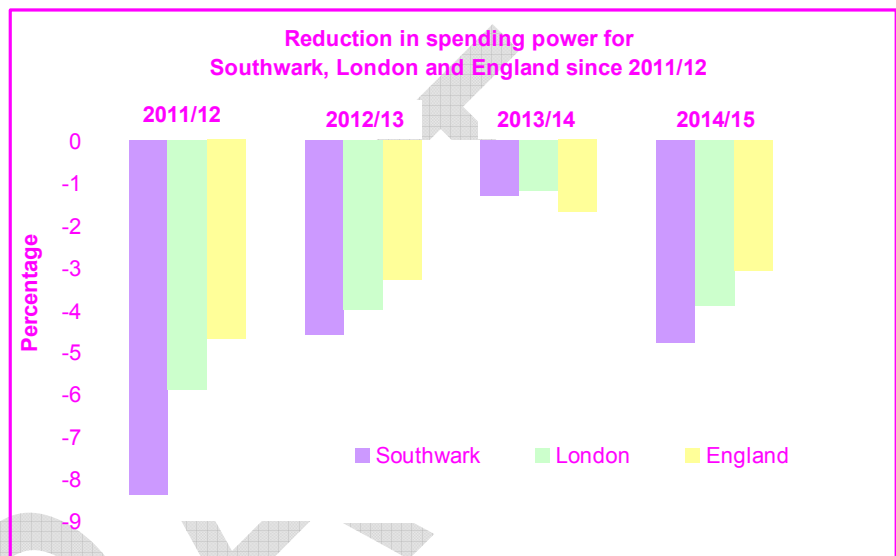
We will be absolutely transparent and accountable about what it is that we're going to deliver for and with our residents. That's why the cabinet, the council's management board and senior management teams in each department will be regularly checking to make sure that we are meeting our targets and reporting back on progress. The cabinet will also receive an annual performance report each June covering the previous year's performance. We'll also communicate our progress through our website and Southwark Life magazine.

## The financial context

These have been a very tough few years. Many of our residents are worried about balancing their household budgets and so we understand the need to spend money as if it were coming from our own pockets. Southwark has been hit hard with our council budget cut by the government much more than most in the country. The graph below shows the reduction in spending power for Southwark, London and England since 2011/12, which illustrates how Southwark and London have borne a disproportionate share of the reductions.

Now the council is facing another major reduction in our funding from central government. We expect that the next year (2015/16) is going to be one of the most difficult we have had to go through and we are preparing for budget reductions of some £30-40m. This comes on top of the savings of around

£90 million that we have had to make in the three years to March 2014. And the reality is that these reductions to our budget are likely to continue.



But we have faced down these cuts so far and managed to not let them limit the scope of our ambition. We are only more determined to be truly ambitious when it comes to ensuring all our residents can achieve their potential. In this plan, we have listened to what our residents tell us is important to them - they said we should be maintaining spending on frontline services like children's services and making savings from our administrative functions so, wherever possible, that is what we have done and will continue to do.

We will continue to deliver value for money for our residents and businesses and are looking at how we can work better, to become more efficient and make even better use of resources. We are doing this through a programme called Modernise, which means the organisation will be more than the sum of its parts. Through this programme we will deliver changes that will make a big difference to how people access our services and how we work as an organisation, including becoming digital by default and being smart about how we identify waste.

## Our values

- Treating residents as if they were a valued member of our own family
- Being open, honest and accountable
- Spending money as if it were from our own pocket
- Working for everyone to realise their own potential
- Making Southwark a place to be proud of

What makes our borough so special, so vibrant and so different to anywhere else in London or the UK is the people that live here. They shape the character and voice and culture of our borough. They are the soul of the borough.

That's why our residents are central to everything we will achieve over the next four years. They have helped us form the values that are the backbone of this plan, and our work will be informed by our values.

In everything we do, we will be led by the fairer future principles set out above. We want people to see their values reflected back in the work their council is doing; we want our work to be guided by the aspirations our residents have for themselves, their families and their community.

What does this actually look like in practice? One example is making sure that it's easy for residents to see how their council tax is being spent, making sure that we're open, honest and accountable. Another is our commitment to implement a Southwark ethical home care charter because we've pledged to treat older and vulnerable residents like valued members of our own family, and the right to good care and a dignified old age is something we all want for our mum, dad or grandparents. And we're doing all we can to create jobs and training opportunities in the borough for our residents, working to make sure that everyone can fulfil their potential.

We don't just want our residents to shape our values - we want to work with residents to create the kind of borough they are truly proud of. That's why we are bringing together residents, businesses and partners to make the most of the place where we live and create new opportunities for the future.

## Our ten Fairer Future promises

**Promise 1: Value for money** “We will continue to keep Council Tax low by delivering value for money across all our high quality services.”

**Promise 2: Free swimming and gyms** “We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks.”

**Promise 3: Quality affordable homes** “We will improve housing standards and build more homes of every kind including 11,000 new council homes by 2043 with 1,500 by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.”

**Promise 4: More and better schools** “We will meet the demand for primary and secondary school places and drive up standards across our schools so at least 70% of students at every secondary school get at least five good GCSEs.”

**Promise 5: Nurseries and childcare** “We will help parents to balance work and family life including investment in our children’s centres to deliver more quality affordable childcare and open two new community nurseries”

**Promise 6: A greener borough** “We will protect our environment by diverting more than 95% of waste away from landfill, doubling the estates receiving green energy and investing in our parks and open spaces.”

**Promise 7: Safer communities** “We will make Southwark safer with increased CCTV, more estate security doors and a Women’s Safety Charter. We will have zero-tolerance on noisy neighbours.”

**Promise 8: Education, employment and training** “We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.”

**Promise 9: Revitalised neighbourhoods** “We will revitalise our neighbourhoods to make them places in which we can all be proud to live and work, transforming the Elephant and Castle, the Aylesbury and starting regeneration of the Old Kent Road.”

**Promise 10: Age friendly borough** “We want you to get the best out of Southwark whatever your age so will become an age friendly borough including the delivery of a Southwark ethical care charter and an older people’s centre of excellence.”



## Quality affordable homes

Good quality affordable homes are essential to maintaining strong communities and making this a borough which all residents are proud to call home. We are determined to lead the way in London. We'll build more homes of every kind across the borough and use every tool at our disposal to increase the supply of all different kinds of homes in the borough.

Homes in Southwark will be of such quality that when you come to see families and friends in Southwark, you will not know whether you are visiting homes in private, housing association or council ownership. We will make sure that vulnerable residents and families are helped to find the right housing and live as independently as possible. We aim for our residents to take pride in and feel responsible for their homes and the local area too.

### We will....

- Build more homes of every kind
- Build 11,000 new council homes by 2043, with at least 1,500 by 2018
- Finish our programme to make every home Warm, Dry and Safe by 2016 and have started a programme to deliver a quality kitchen and bathroom for every council tenant
- Introduce licensing in the private rented sector and further crack down on rogue landlords
- Set up an independent leaseholder and freeholder management company
- Introduce resident housing inspectors
- Further reduce illegal subletting of our council homes
- Have a lettings policy that means that 50 per cent of all new council homes go to people from that area, with the rest going to other Southwark residents
- Keep council rents low

## Best start in life

We believe in giving all our young people the best start in life. We want them to be in a safe, stable and healthy environment where they have the opportunity to develop, make choices and feel in control of their lives and future.

We will offer our young people and families, including those who are more vulnerable or have special educational needs, the right support at the right time, from their early years through adolescence and into successful adult life.

We will work with our looked-after children to find them stable and loving homes. In our schools, the high demand for new primary and secondary places means we'll make sure there are enough places for all. Our children deserve the very best and that's what we'll always aim for.

### We will...

- Invest in the borough's children's centres
- Work with local parents to open two new community nurseries
- Find new ways to guarantee care and early education to help parents
- Ensure that 70 per cent of students at every secondary get at least five good GCSEs
- Deliver more quality affordable childcare places
- Guarantee a local primary place for every child
- Open new secondary schools to meet demand including on the Dulwich Hospital site in East Dulwich
- Ensure a top quality children's playground in every local area
- Provide free fruit for all primary school children as a healthy morning snack
- Invest more in 'early support' for families
- Help more people to foster and adopt by paying their council tax for them
- Establish a new Childcare Commission, bringing together experts, parents, providers and employers to find new ways to guarantee care and early education
- Increase library access with a free library card to every secondary school child
- Double the number of Southwark Scholarships

## Strong local economy

When our economy is strong, then all our residents benefit. It brings more opportunities for people in Southwark to find work, get into training and achieve their aspirations.

We want our town centres and high streets to thrive. We want to make Southwark the place to do business in a central London and global economy, where business owners know this is the borough where their enterprises will grow and prosper.

We want our residents to be and stay financially independent. With local business and other partners we'll make sure our residents are equipped with the skills and knowledge to access the many exciting opportunities that being in Southwark brings.

### We will...

- Keep council tax at or below inflation
- Deliver value for money in council services
- Make sure young people are ready for work
- Guarantee education, employment or training for every school leaver
- Deliver an hour's free parking in our shopping parades
- Open a credit union account with a £10 opening deposit for every 11 year old
- Deliver good money advice for secondary school students
- Establish a Southwark Business Forum
- Stop the spread of pawnbrokers, betting shops, gambling machines and pay day lenders
- Invest in more affordable business space, street markets and encourage pop-up shops to help start up businesses
- Support 5,000 local people into jobs
- Create 2,000 new apprenticeships
- Make sure local residents benefit from new jobs and apprenticeships
- Award scholarships to local young people from low income backgrounds to study art foundation courses
- Support business improvement districts including around the Blue in Bermondsey
- Enhance and expand affordable studio and performance space

## Healthy active lives

For people to lead healthy lives, we need to tackle the root causes of ill health and reduce the inequalities that limit the lives of too many in our society. The council is now responsible for public health and we will work across the council to reduce health inequalities and improve people's lives; for example, by making all council homes warm, dry and safe and by building quality new homes, we are helping people to live healthier lives.

We will work with residents and our partners to build resilient communities, extending opportunities to all to maintain and improve their health and wellbeing. We're also committed to people remaining in their own homes for longer and we want our most vulnerable residents to lead and enjoy independent lives, achieve their goals and have a great future in Southwark.

### We will...

- Make swimming and gym use free for all residents
- Improve homecare standards, making sure our staff are only ever judged by the quality of care they provide to our older and more vulnerable residents
- Deliver a safer cycling network
- Extend bike hire across the borough
- Implement an Southwark ethical care charter, with better paid carers and an end to zero hours contracts
- Establish a commission to enhance the vital work of the voluntary and community sector
- Double the number of free NHS health checks to catch problems like heart disease and diabetes early
- Become an 'age friendly borough'
- Bring ten more parks to green flag standard
- Introduce 'play streets', where some streets are closed to traffic during school holidays

## Cleaner greener safer

We want people to feel safe in their borough, to walk down clean streets and to know that their borough is leading the way when it comes to things that matter like recycling and reducing landfill waste. With local people our aim is to deliver the very best so the borough is clean, green and a safe place to be.

We'll keep getting the basics right and continue to do all we can to be as efficient as possible in providing the essential services you need. We want to make a positive difference to the quality of life in Southwark and by providing good services well, we know we can deliver.

### We will....

- Maintain clean streets
- Better education and enforcement of people who litter
- Better education and enforcement of people who don't clean up after their dogs
- Increase recycling rates
- Divert more than 95 per cent of waste away from landfill
- Zero tolerance on noisy neighbours
- Increase CCTV coverage
- Increase estate security doors
- Deliver a new women's safety charter
- Deliver a domestic abuse strategy
- Introduce estate deep cleans
- Campaign for the 300 Southwark police officers and police community support officers cut since 2010
- Double the number of estates receiving green energy from the South East London Combined Heat and Power
- Double capital investment into roads
- Invest in our libraries and keep them open, including Dulwich and Kingswood House
- Campaign for Seeley Drive police base in the south of the borough
- Campaign against the super-sewer in Chambers Wharf

## Revitalised neighbourhoods

We are a borough with a proud heritage and a great future. It's a future filled with potential, with some of the most exciting and ambitious regeneration programmes in the country being delivered right on our doorstep.

We will continue work with our local communities to make our neighbourhoods places that we are proud to live and work in. We will ensure that all our residents can access the benefits of our regeneration programmes and the opportunities created by those programmes – new homes, new jobs, new infrastructure.

Southwark is a borough that is growing for the future and we'll ensure that our residents and neighbourhoods prosper from that growth.

### We will...

- Revitalise our neighbourhoods to make them places where we can all be proud to live and work
- Transform the Elephant and Castle with a new leisure centre, affordable homes and a shopping centre
- Introduce a new diversity standard to make sure that people from every community get their voices included when decisions are made
- Open a new civic centre in Walworth
- Campaign for the Bakerloo Line to be extended south of the Elephant and Castle to Camberwell and Old Kent Road
- Invest in Camberwell including a new library
- Bring superfast broadband to Rotherhithe
- Secure the long term future of Greendale in East Dulwich
- Start work on the regeneration of the Old Kent Road
- Invest in Peckham Town Centre to support arts and business
- Deliver a free cash point in Nunhead
- Improved playground in Peckham Rye park
- Open new pedestrian crossings outside Borough Station and between Trinity Street and Great Suffolk Street

## Contact us

We'd love to hear what you think about this plan and if you've got questions, we are here to answer them. There are lots of different ways to get in touch with us and share your views.



@lbs\_southwark



/southwarkcouncil

Or if you prefer, email [councilnews@southwark.gov.uk](mailto:councilnews@southwark.gov.uk) or call 020 7525 7251.

Council Plan 2014/15-2017/18: indicative delivery plan (July 2014)

Council Plan theme	Council Plan commitment	Cabinet lead	Chief officer lead	Leadership Network lead	Expected year to be delivered	Status
<b>Delivery in 2014/15</b>						
Best start in life	Increase library access with a free library card to every secondary school child	Cllr Dora Dixon-Fyle	Deborah Collins	Adrian Whittle	2014/15	First distribution of free library cards to be completed by September 2015 and then annually during school intake.
Best start in life	Ensure a top quality children's playground in every local area	Cllr Barrie Hargrove	Deborah Collins	Des Waters	2014/15	Needs analysis/survey planned for March 2015.
Best start in life	Provide free fruit for all primary school children as a healthy morning snack	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2014/15	Testing to be carried out with volunteer schools from September. Roll out over the academic year to all schools.
Best start in life	Establish a new Childcare Commission, bringing together experts, parents, providers and employers to find new ways to guarantee care and early education	Cllr Victoria Mills	Eleanor Kelly	Graeme Gordon	2014/15	Dame Tessa Jowell has agreed to chair the Childcare Commission, which will formally report to cabinet in December 2014.
Cleaner greener safer	Invest in our libraries and keep them open; this will include Dulwich and Kingswood House	Cllr Dora Dixon-Fyle	Deborah Collins	Adrian Whittle	2014/15	Total forecast capital spend on libraries in 2014/15 is £1.87m. The projects planned for 2014/15 are Canada Water public art project, Peckham library essential building works, radio-frequency identification for new Camberwell Library, refurbishment of Blue Anchor Library, Newington Temporary Library and Livesey Museum building works.
Cleaner greener safer	Campaign against the super-sewer in Cambers Wharf	Cllr Peter John	Eleanor Kelly	Simon Bevan	2014/15	Southwark Council presented a strong case against using Chambers Wharf as a main tunnel drive site at the examination in public which closed in March. The Secretary of State's decision is expected in September.
Cleaner greener safer	Maintain clean streets	Cllr Darren Merrill	Deborah Collins	Ian Smith	2014/15	Target will be to maintain current percentage of streets and highways inspected as having unacceptable levels of litter (7%) and percentage of streets and highways inspected as having unacceptable levels of detritus (10%).
Cleaner greener safer	Better education and enforcement of people who litter	Cllr Darren Merrill	Deborah Collins	Ian Smith Jonathon Toy	2014/15	Education campaign to be focus for 2014/15.
Cleaner greener safer	Better education and enforcement of people who don't clean up after their dogs	Cllr Darren Merrill	Deborah Collins	Ian Smith Jonathon Toy	2014/15	Education campaign to be focus for 2014/15.
Cleaner greener safer	Increase recycling rates	Cllr Darren Merrill	Deborah Collins	Ian Smith	2014/15	Target is to increase by 2% per annum until 2017/18
Cleaner greener safer	Deliver a Domestic Abuse Strategy	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	Adoption of Domestic Abuse Strategy planned for March 2015.
Cleaner greener safer	Zero tolerance on noisy neighbours	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	We will ensure that high risk cases of anti social behaviour are responded to in 24 hours, and all noise/nuisance callers received by the noise service will be contacted regardless of whether it is a statutory nuisance or not.
Cleaner greener safer	Increase CCTV coverage	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	A crime analysis of estates will be done by autumn 2014 and use to inform plans for extensions and there is a proposed target of 10% increase in arrests from CCTV detections.
Cleaner greener safer	Deliver a new Women's Safety Charter	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	Adoption of a Women's Safety Charter planned for end of 2014.
Cleaner greener safer	Double capital investment into roads	Cllr Mark Williams	Deborah Collins	Des Waters	2014/15	Capital investment into roads doubled through capital programme. Three year maintenance plan being developed to determine prioritisation of different roads. This will be developed over 2014/15.
Cleaner greener safer	Increase estate security doors	Cllr Richard Livingstone	Gerri Scott	David Lewis	2014/15	Cabinet agreed a two year security door entry programme for 2013-15 for new and upgrade systems. A programme for 2015/16 onwards will be agreed by January 2015
Cleaner greener safer	Campaign for Seeley Drive police base in the south of the borough	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	To form part of council public affairs campaign.
Cleaner greener safer	Campaign for the 300 Southwark police officers and police community support officers cut since 2010	Cllr Michael Situ	Deborah Collins	Jonathon Toy	2014/15	To form part of council public affairs campaign.
Healthy active lives	Make swimming and gym use free for all residents	Cllr Barrie Hargrove	Deborah Collins	Adrian Whittle	2014/15 (pilot scheme in place)	Free gym and swim offer to be piloted from July to September 2014 with 100 patients identified as being "inactive". They will be offered free gym and swim as part of health improvement package offered through the NHS Health Check lifestyle hub and through GP referrals to a new strand of the exercise referral programme to be called "Kickstart". The wider offer will be negotiated as part of the future leisure contract for delivery by 2016/17.
Healthy active lives	Become an "Age Friendly Borough".	Cllr Dora Dixon-Fyle	Eleanor Kelly	Graeme Gordon	2014/15	Age-friendly borough status part of World Health Organisation Age Friendly City programme. Stakeholder engagement and self-assessment planned for 2014/15.



Healthy active lives	Double the number of free NHS health checks to catch problems like heart disease and diabetes	Cllr Barrie Hargrove	Jim Crook	Ruth Wallis	2014/15	Expressions of interest invited from pharmacies by July 2014. Minimum of five new pharmacies engaged in providing health checks by October 2014. Number of health checks undertaken by pharmacies to be doubled by March 2015.
Healthy active lives	Introduce 'play streets', where some streets are closed to traffic during school holidays	Cllr Mark Williams	Deborah Collins	Des Waters	2014/15	Existing and ongoing programme of play streets in place. Ten play street events held in 2013/14. Aim is to increase take up through pro-active engagement with tenant and resident associations and community groups.
Healthy active lives	Deliver a safer cycling network	Cllr Mark Williams	Deborah Collins	Des Waters	2014/15	Kickstand training sessions took place in June 2014. Declaration of the London Borough of Southwark as a 20mph borough planned for July 2014. Consultation on draft Council Cycling Strategy planned for Autumn 2014, with adoption in March 2015.
Healthy active lives	Establish a commission to enhance the vital work of the voluntary and community sector	Cllr Ian Wingfield Cllr Michael Situ	Gerri Scott	Stephen Douglass	2014/15	Community Action Southwark (CAS) is taking a lead on establishing a commission. A multi-agency working party has met to establish the parameters of the commission and proposals are being presented to the next meeting of the Health and Wellbeing Board on 24 July 2014. CAS is interviewing potential providers of secretarial support.
Healthy active lives	Extend bike hire across the borough	Cllr Mark Williams	Eleanor Kelly	Simon Bevan	2014/15	Work with Transport for London to plan to roll out cycle hire scheme south and eastwards across Southwark.
Quality affordable homes	Build more homes of every kind	Cllr Richard Livingstone Cllr Mark Williams	Eleanor Kelly	Graeme Gordon Simon Bevan	2014/15	Housing Strategy to be completed by autumn 2015. Delivery of more homes of every kind to form part of development of a new Southwark Plan.
Quality affordable homes	Have a lettings policy which means that 50% of all new council homes go to people from that area, with the rest going to other Southwark residents	Cllr Richard Livingstone	Gerri Scott	Richard Selley	2014/15	Existing allocations policy includes provision for local lettings policies where residents in a locality can determine the lettings profile for all new prospective residents. For example, the current consultation with residents regarding the future of Lakeland has determined that a local lettings policy will be applied to the future lettings of that block.
Quality affordable homes	Introduce resident housing inspectors	Cllr Richard Livingstone	Gerri Scott	David Lewis	2014/15	A recruitment campaign will be run over the summer and it is intended that resident inspectors will be in place by October 2014.
Quality affordable homes	Further reduce illegal subletting of our council homes	Cllr Richard Livingstone	Gerri Scott	Paul Langford	2014/15	The target for recovery of illegal occupancy has been set at 400 in 2014/15. 93% of tenancy checks were carried out in 2013/14 and efforts are now being focused on checking the remaining 7% in the first six months of this year. In addition a rigorous fraud prevention regime is in place which carries out stringent verification checks for all new potential tenants and to review those already on the councils waiting list. This is to make sure new tenancies are not granted to people who are not in genuine housing need.
Quality affordable homes	Keep council rents low	Cllr Richard Livingstone	Gerri Scott	Paul Langford	2014/15 (and annually to 2018/19)	Cabinet implemented a rent increase in line with the Consumer Price Index (CPI) of 2.7% in 2014/15, which was half the prescribed increase under the government formula. Cabinet further committed to follow rent guidance of CPI +1% for the next four years in line with the 2015 Government Spending Review.
Quality affordable homes	Set up an independent leaseholder and freeholder management company	Cllr Richard Livingstone	Gerri Scott	Martin Green	2014/15 (options for consideration)	Proposals are currently being developed for the independent leasehold management company. It is intended that options will be available for consideration by cabinet in the autumn of 2014.
Revitalised neighbourhoods	Transform the Elephant and Castle with a new leisure centre, affordable homes and a shopping centre	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2014/15	The construction of the leisure centre is currently on programme. New affordable housing being delivered through existing schemes.
Revitalised neighbourhoods	Revitalise our neighbourhoods to make them places where we can all be proud to live and work	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2014/15	Major regeneration programmes ongoing. Benefits to be achieved for the community through the council's regeneration programmes, including new affordable housing, a revitalised public realm and new job and training opportunities.
Revitalised neighbourhoods	Campaign for the Bakerloo Line to be extended from Elephant and Castle to Camberwell and along the Old Kent Road	Cllr Peter John	Eleanor Kelly	Steve Platts	2014/15	To form part of council public affairs campaign.
Strong local economy	Keep council tax at or below inflation	Cllr Fiona Colley	Duncan Whitfield	Jennifer Seeley	2014/15	Council Tax frozen for 2014/15. Future levels of Council Tax will be set through annual budget processes.
Strong local economy	Deliver value for money in council services	Cllr Fiona Colley	Duncan Whitfield	Jennifer Seeley	2014/15	Work is ongoing to look at how we can work better, become more efficient and make even better use of resources.
Strong local economy	Deliver an hour's free parking in our shopping parades	Cllr Mark Williams	Deborah Collins	Des Waters	2014/15	Scheme to be delivered to 50% of shopping parades by the end of 2014/15, with the remainder planned for early 2015/16.
Strong local economy	Establish a Southwark Business Forum.	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2014/15	Potential chair identified. Options for Business Forum being considered.
Strong local economy	Support business improvement districts including around the Blue in Bermondsey	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2014/15	Result of Bermondsey BID ballot to be reported to Cabinet in July 2014. Ongoing officer support and engagement to be quantified.
Strong local economy	Stop the spread of pawnbrokers, betting shops, gambling machines and pay day lenders	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2014/15	Evidence base is being established with options available to local authorities being explored, including Article 4 direction to require planning permission for new sites.
Strong local economy	Deliver good money advice for secondary school students	Cllr Fiona Colley	Jim Crook	Merril Haeusler	2014/15	Programme to be developed in partnership with local secondary schools.
Strong local economy	Invest in more affordable business space, street markets and encourage pop-up shops to help start up businesses	Cllr Ian Wingfield	Eleanor Kelly	Steve Platts	2014/15	Opportunities to be identified through regeneration programmes and the High Street Challenge fund.

Strong local economy	Make sure young people are ready for work	Cllr Ian Wingfield	Jim Crook	Merril Haeusler	2014/15	Programme to be developed in partnership with local secondary schools and further education providers.
Strong local economy	Make sure local residents benefit from new jobs and investment	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2014/15	Benefits to be achieved for the community through the council's regeneration programmes and investment into the borough, including job and training opportunities through Section 106 agreements and supply chain opportunities for local businesses.
<b>Delivery in 2015/16</b>						
Best start in life	Ensure a top quality children's playground in every local area	Cllr Barrie Hargrove	Deborah Collins	Des Waters	2015/16	Programme to be agreed by June 2015.
Best start in life	Ensure that 70% of students at every secondary get at least 5 good GCSEs	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2015/16	All schools' results are monitored following national testing. The 2014 results are due in August 2014, although these are not validated until December 2014. We will compare 2014 with previous years and identify which schools, for a variety of reasons, may be at risk of not reaching the 70% target. Support will be offered to them in order to reach the target. The 2015 GCSE results will provide the first opportunity to report on this commitment.
Best start in life	Invest more in 'early support' for families	Cllr Victoria Mills	Jim Crook	Rory Patterson	2015/16	A review of the early years support that is provided through Children's Centres is underway. A stronger more fit for purpose provision will be recommended, with increased support for families and children by way of activities and early intervention programmes.
Best start in life	Help more people to foster and adopt by paying their council tax for them	Cllr Victoria Mills Cllr Fiona Colley	Jim Crook	Rory Patterson	2015/16	Opportunity to introduce this from April 2015 as part of the 2015/16 budget.
Best start in life	Double the number of Southwark Scholarships	Cllr Victoria Mills	Eleanor Kelly	Bernard Nawrat	2015/16	Profiling of growth in numbers to be confirmed and additional funding to be identified through budget process.
Cleaner greener safer	Introduce estate deep cleans	Cllr Richard Livingstone	Gerri Scott	Paul Langford	2015/16	Options for the deep clean programme are currently being developed for consideration in July 2014. Delivery will be dependant upon agreed option, however it is expected that deep cleans can be introduced for the start of 2015/16.
Healthy active lives	Implement a Southwark ethical care charter to drive up the quality of homecare, with better paid carers and an end to zero hours contracts	Cllr Dora Dixon-Fyle	Jim Crook	Kerry Crichlow	2015/16	Existing home care contracts are being varied to make payment of travel time and the offer of guaranteed hours as an alternative to zero based hours contractual. The contracts will be extended for one year on these improved terms to enable full recommissioning against the manifesto pledge by June 2015.
Healthy active lives	Improve homecare standards, making sure our staff are only ever judged by the quality of care they provide to our older and more vulnerable residents	Cllr Dora Dixon-Fyle	Jim Crook	Alex Laidler	2015/16	Home care contracts are being varied during 2014 in order to drive up the quality of homecare through the implementation of the ethical care charter. New homecare contracts will be commissioned during 2015/16 with enhanced quality standards supporting an integrated approach to community based support services. Quality assurance arrangements including contract monitoring will help support the quality improvement agenda, and user survey results will be used to track improvements in quality. The workforce development strategy for all staff involved in delivering care and support will help enable them to deliver our quality standards.
Quality affordable homes	Finish our programme to make every home Warm, Dry and Safe (WDS) by 2016 and then start a programme to deliver a quality kitchen and bathroom for every council tenant	Cllr Richard Livingstone	Gerri Scott	David Markham	2015/16 (complete WDS)	Plans are currently being worked up for the programme of new kitchens and bathroom installation. It is intended to start this programme to coincide with the remaining two years of the WDS programme. This means that where major works are planned for the external refurbishment block we will undertake installation of kitchens and bathrooms at the same time. Currently the criteria for replacement are being developed by officers and consultation with tenants and residents associations and area forums will take place over the summer 2014 with a plan to commence delivery from the autumn 2014.
Quality affordable homes	Introduce licensing in the private rented sector and further crack down on rogue landlords	Cllr Richard Livingstone	Deborah Collins	Jonathon Toy	2015/16	Consultation and cabinet report on licensing scheme planned for early autumn 2014.
Revitalised neighbourhoods	Introduce a new diversity standard to make sure that people from every community get their voices included when decisions are made	Cllr Ian Wingfield Cllr Dora Dixon-Fyle	Gerri Scott	Stephen Douglass	2015/16	Currently undertaking desk research on existing equality/diversity standards for community engagement. It is proposed to develop and implement the standard in collaboration and consultation with the Forum for Equality and Human Rights in Southwark as the council's key partner and critical friend in this area.
Revitalised neighbourhoods	Secure the long term future of Greendale in East Dulwich	Cllr Fiona Colley	Eleanor Kelly	Steve Platts	2015/16	Consultation to take place over the autumn of 2014 with a view to making a planning application for the proposal of improvement and secured funding by the end of 2014/15 financial year.
Revitalised neighbourhoods	Invest in Camberwell including a new library	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2015/16 (new library)	New library at Camberwell opening in spring 2015.
Revitalised neighbourhoods	Invest in Peckham Town Centre to support arts and business	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2015/16 (Pocket places)	Pocket Places currently in development. Delivery expected through 2015.
Revitalised neighbourhoods	Start work on the regeneration of the Old Kent Road	Cllr Mark Williams	Eleanor Kelly	Simon Bevan	2015/16	Work beginning with the Greater London Authority and Transport for London to prepare an area action plan to guide development in the newly declared opportunity area over the next 15 years.
Revitalised neighbourhoods	Deliver a free cashpoint in Nunhead	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2015/16	Work continues to look for a viable option.
Strong local economy	Open a credit union account with a £10 opening deposit for every 11 year old	Cllr Ian Wingfield Cllr Fiona Colley	Duncan Whitfield	Dominic Cain	2015/16	Workshop to identify details of the scheme such as relationship with current schemes, schools engagement, inclusion and exceptions etc. This will allow for a detailed cost assessment of the scheme for inclusion in the budget planning process for 2015/16 and implementation in April 2015.
Strong local economy	Award scholarships to local young people from low income backgrounds to study art foundation courses	Cllr Dora Dixon-Fyle Cllr Victoria Mills	Eleanor Kelly	Bernard Nawrat	2015/16	Profiling of growth in numbers to be confirmed and additional funding to be identified through budget process.

Strong local economy	Guarantee education, employment or training for every school leaver	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2015/16	Council role to be further defined. This will apply to individuals leaving school/college in Summer 2015.
<b>Delivery in 2016/17</b>						
Best start in life	Work with local parents to open two new community nurseries	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2016/17	Envisaged that the community nurseries will be established in conjunction with the voluntary sector or a private provider in areas of most need. Expected to be a two year project.
Best start in life	Deliver more quality affordable childcare places	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2016/17	Commitment to be delivered through two new community nurseries and the outcomes of the Childcare Commission.
Best start in life	Guarantee a local primary place for every child	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2016/17	Council given a green RAG rating on school capacity assessment, which assesses the accuracy of our projections against actual delivery of places. Demand for primary school places met up to 2016. Proposals for new places in the north of the borough to be developed for October 2014, with delivery of new places by September 2016.
Revitalised neighbourhoods	Improved playground in Peckham Rye park	Cllr Barrie Hargrove	Eleanor Kelly	Steve Platts	2016/17	Currently in design and development.
Revitalised neighbourhoods	Invest in Camberwell including a new library	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2016/17 (Camberwell Green improvements)	Camberwell Green improvements currently in design and development and scheduled to be completed by 2016/17.
<b>Delivery in 2017/18</b>						
Best start in life	Invest in the borough's children's centres	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2017/18	Plans are under development.
Best start in life	Find new ways to guarantee care and early education to help parents	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2017/18	Plans are under development.
Cleaner greener safer	Divert more than 95% of waste away from landfill	Cllr Darren Merrill	Deborah Collins	Ian Smith	2017/18	Target to be set at a two per cent increase per year, with 95 per cent diversion by 2017/18.
Cleaner greener safer	Double the number of estates receiving green energy from South East London Combined Heat and Power	Cllr Darren Merrill	Deborah Collins	Ian Smith	2017/18	Work to commence in 2014/15 with delivery by 2017/18.
Cleaner greener safer	Open new pedestrian crossings outside Borough Station and between Trinity Street and Great Suffolk Street	Cllr Mark Williams	Eleanor Kelly	Simon Bevan	2017/18	Plans for delivery to be developed in partnership with Transport for London.
Healthy active lives	Bring 10 more parks to green flag standard	Cllr Barrie Hargrove	Deborah Collins	Des Waters	2017/18	Two more parks will be up to green flag standard by 2015/16 (Nursery Row and Surrey Square). A further eight parks will be achieved by 2017/18.
Quality affordable homes	Build 11,000 new council homes by 2043, with at least 1,500 by 2018	Cllr Peter John	Gerri Scott	David Markham	2017/18 (1,500 new council homes)	Delivery underway. Report going to cabinet in July 2014. 11,000 homes to be delivered by 2043, with at least 1,500 by 2018.
Revitalised neighbourhoods	Invest in Peckham Town Centre to support arts and business	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2017/18 (heritage initiative)	Delivery plan currently in development.
Revitalised neighbourhoods	Bring superfast broadband to Rotherhithe	Cllr Peter John	Eleanor Kelly	Steve Platts	2017/18	Opportunity to deliver this through a commercial or shared service solution.
Strong local economy	Support 5,000 more local people into jobs	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2017/18	Ongoing employment support provided through Southwark Works. Review of employment commissioning almost complete.
Strong local economy	Create 2,000 new apprenticeships	Cllr Ian Wingfield	Eleanor Kelly	Graeme Gordon	2017/18	Programmes such as the Southwark Apprenticeship Scheme, employment support commissioning, projects funded through the Youth Fund and developers' commitments through Section 106 are in place to deliver this commitment. Cross-programme monitoring is being established to track the outcomes from these programmes.
Strong local economy	Enhance and expand affordable studio and performance space	Cllr Ian Wingfield Cllr Mark Williams	Eleanor Kelly	Steve Platts	2017/18	Opportunities to enhance and expand studio/performance space to be identified.
<b>Delivery in 2018/19 and beyond</b>						
Best start in life	Open new secondary schools to meet demand including on the Dulwich Hospital site in East Dulwich	Cllr Victoria Mills	Jim Crook	Merril Haeusler	2018/19	Council given a green RAG rating on school capacity assessment, which assesses the accuracy of our projections against actual delivery of places. Year 7 places will need to be available from 2018/19. Options for new secondary schools to be agreed by December 2014 and delivered by summer 2018. Financial contribution by the council to be quantified as depends on the status of the school.
Revitalised neighbourhoods	Open a new civic centre in Walworth	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2018/19	Following the fire the building has been stabilised. Structural condition of the building is being investigated.
Revitalised neighbourhoods	Invest in Peckham Town Centre to support arts and business	Cllr Mark Williams	Eleanor Kelly	Steve Platts	2018/19 (Gateway to Peckham)	Co-design work currently being undertaken with the community with an expectation of a planning application in 2014/15.

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Fairer Future Annual Performance Report 2013/14	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Cllr Fiona Colley, Finance, Strategy and Performance	

### **FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

I'm delighted to report that in 2013/14 our fairer future objectives were met. We froze council tax, reduced violent crime, halved the price of meals on wheels, provided free healthy school meals to all primary school children and kept all our libraries open. Recycling in Southwark is increasing rapidly, whilst in most other areas it has plateaued, works to Burgess Park were completed, we are well ahead of schedule on the regeneration of Elephant & Castle and have signed a regeneration agreement for the Aylesbury Estate. We are on track to make every council home warm, dry and safe and have started construction on the first of our 11,000 new council homes.

Despite facing unprecedented cuts in funding from the government, in the first four years of our plans we have achieved a great deal to deliver a fairer future for Southwark residents and have built a strong platform for the next four years of delivery as set out in the new plan.

### **RECOMMENDATION**

1. That cabinet notes delivery against the Council Plan 2011/12-13/14.

### **BACKGROUND INFORMATION**

2. In July 2011 council assembly approved the Council Plan 2011/12-2013/14. This set out how the council would seek to realise its Fairer Future for All vision. The Council Plan was agreed in a context of significantly reduced funding to the council and increased economic pressure across the whole borough. Ten fairer future promises were agreed with a further set of objectives outlined in performance schedules for each cabinet member portfolio area.
3. Following engagement with local people through the council's budget process, the council plan identified a number of principles that underpinned our Fairer Future for all vision and guided the promises and objectives that were agreed through the Council Plan.
4. In addition, with the abolition of the national indicator set and the end of the requirement for local area agreements, the Council Plan was developed with emphasis on local needs and accountability as the drivers of the council's performance improvement. This provided greater flexibility in developing and amending the plan over the period of its life.
5. At the heart of the Council Plan were the council's ten Fairer Future promises:

- Promise 1 – “Provide improved value for money and keep council tax increases below inflation”
  - Promise 2 – “Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy”
  - Promise 3 – “Deliver the first three years of our five year plan to make every council home warm, dry and safe”.
  - Promise 4 – “Improve our customer service with more online services, including delivery of a better housing repairs service, independently verified by tenants”.
  - Promise 5 – “Introduce free healthy school meals for all primary school pupils, and champion improved educational attainment for our borough's children”.
  - Promise 6 – “Support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care”.
  - Promise 7 – “Encourage healthy lifestyles by transforming Burgess Park, opening a new swimming pool at Elephant and Castle and awarding £2m to local sports projects to leave a lasting Olympic legacy”.
  - Promise 8 – “Open Canada Water library in autumn 2011, open a library in Camberwell and conduct a thorough review of the library service”.
  - Promise 9 – “Bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle”.
  - Promise 10 – “Double recycling rates from 20 per cent to 40 per cent by 2014 and keep our streets clean”.
6. During 2013/14 the council has monitored performance against the ten promises and the objectives in the council plan, with performance data reviewed on a quarterly basis. A Fairer Future Interim Performance report was presented to cabinet on 10 December 2013 that noted progress made over the first six months of 2013/14, the third year of the Council Plan.
7. This annual performance report summarises delivery against the Council Plan 2011/12-13/14. In line with our fairer future principle of being open, honest and accountable, this report and the full cabinet portfolio performance schedules will be available on the council's website.

#### **KEY ISSUES FOR CONSIDERATION**

8. All our fairer future promises were achieved by the end of 2013/14. This includes protecting households by freezing council tax, putting in place measures that have helped reduce violent crime related offences, halving the price of meals on wheels for our vulnerable older residents, providing a free healthy school meal to

every primary pupil, delivering personal budgets to 90% of eligible users, completing our revitalisation of Burgess Park and keeping every library open.

9. We also delivered on our major programmes of regeneration at the Aylesbury and the Elephant and Castle, transforming the landscape and making radical improvements for the benefit of the people who live there now and future generations of residents.
10. In line with our approach to equality and public sector equality duties, the cabinet portfolio performance schedules outline our continued commitment to equality through pursuit of one or more equality objectives within each. These equality objectives were integrated with the other objectives and monitored as part of the cabinet portfolio performance management process. The Forum for Equalities and Human Rights and Southwark's Equality and Human Rights Panel were engaged in the development of the equality objectives and their feedback was considered in development of the equality objectives for 2013/14 that are set out in cabinet portfolio performance schedules.
11. The full cabinet member performance schedules, which outline our progress in detail against the objectives in the Council Plan, will be published on the council's website (see background papers) and provide a baseline for the development of a new Council Plan, which is elsewhere on this cabinet agenda.

#### **Community impact statement**

12. The purpose of this report is for cabinet to note delivery against the Council Plan 2011/12-13/14. No specific equality analysis has been undertaken on this report as there are no impacts arising from the report itself.
13. Future decisions made on the basis of the performance highlighted in this report may require further equality analysis to be undertaken and more detailed consideration of the impact on local people and communities as appropriate. The Forum for Equalities and Human Rights and Southwark's Equality and Human Rights Panel were engaged in the development of the council's equality objectives.

#### **Financial implications**

14. There are no immediate resource implications arising from this report. Any additional funding required will be subject to financial appraisal and reported through the council's budget setting process.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

15. It was previously a requirement for local authorities to publish a best value performance plan. The Local Government and Public Involvement in Health Act 2007 removed the powers of the Secretary of State to specify performance indicators and standards for local authorities, the duty on authorities to meet such standards and to publish best value performance plans.
16. However, a local authority is still under a general duty of best value to "make arrangements to secure continuous improvement in the way in which its

functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The Council Plan is one of the ways the council can demonstrate that it is achieving this requirement.

17. No specific equality analysis has been undertaken for this report as there are no impacts on the community arising from the report itself but cabinet is reminded of the requirement to have due regard to the public sector equality duty set out in s.149 Equality Act 2010 in its future deliberations and conclusion.

#### **Strategic Director for Finance and Corporate Services (FC14/008)**

18. This report notes progress in 2013/14 against the ten fairer future promises and portfolio performance objectives in the Council Plan.
19. The strategic director of finance and corporate services notes that there are no new financial implications as a result of accepting the recommendations of this report. The costs of the objectives were assumed in the council's 2013/14 budget and progress was periodically reported to cabinet throughout the financial year.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet portfolio performance schedules Q4 2013/14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Alex Irvine – alex.irvine@southwark.gov.uk
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>		
Fairer Future Interim performance Report 2013/14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Alex Irvine – alex.irvine@southwark.gov.uk
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4250&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4250&amp;Ver=4</a>		
Council Plan 2011-14	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Alex Irvine – alex.irvine@southwark.gov.uk
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Strategy and Performance	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Chima Amiaka, Senior Strategy Officer, Corporate Strategy	
<b>Version</b>	Final	
<b>Dated</b>	11 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	11 July 2014



<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Blue Bermondsey Business Improvement District Proposal and Ballot	
<b>Ward(s) or groups affected:</b>		South Bermondsey and Riverside	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Communities, Employment and Business	

**FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES, EMPLOYMENT AND BUSINESS**

It is with great pleasure that I note the results of the successful ballot that formally endorses the establishment of the Blue Bermondsey Business Improvement District (BID). It is clear from the result that the local business community has wholeheartedly endorsed the formation of a BID for Bermondsey.

Southwark Council has long supported the formation of a BID for Bermondsey. In 2012 we awarded the Blue Bermondsey Business Association (BBBA) a grant from our Community Restoration Fund to consult local business and investigate the possibility of a BID for the area. Since then, we have continued to work with BBBA to support the ongoing development of the BID, work that has culminated in the successful vote and formal establishment of the BID.

The Blue Bermondsey BID will be fully operational from October 2014. The Bermondsey BID will join four other BIDs in Southwark, including Better Bankside, Team London Bridge, Waterloo Quarter and the new South Bank BID, all working in support of our town centers and business communities. We look forward to a strong and productive partnership between the council and the Blue Bermondsey BID to make a positive impact on services for local businesses and the wider community in Bermondsey.

**RECOMMENDATIONS**

That cabinet:

1. Welcomes the outcome of the ballot for a Business Improvement District (BID) in Bermondsey as announced on 4 July 2014, and endorses the formation of the Blue Bermondsey BID Company.
2. Notes the confirmation from officers that the Blue Bermondsey BID arrangements do not conflict with council strategies and policies affecting the proposed BID area.
3. Notes the Blue Bermondsey BID Company's intention to request representation from the council on its board

## **BACKGROUND INFORMATION**

4. Business Improvement Districts (BIDs) are a partnership agreement through which local authorities and the local business community can take forward schemes for the benefit of the local community. A BID is funded wholly or partly by a levy imposed on non-domestic rate payers or a class of rate payers. A BID can only come into force if the majority of rate payers eligible to cast their vote, vote to approve the BID, and if those voting in favour of the BID represent the majority of the rateable value of all votes cast. Southwark currently hosts five BIDs, of which the Blue Bermondsey BID is the most recent.
5. In line with the council's Economic Wellbeing Strategy and as reflected in the Council Plan 2011/12 -2013/14, we have actively supported plans to establish a BID in Bermondsey. Development of a BID in Bermondsey also supports the current leaderships 2014 manifesto commitment to "work with businesses to deliver a 'Business Improvement District' on Southwark Park Road at The Blue".

### **The BID Proposer**

6. The proposal to deliver a BID in Bermondsey has been led by the Blue Bermondsey Business Association Business Improvement District Steering Group (hereafter referred to as the BBBA).
7. Prior to the formation of the BBBA, businesses in Bermondsey had organised the Blue Traders Forum, an informal network that championed local business issues. The Blue Traders Forum subsequently formed the Bermondsey Business Association in 2008, with the aim of working with the council on a programme of work to improve local retail areas such as the Blue Market in Bermondsey. The BBBA, became a formally constituted unincorporated association in November 2012
8. In 2009 the council commissioned a scoping study to assess the feasibility of developing BID clusters in business areas across the borough. The study found that a BID would be feasible in Bermondsey given its location, business mix and established business networks. Following the initial findings of the BBBA explored the formation of a BID in Bermondsey by conducting further local research.
9. In 2012 the BBBA secured grant funding through the council's Community Restoration Fund for the development of BID in Bermondsey. The BBBA has since taken the necessary steps, outlined in BID regulations, to implement a BID in Bermondsey called the Blue Bermondsey BID.

## **KEY ISSUES FOR CONSIDERATION**

### **Legislative background & the roles of the Local Authority**

10. BIDs were introduced by Part 4 of the Local Government Act 2003. The Act defines the BID arrangements and establishes the duty of the "billing authority" (the local authority in whose area the BID is to be established) to comply with the BID arrangements. The Act also provides for the approval of the BID arrangements by a ballot, the collection and administration of the BID levy, and the power of the billing authority to veto the BID arrangements. Procedural requirements are set out in the Business Improvement Districts (England)

Regulations 2004, as amended by the Business Improvement Districts (England) (Amendment) Regulations 2013 (“the Regulations”).

11. BIDs must be a ‘business-led’ partnership, without which a levy on occupiers will not be achieved. A BID can operate for a maximum of five years, after which a renewal ballot must take place if the BID is to continue operating. In their capacity as the billing authority, the ultimate custodian of the public realm and community safety, local authorities play a pivotal role in the BID process. In addition, the Returning Officer appointed by the local authority is designated as the “ballot holder”, and is responsible for administering the BID ballot. There are a wide range of roles that the local authority needs to adopt in the implementation of BIDs, as both regulator and service provider. These roles and the resource implications for the council were set out in detail in a report to Executive in July 2004.
12. This report mainly outlines the process of ratification by the council of the Bermondsey BID proposal. Under the Regulations, the only stage at which a local authority can reject BID arrangements is to use its power of veto after the ballot has taken place. The Regulations also require a local authority to notify the BID proposer, when BID proposals are first received, of any conflict between the proposals and any policy adopted and published by the local authority.
13. The council can exercise its veto if it considers that the BID proposal:
  - i. Conflicts to a material extent with any policy formally adopted and published by the authority; or
  - ii. Places a significantly disproportionate financial burden on any person or class of person, as compared to other non-domestic rate payers in the area of the BID, and that burden is caused by a manipulation of the geographical area of the BID or the way the BID levy is structured, and that burden is inequitable.

### **The BID process**

14. The Regulations outline the process and timeline that the BID proposer must adhere to when proposing a BID. BBBA, the BID proposer, has complied with these milestones.
15. The BID Proposer must produce a BID Proposal, this usually takes the form of a suite of documents consisting of the following:
  - i. BID Proposal ( a summary of the aims, governance and financial standing of the proposed BID)
  - ii. Operating Agreement (outline of the terms of the relationship between the BID company and the billing authority with specific regard to collection of the bid levy)
  - iii. Baseline agreement (outline of the services provided by the local authority within the BID area, and any additional services the BID company has contracted with the local authority)
  - iv. BID arrangements (outline of the governance and financial arrangements of BID Company, and membership)
  - v. Consultation report.
16. Key areas of the BID proposal documents are summarised in Appendix 1. The

BBBA does not intend to contract any additional service from Southwark Council, consequently the Baseline Agreement only notes services currently provided by the council within the BID area and does not specify additional services contracted with the council.

17. Draft BID proposal documents were submitted to council officers on 30 March 2014 by the BID proposer. Officers from the Local Economy Team, Public Realm, Planning Policy, Business Rates, and Legal Services reviewed the documents to ensure the proposals did not conflict with council policy, amendments were also suggested to the BID proposer. The BID proposer re-submitted the BID proposal to officers, taking into account the negotiated position.
18. The council must be satisfied that the BID proposals do not conflict with its policies and strategies. The table below lists all published Southwark policies and strategies relevant to the Blue Bermondsey BID Proposal. The checklist demonstrates that the BID Proposal does not conflict with any of the following policies or plans that the council has for the proposed BID area.

<b>Southwark Council Policy / Strategy</b>	<b>Department</b>	<b>Conflict with BID Proposal (Yes/No)</b>
The Southwark Plan	Chief Executive's	No
Core Strategy (2011)	Chief Executive's	No
Southwark Council Waste Management Strategy 2003-2021	Environment and Leisure	No
Southwark Economic Wellbeing Strategy 2012-2020	Chief Executive's	No
Safer Southwark Partnership Rolling Action Plan 2013-2015	Environment and Leisure	No
Highways Asset Management Plan	Environment and Leisure	No
Streetscene design manual	Environment and Leisure	No

19. The process of proposing a BID also involves surveying and consulting local businesses regarding the formation of a BID. This process can be used to demonstrate whether there is an appetite for a BID among businesses, and to help the BID proposer define the area and ambitions of the proposed BID; in 2013 the BBBA commissioned a survey of 100 Bermondsey businesses to assess these factors. Responses to the survey provided the following information:

- Types of business in Bermondsey;
- Percentage of businesses that are independent, family run, franchises etc;
- Age of businesses;
- Number of employees per business;
- Customer information;
- How businesses felt about the future;
- Businesses future investment and recruitment plans;
- The extent to which businesses are concerned about the local environment, community safety, transport and relationship with partners;
- Improvements that might benefit businesses;
- The extent to which businesses are aware of the BBBA and their campaign

- to form a BID; and
  - Overall support for a BID in Bermondsey.
20. Of those businesses surveyed, 92% answered 'Yes' when asked 'Do you think it is good for businesses to have a unified voice through a local business association such as the BBBA?' 88% of all surveyed businesses were supportive of a BID in Bermondsey. Officers found that the findings of the survey indicated there to be sufficient interest among businesses in Bermondsey to warrant the proposal of a BID.
21. The survey also identified issues that concerned local businesses, such as antisocial behaviour, a lack of police presence in the area, the overall image of the area, general fear of crime, theft, the quality of the public realm, and general cleanliness. The baseline agreements (found in the hyperlink within Appendix 1) outlines the BID proposers' projects for year one intend to address these areas. Full findings of the survey can be found in Appendix 2.

### **Ballot result**

22. All rate payers who are liable for the BID levy are eligible to vote in the ballot. The ballot is a postal ballot conducted over 28 days. The Regulations set out the arrangements which must be followed for the conduct of ballots. The ballot holder, being the Returning Officer appointed by the council, has appointed Electoral Reform Services to conduct the ballot. For a BID ballot to be successful there must be a majority of those voting in favour of the proposal, and those voting in favour must represent a majority of the aggregate rateable value properties of those eligible to vote. The ballot for the Bermondsey BID ran from Friday 6 June 2014 to Thursday 3 July 2014. There were 269 eligible voters.
23. The result of the ballot was announced on 4 July 2014 and is detailed below:

The total number of valid votes cast	90
The total aggregate rateable value of valid votes cast	£1,903,000
The total number of valid votes cast in favour of the BID	80
The total aggregate rateable value of valid votes in favour of the BID	£1,615,250
The total number of ballot papers rejected (if applicable)	0

24. The results show that 89 percent of votes cast were in favour of the ballot, representing 85 percent of the total rateable value of the valid votes cast; therefore a majority of business ratepayers in the proposed BID area who voted, voted in favour of the proposal, both by aggregate rateable value and number voting.

### **The BID Company**

25. BID Proposals are implemented by a BID Company; the Bermondsey BID will be managed by the Blue Bermondsey BID Company, which has the mandate to apply a 1.5% levy to every liable property in the BID area.

26. BID Companies are usually independent, not-for-profit companies, led by a Board of non-executive and unpaid Directors; membership also consists of representatives from the BID area. It is common for BID Companies to request representatives from the local authority to join the non-executive board.
27. The Blue Bermondsey BID proposers, who will form the Blue Bermondsey BID Company, have stated their intention to request a representative from the council to serve on the Blue Bermondsey BID Company board once it is formerly established in October 2014. In response to this request, the cabinet may choose to appoint a representative to the Blue Bermondsey BID Company after it has formed.

### **Community impact statement**

28. The equalities analysis for the Bermondsey BID (Appendix 3) draws on information provided in the Bermondsey BID's Proposal Documents, which outlines the BID's vision, how it will operate and the additional service it will provide in the BID area. The BID will primarily work with its member organisations (businesses) to deliver the above, and as such the formation of the Blue Bermondsey BID Company and its activity is unlikely to impact groups with protected characteristics. The BID should benefit the general community owing to planned improvements to the areas public realm, improvements to the town centre, and greater investment in the area.

### **Resource implications**

29. In its position as the ballot holder, the council is responsible for administering BID ballots, a function which can be contracted out to a third party. As with previous BID ballots, the council appointed the Electoral Reform Service to administer BID ballot for Bermondsey at a cost of approximately £2,000. The cost of the ballot will be met from existing general fund budgets
30. The Regulations requires the council as Billing Authority to manage a BID revenue account; this is the financial accounts structure through which the council manages the BID's levy and transfers the income to the BID Company. Managing the BID revenue account is primarily a staffing cost, which will be met from existing resources.
31. The Regulations permit the Billing Authority to charge for the administration of the BID levy. Officers are currently exploring whether a charge will be applied to the Blue Bermondsey BID. This involves identifying a charge that will recuperate costs incurred by the Business Rates Team without weakening the financial position of the BID Company. Officers will make a decision on this matter before the BID Company formerly begins operation.

### **Consultation**

32. As noted in paragraph 12 the primary purpose of this report is to set out the officers' view that the Blue Bermondsey BID proposal does not conflict with Southwark policies and strategies, and that officer are satisfied with the consultation that the BID proposer has carried out with businesses in the area.
33. The Regulations do not stipulate the exact arrangements for consultation with

stakeholders, but as referred to in paragraphs 19-21, the BBBA has consulted with businesses in the BID area. Officers are satisfied with the consultation conducted by the BBBA.

34. The relevant officers within the council have been consulted to ensure the BID proposal does not conflict with council policy, as noted in paragraphs 17 and 18.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

35. The legislative background and discussion of the relevant legal issues is set out in the body of the report.

#### **Strategic Director of Finance and Corporate Services (FC14/009)**

36. This report proposes the formation of BID in South Bermondsey. The council will manage the BID revenue account through which the bid levy is collected and transferred to the BID Company. The financial implications are contained within this report.
37. The strategic director of finance and corporate services notes that the staffing cost for administrating the BID can be met from existing resources. It is expected that any additional costs incurred in the administration of the BID levy are fully recoverable from the BID Company.
38. The council is a business rate payer in the South Bermondsey area and so the impact of any rate increase will need to be quantified and appropriate budget identified.

#### **Director of Planning**

39. The Core Strategy (2011) contains a vision for the Blue which promotes the revitalisation of shops and businesses. Core Strategy policy 10 (Jobs and business) also encourages partnership working with local businesses to improve the business environment. The Blue Bermondsey BID proposal is consistent with these policies.

#### **Strategic Director of Environment and Leisure**

40. The strategic director of environment and leisure notes the outcome of the ballot for a Business Improvement District in Bermondsey and confirms that none of the proposals are in conflict with any agreed council policies or strategies relating to Community Safety, Public Realm or Environmental Services.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Council's Economic Wellbeing Strategy :	Local Economy Team, 160 Tooley Street	Danny Edwards 0208 525 5105
<b>Link:</b> <a href="http://www.southwark.gov.uk/downloads/download/3275/economic_wellbeing_strategy">http://www.southwark.gov.uk/downloads/download/3275/economic_wellbeing_strategy</a>		
Council Plan 2011/12 -2013/14	Local Economy Team, 160 Tooley Street	Danny Edwards 0208 525 5105
<b>Link:</b> <a href="http://www.southwark.gov.uk/downloads/download/3766/council_plan_g3_2013-14_performance_schedules">http://www.southwark.gov.uk/downloads/download/3766/council_plan_g3_2013-14_performance_schedules</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Bermondsey BID Arrangement Summary and link to BID Proposal Documents
Appendix 2	Bermondsey BID Business Survey
Appendix 3	Bermondsey Business Improvement District: Equalities Analysis

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Communities, Employment and Business	
<b>Lead Officer</b>	Eleanor Kelley, Chief Executive	
<b>Report Author</b>	Nazmin Yeahia, Senior Strategy Officer, Local Economy Team	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	Director of Planning	Yes
	Strategic Director of Environment and Leisure	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	10 July 2014



## APPENDIX 1

### SUMMARY OF THE PROPOSED BID ARRANGEMENTS FOR THE BLUE BERMONDSEY BUSINESS IMPROVEMENT DISTRICT

#### Who is proposing the Blue Bermondsey Business Improvement District (BID)?

- The Blue Bermondsey Business Association (BBBA) is an independent body which aims to represent local businesses in Bermondsey.
- The BBBA formed in April 2008 and works with partners to attract investment into the area, deliver local projects and raise the area's profile.

#### What is a BID?

- A Business Improvement District (BID) is an independent, business led and funded body.
- A BID can only be formed following consultation and a ballot in which eligible businesses vote on a BID Proposal.
- BIDs are funded through a BID levy, which is a percentage of the rateable value of eligible businesses in the BID area.
- BIDs can operate for a maximum of 5 years and must go through a renewal ballot to secure another BID term.
- A successful BID ballot would mean that the BID levy would be mandatory for all liable businesses.

#### What are the objectives of the Blue Bermondsey BID?

The Blue Bermondsey BID's Proposal outlines the areas that the BID aims to work on, these are summarised below:

- To help tackle street crime and anti-social behaviour by engaging their own street wardens.
- To offer access to free recycling services to local businesses.
- To engage the local community to report on areas of grime and to make sure streets are stay lean and grot spots are attended to promptly.
- To work with local business support organisations to try and get local people into jobs.
- To work with local schools to try and get young people involved in apprenticeships and work schemes with the priority to place them in local jobs and mentoring schemes.
- To market the area through social media and local press with regular promotions and advertising.
- To identify and attract further funding from other sources to enhance the contribution provided by the business levy payer.

The proposed programme for 2014-2019 is laid out in the Proposal document prepared by the Blue Bermondsey Business Association (BBBA).

The BBBA's draft BID arrangements are available here:

<http://thebluebermondsey.co.uk/wp-content/uploads/2014/06/Renew-The-Blue.pdf>

#### How will the BID be established?

- The BID will be established by a postal ballot. This document has been written to accompany the voting papers.
- Business premises (hereditaments) with a rateable value of less than £6,000 will not be eligible to vote.
- 'Central List' properties that are not in the local ratings list will not be eligible to vote.
- Residential estate offices, advertising rights, telephone masts, car parks, car parking places and kiosks will not be eligible to vote.

- All other types of businesses are eligible to vote in the BID ballot and to pay the BID levy.

#### What is the BID Levy and how much will it cost?

- In the event of a successful BID ballot, all eligible businesses would pay the BID levy which will be set at 1.5% of the rateable value of the business property.
- Revenue generated by the BID levy will be ring-fenced for the area in which it is collected.
- All services the BID delivers will be in addition to those the Council provides. The levy cannot be used to replace existing Council services; this is controlled by a Baseline Service Agreement with the Council.

#### How will the BID be run?

- The BID will be run by the Blue Bermondsey BID Company which will include representatives from businesses within the BID area.
- The BID Board will manage a small number of staff who will deliver projects.
- The BID levy will be collected by Southwark Council in the same way as business rates and be passed back to the BID Company.
- The BID Company may implement 'theme groups' to deal with issues such as safety, marketing, look and feel and business services.

#### Blue Bermondsey BID budget

The draft budget allocations for the Blue Bermondsey BID over 5 years are outlined in the table below:

Years		2014-15	2015-16	2016-17	2017-18	2018-19
Income	Levy Budget at 1.5% of rateable value, assuming 2% annual increase.	£115,000	£117,300	£119,646	£122,039	£124,480
	Other source of funding (including grant from public bodies)	£30,000	£30,000	£30,000	£30,000	£30,000
	Surplus from previous year	-	£745	£82	£86	£91
	<b>Total</b>	<b>£145,000</b>	<b>£148,045</b>	<b>£149,728</b>	<b>£152,125</b>	<b>£154,570</b>

In year one the estimated levy income is £115,000. The Blue Bermondsey BID proposed budget for year one is:

1. BID Loan Payment -	£13,000
2. Levy Collections Costs -	£4,000
3. Street Wardens -	£31,000
4. Marketing -	£17,000
5. Procurement of Recycling -	£10,000
6. Streets and greening -	£6,000
7. Core Costs -	£29,000
8. Contingency -	£5,000

**Total Expenditure: £115,000**

### What is the Blue Bermondsey BID area?

A map of the proposed BID area is below:



The following streets, in part or in whole, are included in the proposed BID area:

Alexis Street	Macks Road
Almond Road	Market Place
Ambrose Street	Monnow Road 1-21
Anchor Street	Raymouth Road
Beatrice Road	Rockgrove Way
Blue Anchor Lane	Roseberry Street
Bombay Street	Rotherhithe New Road 206-264
Camilla Road	St James Road – 103-245 AND
Clements Road	RAILWAY ARCHES 654-659
Drummond Road	Simms Road
Frank Mews	Southwark Park Road 148-345
Galleywall Road	Strathnairn Street
Hyson Road	Tenda Road
Layard Road	Trothy Road
Lynnton Road 240-362	

# Bermondsey BID Feasibility

April 2013

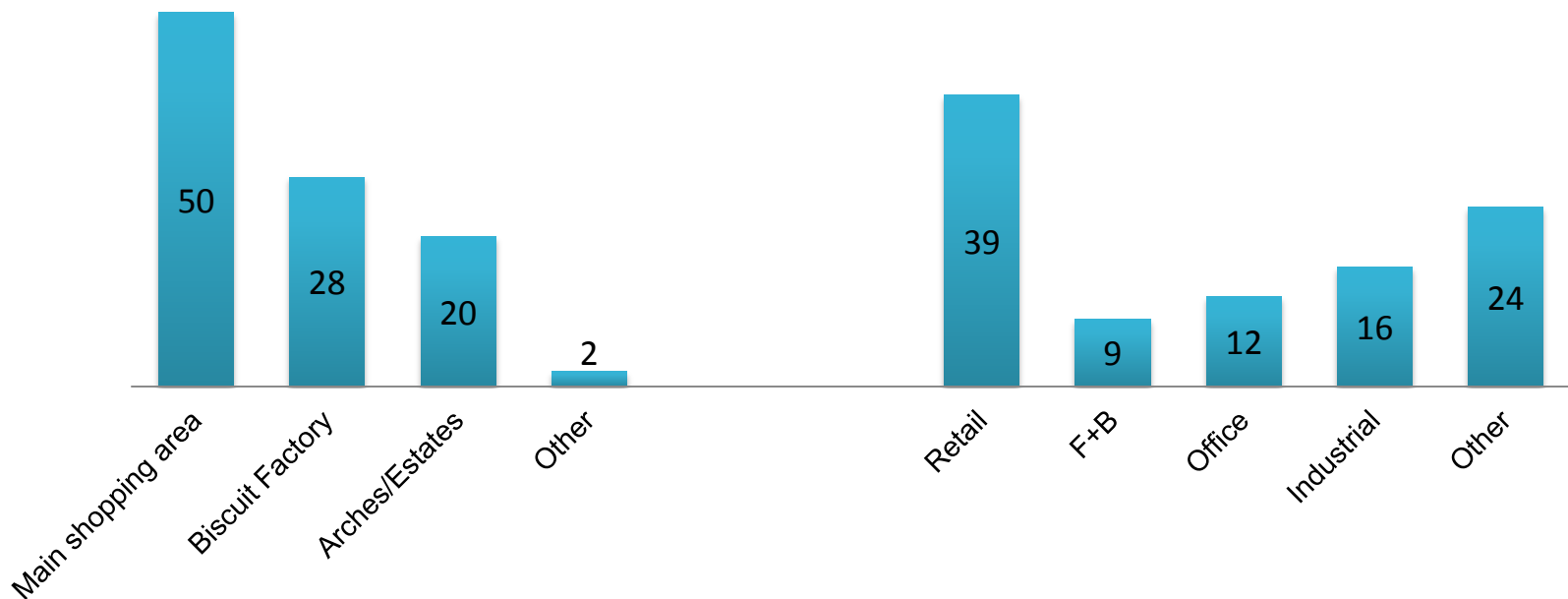


*The means: to change places for the better<sup>1</sup>.*

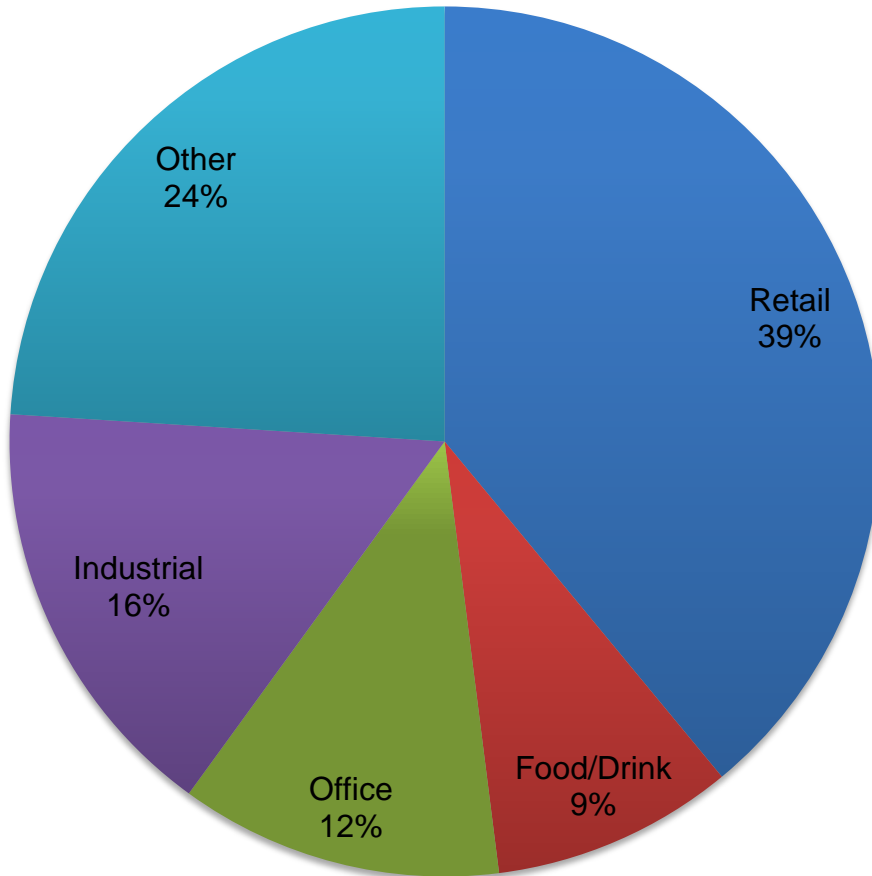
# The Survey

100 businesses were interviewed across Bermondsey. The graph below shows the businesses by location type, and again by business type.

Most of our statistics are based on a sample size of 100, but on the occasion that a business failed to fill out a particular question the sample size will be slightly smaller.



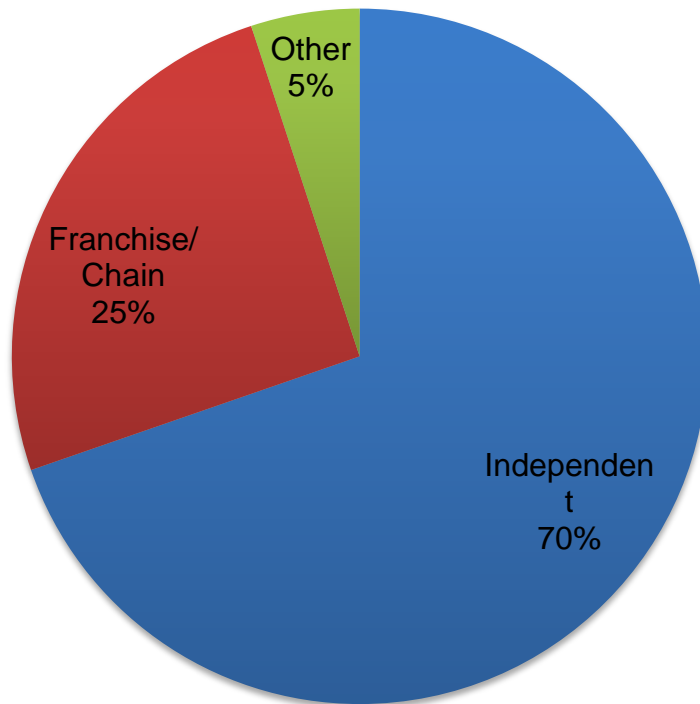
# Q1 Type of businesses



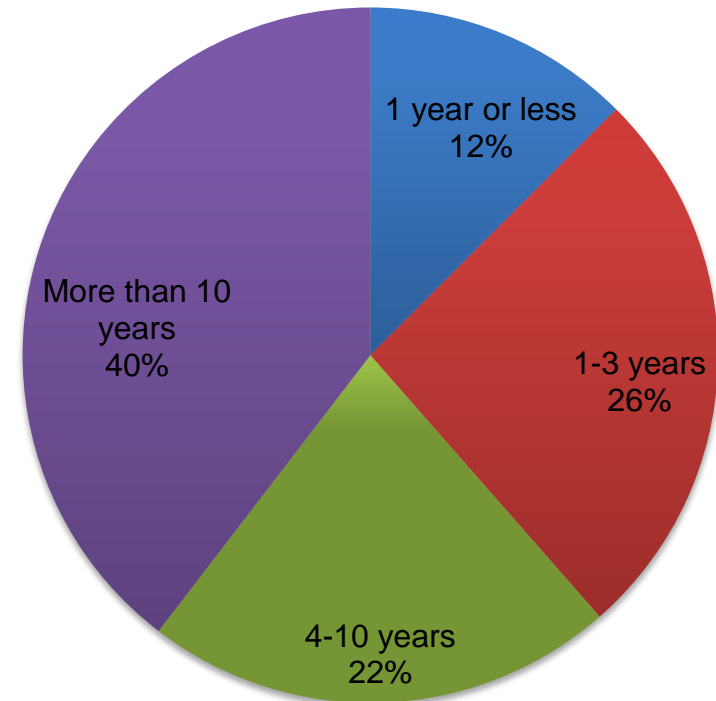
The original survey had 23 sectors, but this chart shows the businesses divided into 5 basic categories.

‘Other’ includes dry-cleaners, hairdressers, churches, art galleries etc.

# Q2 + Q4 About the businesses

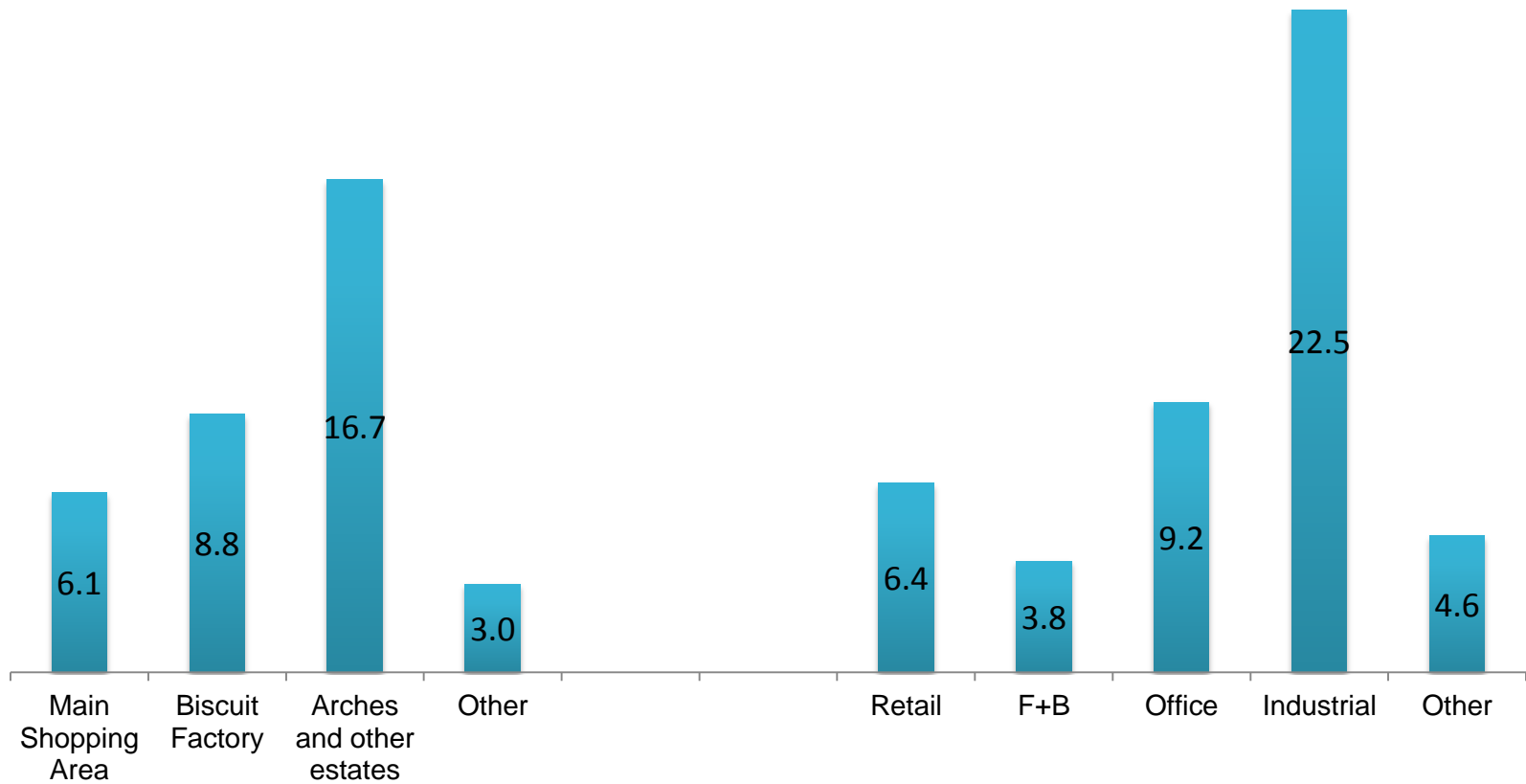


Is the business independent or family run; part of a chain or franchise; or other?



How long has the business been in the area?

# Q3 Number of Employees

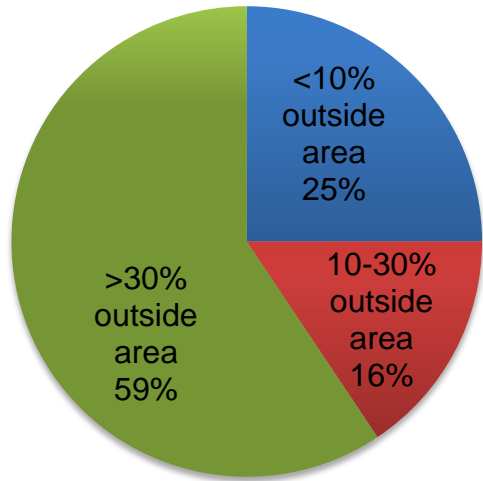


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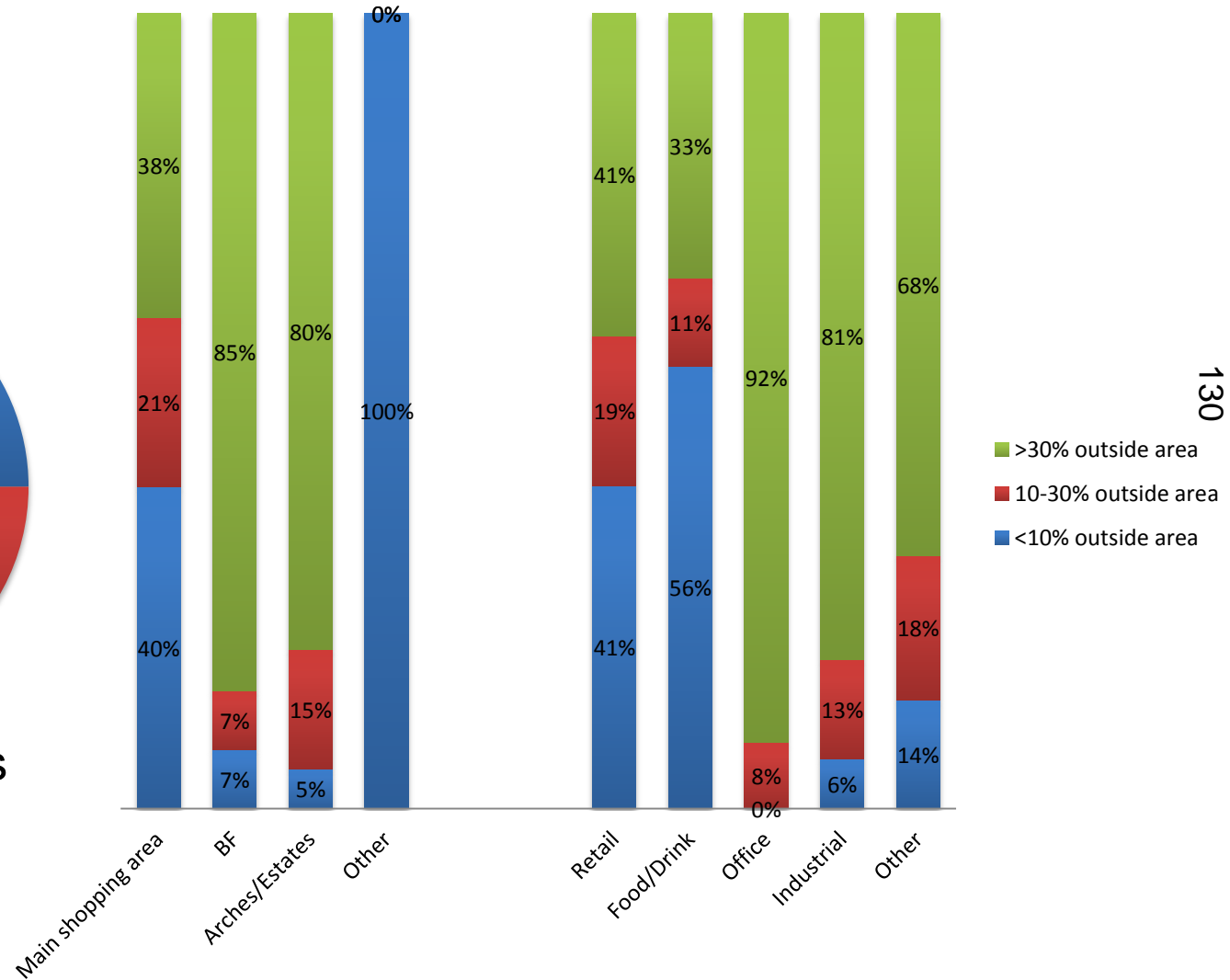
These graphs show the average number of employees per business by location type and by business type.



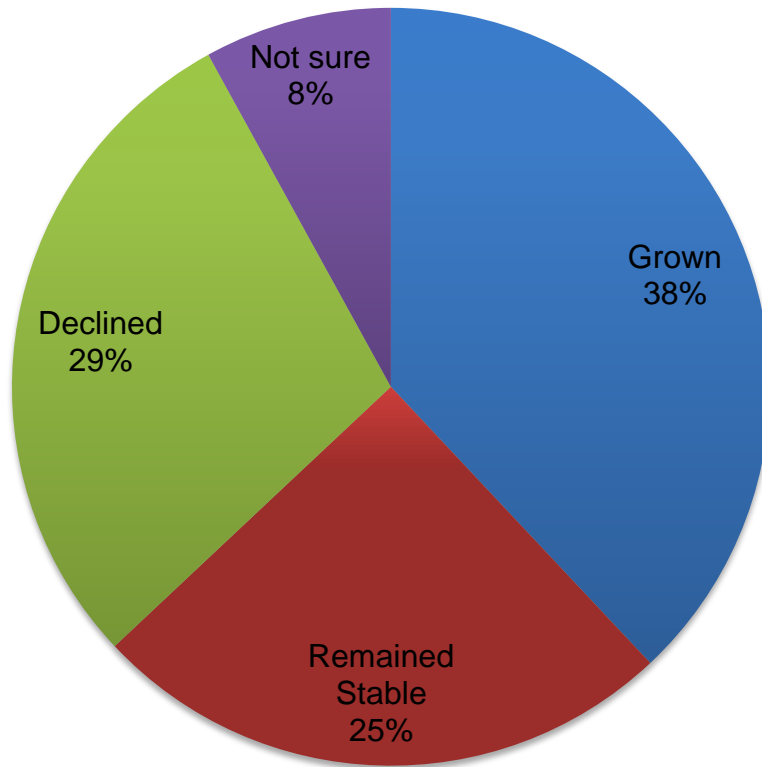
# Q5 Proportion of clients from outside the area



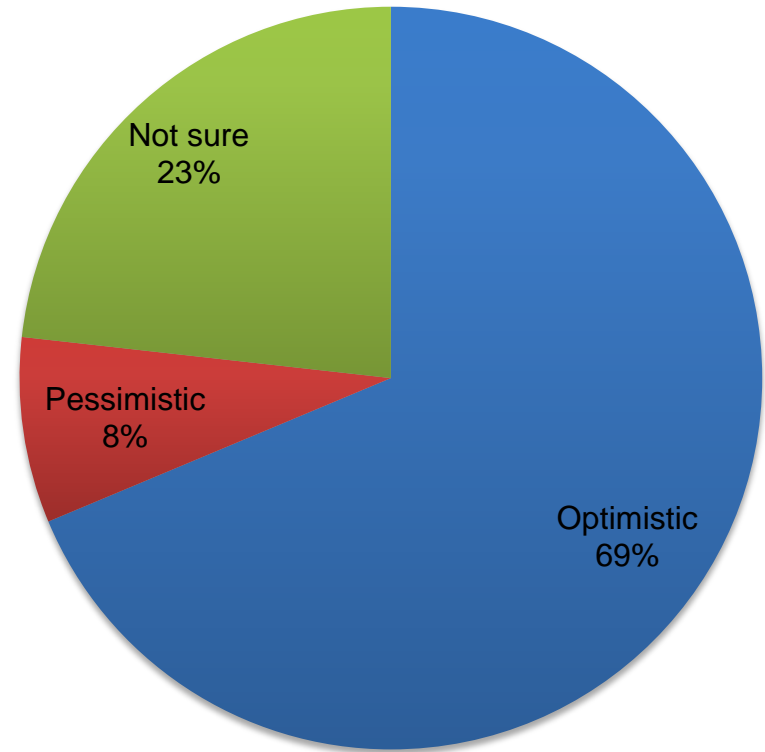
All 96 respondents



# Q6 + Q7 Feelings about the future

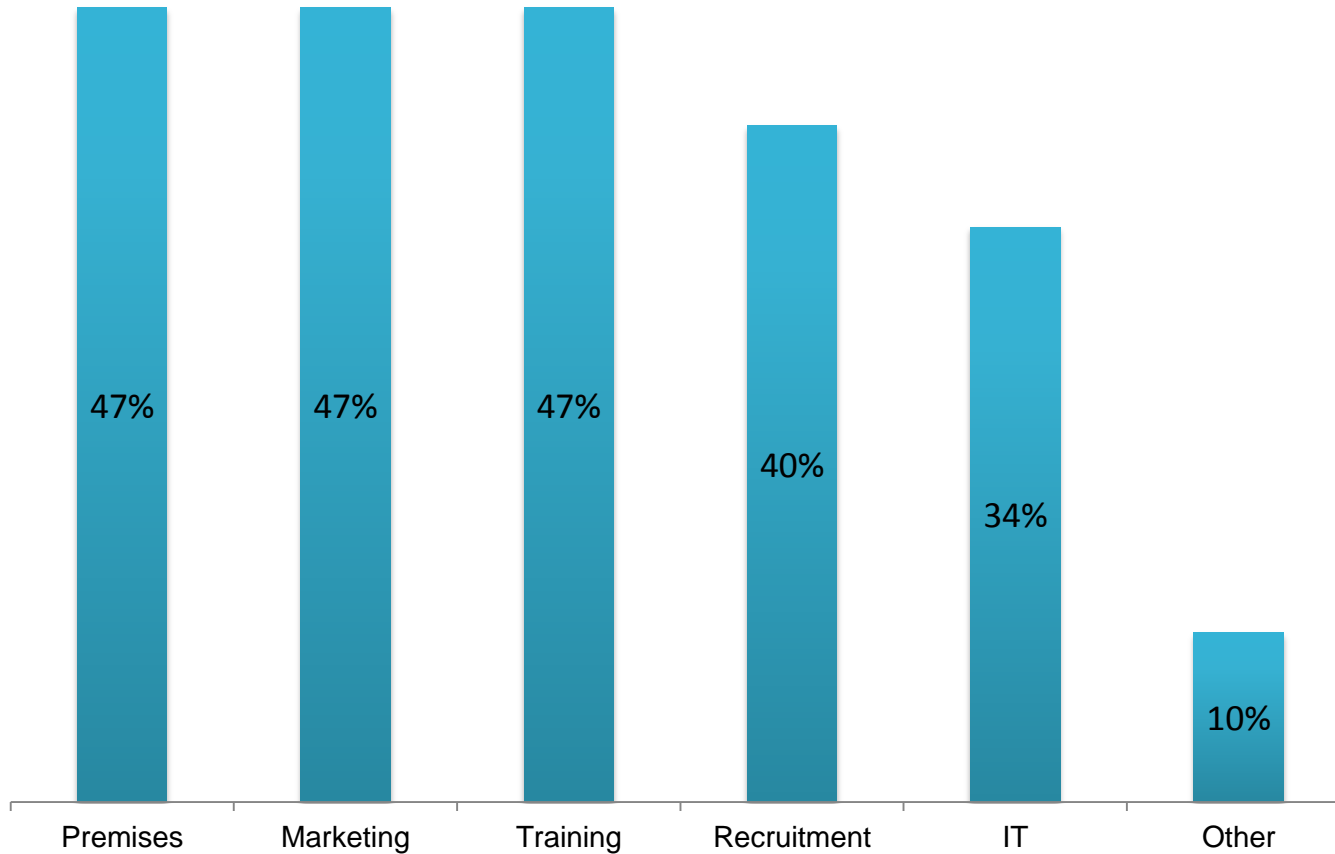


How has turnover changed in the past year?

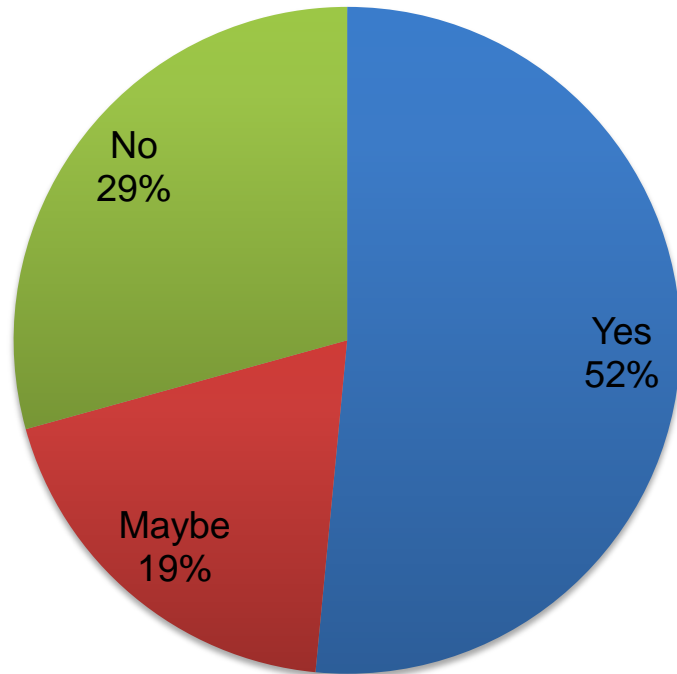


How do you feel about the future of the business?

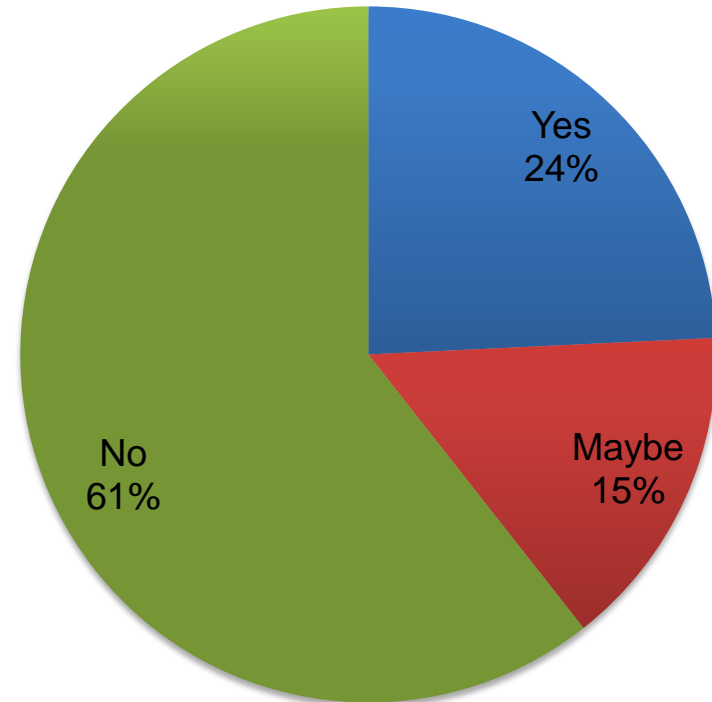
# Q8 Investment over the last two years



# Q9 + Q10 Future investment

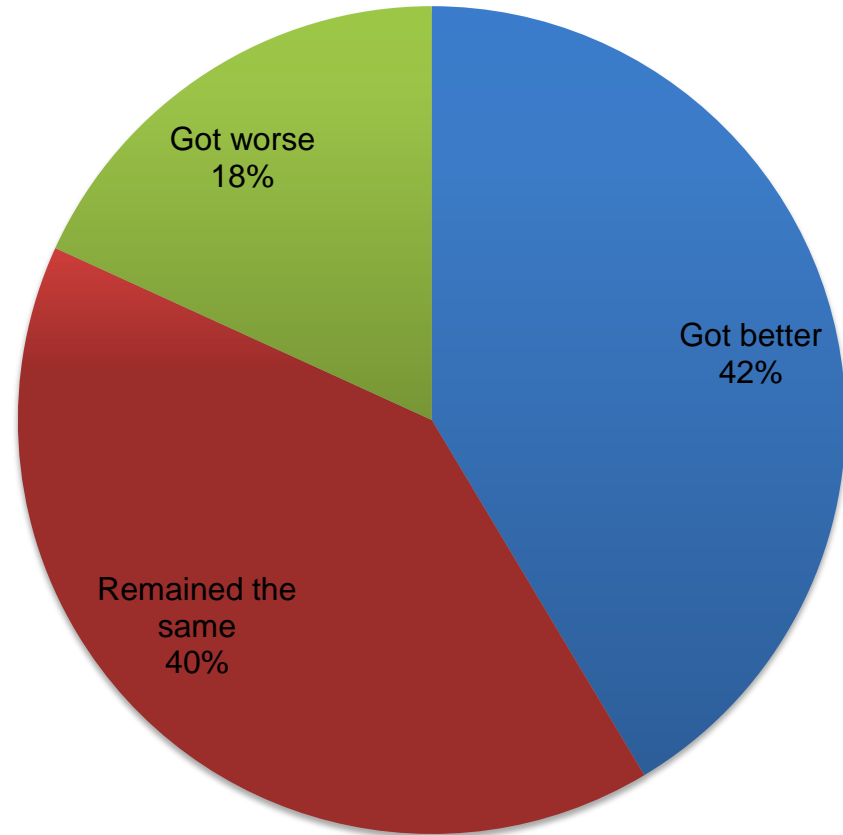


Do you plan to make any investment in your business over the next two years?



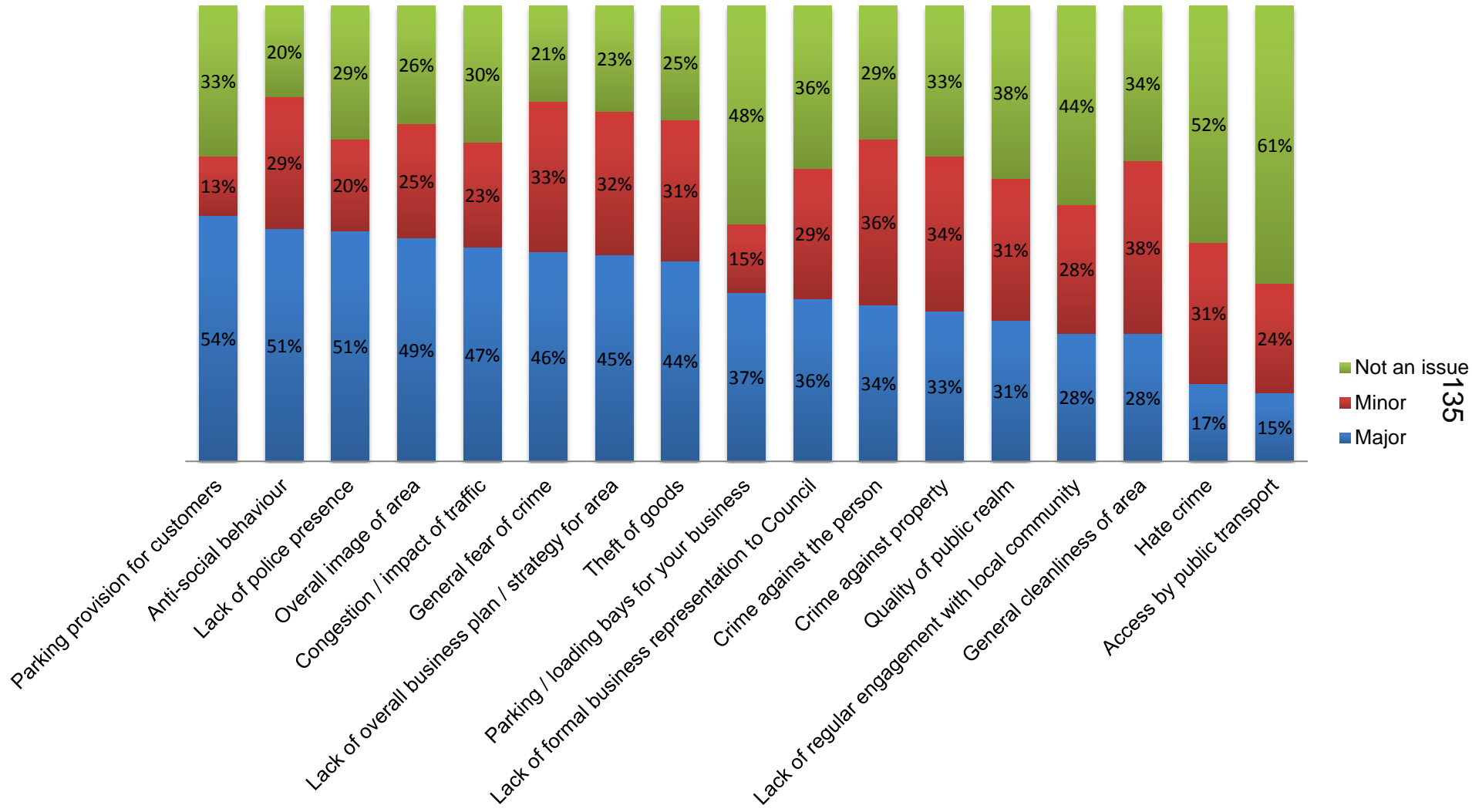
Are you currently recruiting staff?

# Q11 The Blue over the last few years

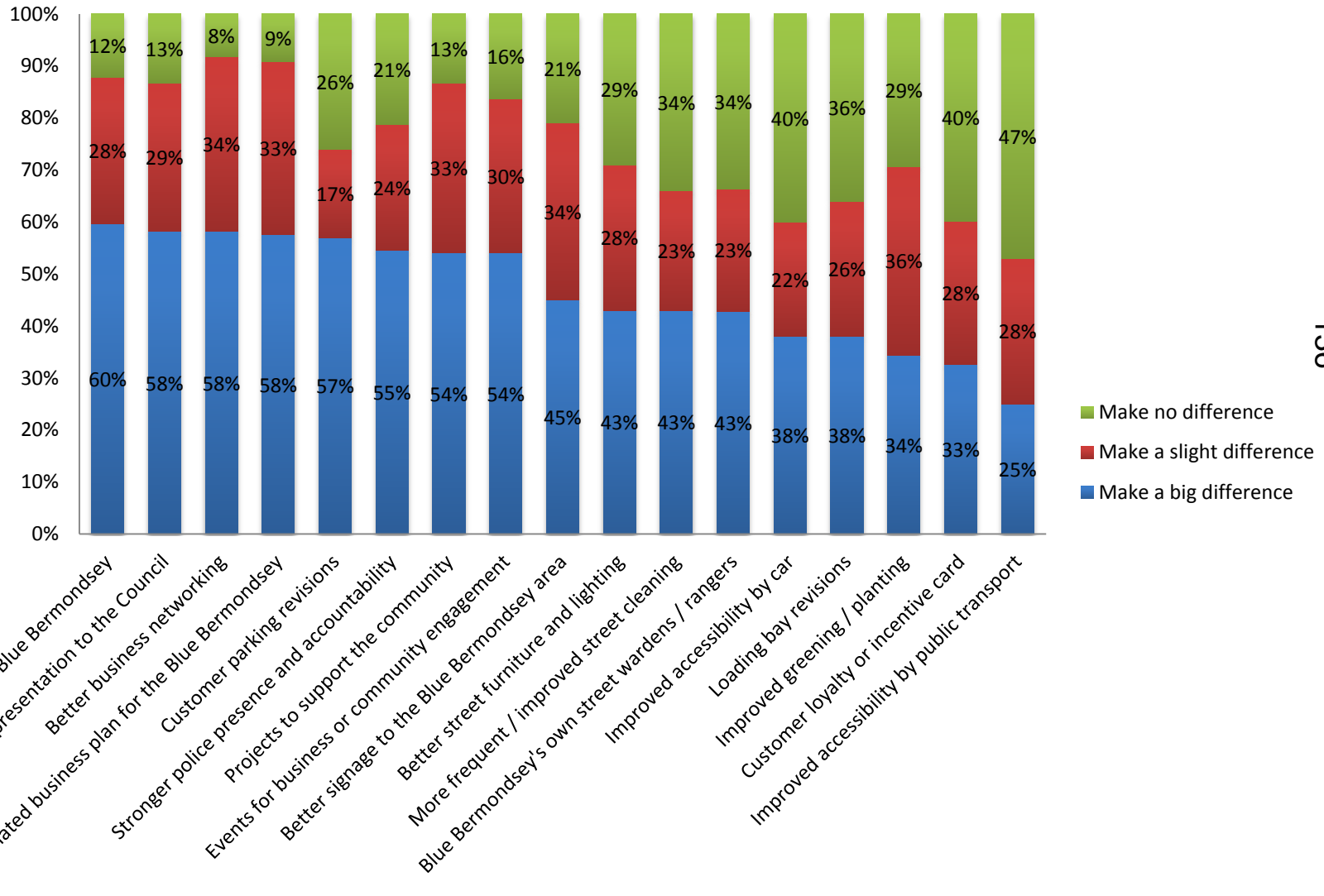


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# Q12 Issues in Bermondsey

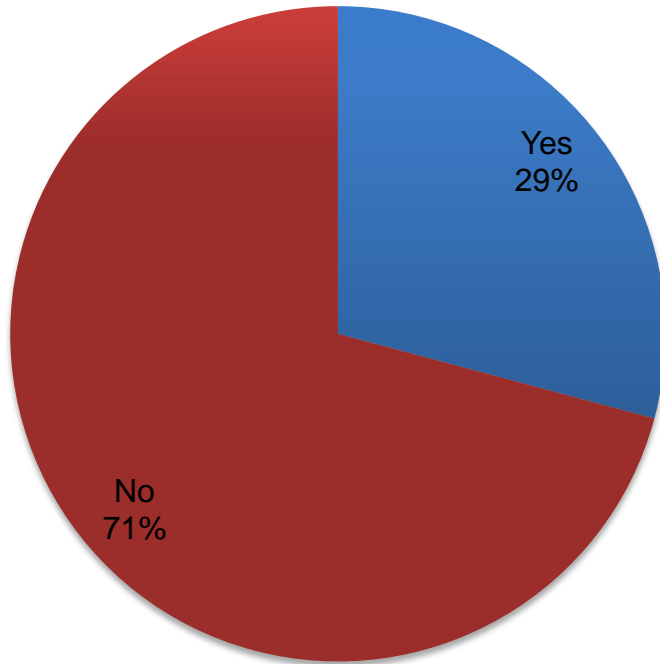


# Q13 Ideas for improvements in Bermondsey

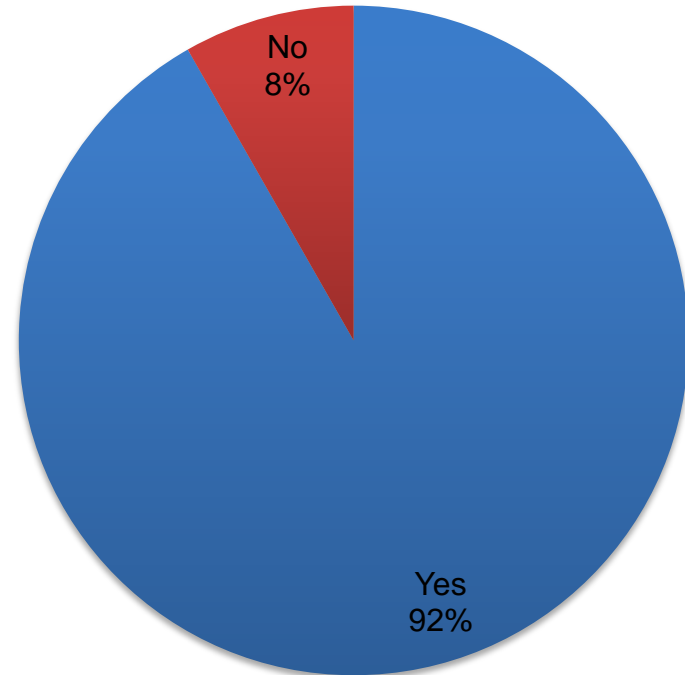


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# Q14 + Q15 Business Associations



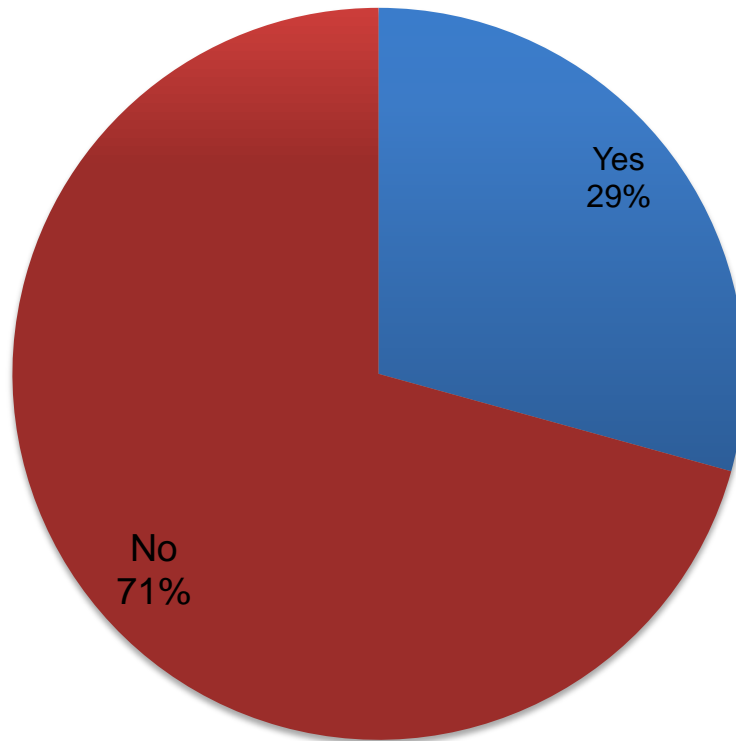
Has your business ever been a member of a chamber of commerce or local business association?



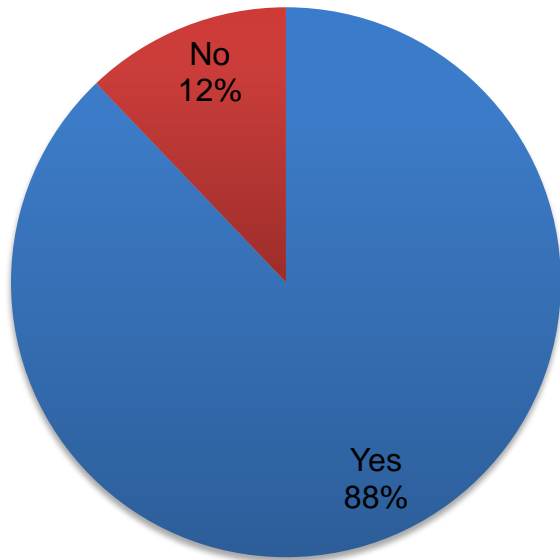
Do you think it is good for businesses to have a unified voice through a local business association such as the BBBA?



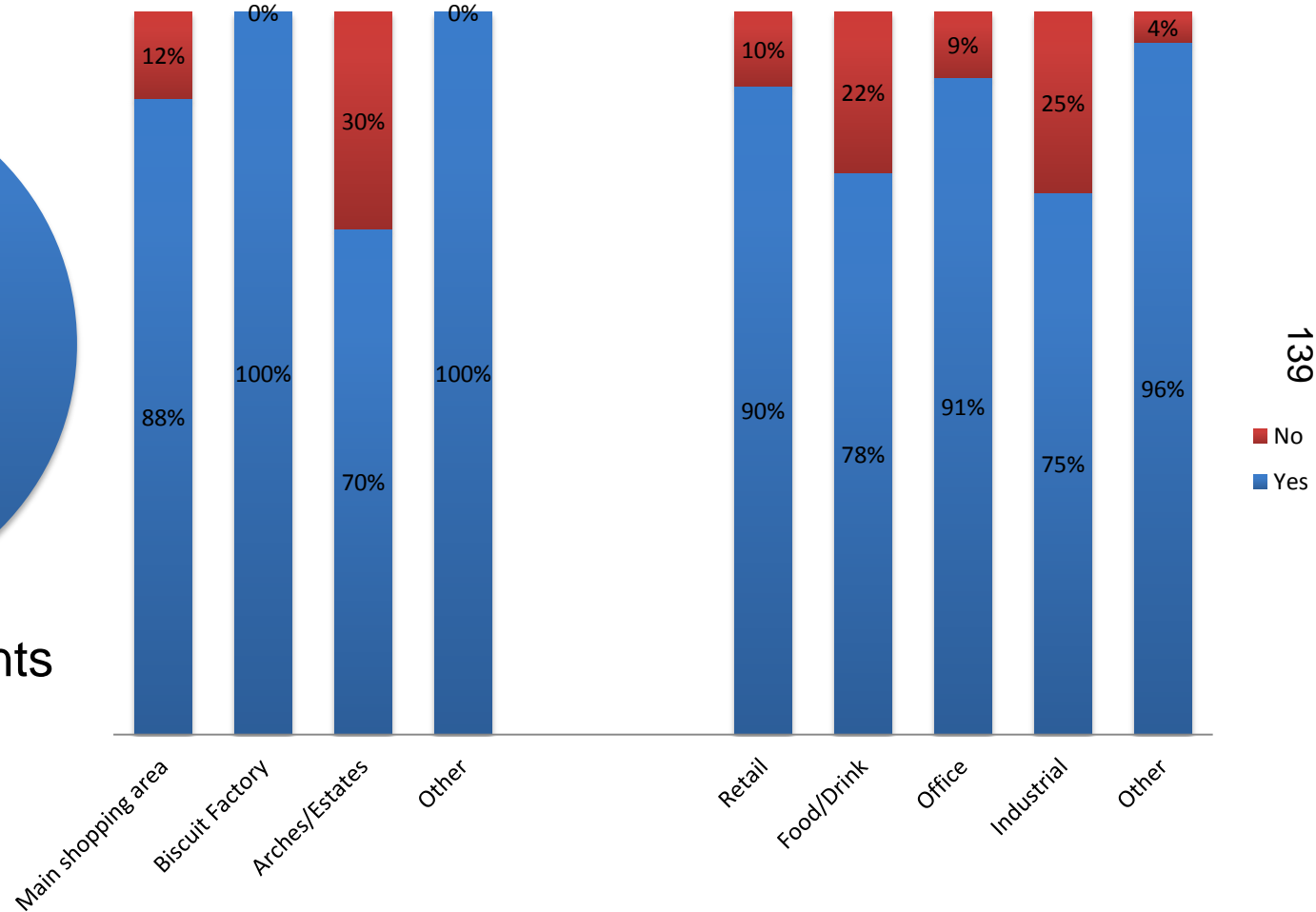
# Q16 Are you aware of the 'BID for the Blue' initiative?



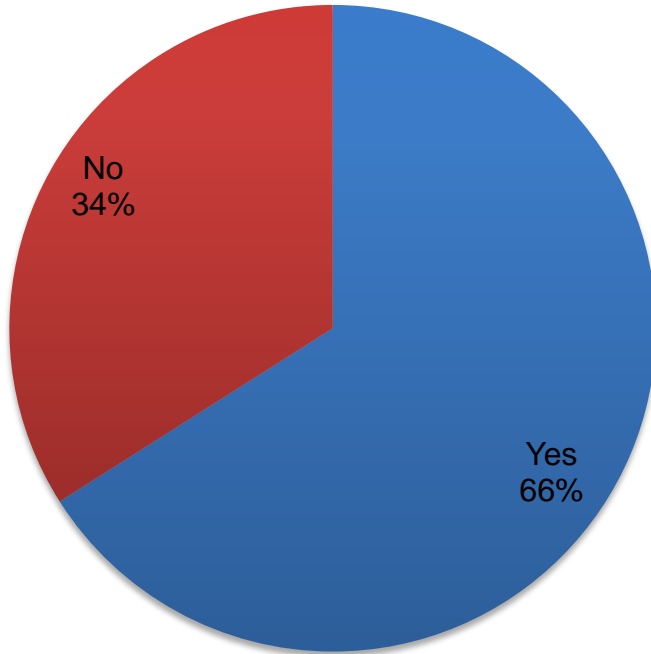
# Q17 Do you support the idea of a BID board to work in the best interest of local business?



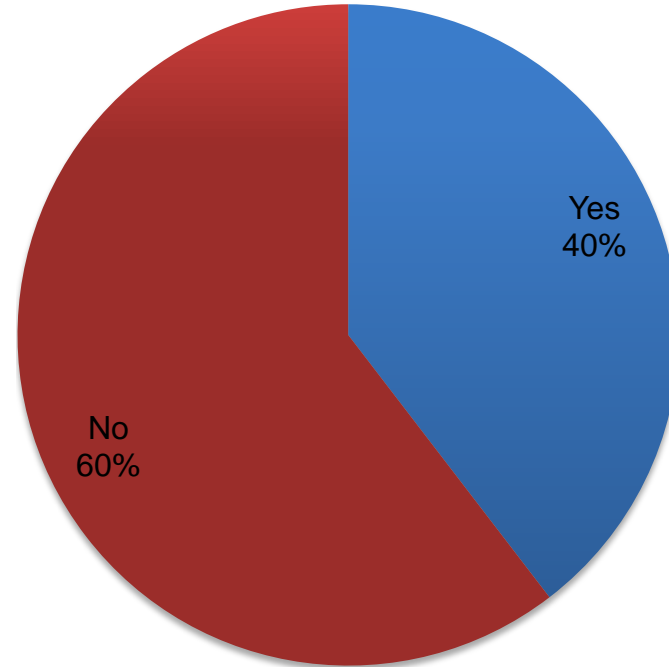
All 99 respondents



# Q18 + Q19 Further BID engagement



Would you be interested in attending our next BID event?



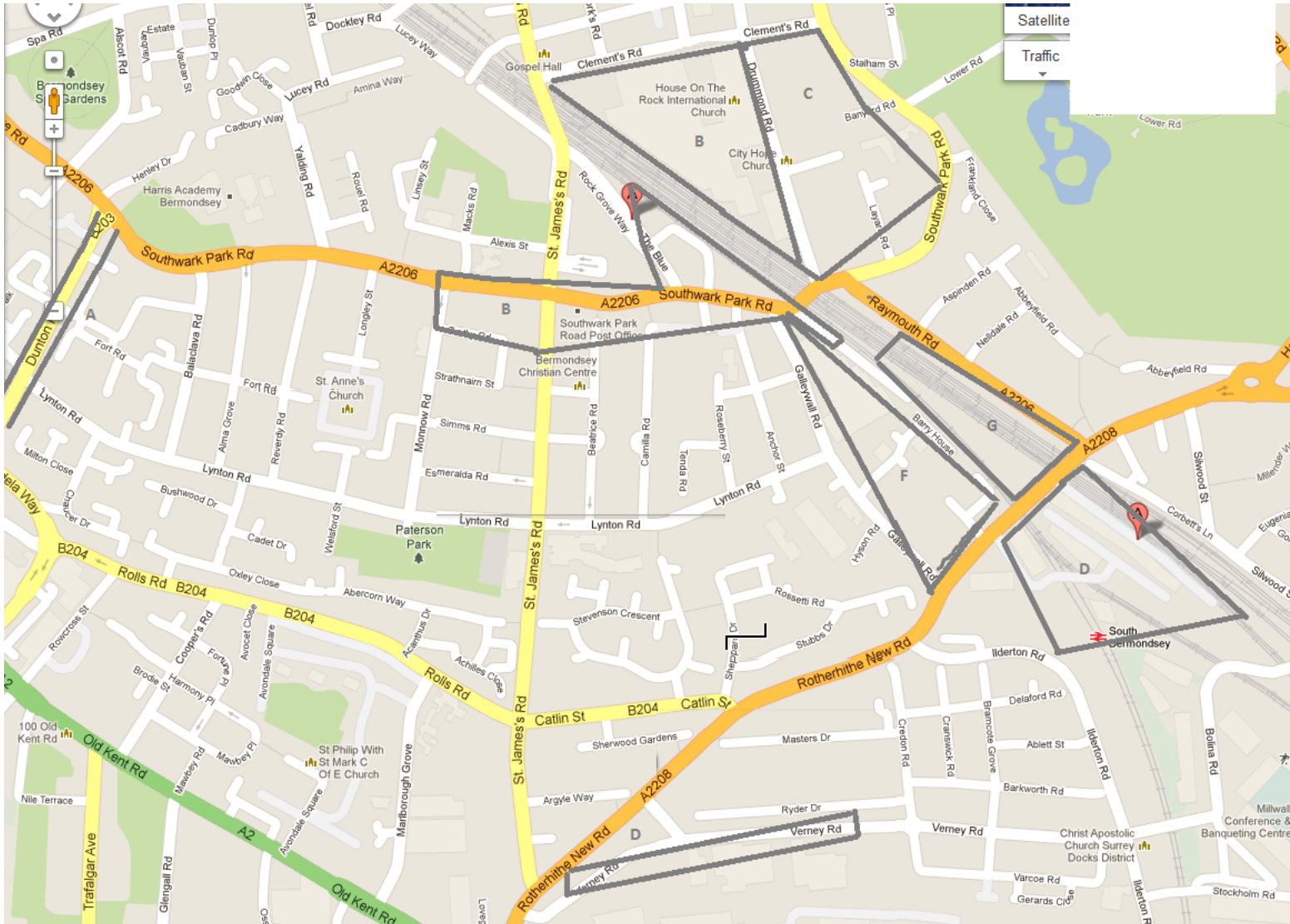
Would you be interested in serving on the BID board?

# Prospective BID area

We have divided Bermondsey into seven distinct areas.

Area	Streets
A	West Bermondsey: Dunton Road and Southwark Park Road west of Queen Victoria Pub
B	Central Shopping Area: the Blue, Southwark Park Road from Queen Victoria Pub to the railway bridge, Blue Anchor Lane, Bombay Street, north end of St James' Street
C	Biscuit Factory: Biscuit Factory and Tower Bridge Business Complex
D	South Bermondsey: Verney Road
E	South-East Bermondsey: Bermondsey Trading Estate and Jarrow Road
F	South of the Arches: Galleywall Road and Admiral Heyson Industrial Estate
G	North of the Arches: Raymouth Road, Almond Road and Rotherhithe Business Trading Estate

# Prospective BID area



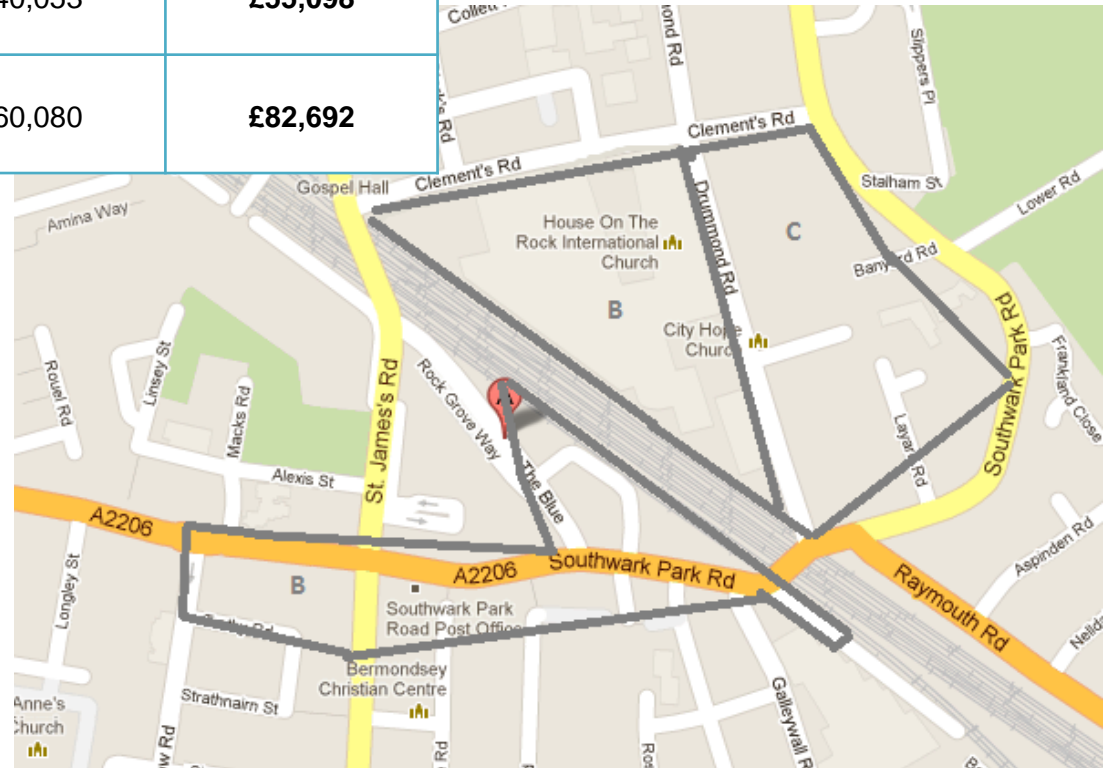
# Prospective BID area

	West Bermondsey (A)	Central Shopping Area (B)	Biscuit Factory (C)	South Bermondsey (D)	South-East Bermondsey (E)	South of the Arches (F)	North of the Arches (G)	<b>TOTAL</b>
Total RV	£128,050	£1,507,460	£4,005,335	£0	£150,525	£907,400	£3,511,540	<b>£10,210,310</b>
Levy at 1%	£1,281	£15,075	£40,053	£0	£1,505	£9,074	£35,115	<b>£102,103</b>
Levy at 1.5%	£1,921	£22,612	£60,080	£0	£2,258	£13,611	£52,673	<b>£153,155</b>

# Prospective BID area

## Option One – areas B and C

	Central Shopping Area (B)	Biscuit Factory (C)	TOTAL
Total RV	£1,507,460	£4,005,335	<b>£5,512,795</b>
Levy at 1%	£15,075	£40,053	<b>£55,098</b>
Levy at 1.5%	£22,612	£60,080	<b>£82,692</b>



# Prospective BID area

## Option Two – Areas B, C, F and G



	Central Shopping Area (B)	Biscuit Factory (C)	South of the Arches (F)	North of the Arches (G)	TOTAL
Total RV	£1,507,460	£4,005,335	£907,400	£3,511,540	<b>£9,931,735</b>
Levy at 1%	£15,075	£40,053	£9,074	£35,115	<b>£99,317</b>
Levy at 1.5%	£22,612	£60,080	£13,611	£52,673	<b>£148,976</b>

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**APPENDIX 3**

# **Bermondsey Business Improvement District: Equalities Analysis**

## **July 2014**

## Section 1: Equality analysis details

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<b>Proposed policy/decision/business plan to which this equality analysis relates</b>		Bermondsey Business Improvement District			
<b>Equality analysis author</b>		Nazmin Yeahia			
<b>Strategic Director:</b>		Graeme Gordon, Director of Corporate Strategy			
<b>Department</b>		Chief Executives	<b>Division</b>	Corporate Strategy	
<b>Period analysis undertaken</b>		July 2014			
<b>Date of review (if applicable)</b>					
<b>Sign-off</b>	Graeme Gordon	<b>Position</b>	Director of Corporate Strategy	<b>Date</b>	10.07.14

---

**Section 2: Brief description of policy/decision/business plan**

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**1.1 Brief description of policy/decision/business plan**

The equalities analysis relates to the Cabinet decision to note the outcome of the ballot for a Business Improvement District (BID) in Bermondsey, endorse the formation of the Blue Bermondsey BID Company, and note the BID proposers request to invite a Council representative to its board.

The report sets out the legislative process for developing a BID, the background to the BID proposers, and the consultation that has taken place with businesses affected by the BID and Southwark Council. The report confirms that the BID ballot approved the formation of the Blue Bermondsey BID, and that the proposed Blue Bermondsey BID arrangements do not conflict with Southwark's policies or strategies. The report will be taken to Cabinet on 22 July 2014.

The equalities assessment draws on information provided in the Bermondsey BIDs Proposal Documents, which outlines the BIDs vision for the next five years, how it will operate, the additional service it will provide in the BID area and consultation undertaken with the community and businesses. The BID will primarily work with its member organisations (businesses) to deliver the above, and as such the formation of the Blue Bermondsey BID Company and its activity is unlikely to impact groups with protected characteristics.

### Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders																									
<p><b>Key users of the department or service</b></p>	<p>The key users of the Bermondsey BID will be business within the defined BID area, which centres around the Blue Market and Biscuit Factory. There are approximately 270 businesses that are liable to pay the 1.5% levy on business rates that the BID will charge during its term. Any properties with a rateable value of less than £6000 will be exempt from the levy and charities with a rateable value above £6000 will be levied at a lower rate. In most instances, all businesses in the BID area will benefit from the services provided by the BID, irrespective of whether they are a liable for the levy or not.</p> <p>Residents and footfall passing through the BID area are indirect users of the BID's services; the BID may use its income from the levy to make improvements to the street scene, respond to crime, and improve the overall quality of the town centre, therefore bringing benefits to the range of customers that the area attracts.</p> <p>There is no specific information on the composition and characteristics of the businesses and footfall within the BID area, though it can be assumed that many customers using the town centre will be residents of the South Bermondsey and Riverside area and will reflect the demographics of these wards.</p> <p>South Bermondsey and Riverside's demographics are broadly consistent with London averages as noted in the table below. Of notable difference is the higher population density in both wards compared to the London average. The proportion of BME residents in South Bermondsey is 5 percentage points higher than the London average, whereas the proportion of BME residents in Riverside is 9 percentage points lower than the London average.</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>South Bermondsey</th> <th>Riverside</th> <th>London</th> </tr> </thead> <tbody> <tr> <td>Average age</td> <td>33</td> <td>34</td> <td>36</td> </tr> <tr> <td>Male</td> <td>49%</td> <td>52.5%</td> <td>49%</td> </tr> <tr> <td>Female</td> <td>51%</td> <td>47.5%</td> <td>51%</td> </tr> <tr> <td>Ethnicity: BME</td> <td>45%</td> <td>31%</td> <td>40%</td> </tr> <tr> <td>Population density</td> <td>142 (persons per hectare)</td> <td>137 (persons per hectare)</td> <td>52 (persons per hectare)</td> </tr> </tbody> </table> <p style="text-align: right;"><i>Source: ONS 2011 Census</i></p>	Indicator	South Bermondsey	Riverside	London	Average age	33	34	36	Male	49%	52.5%	49%	Female	51%	47.5%	51%	Ethnicity: BME	45%	31%	40%	Population density	142 (persons per hectare)	137 (persons per hectare)	52 (persons per hectare)
Indicator	South Bermondsey	Riverside	London																						
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Ethnicity: BME	45%	31%	40%																						
Population density	142 (persons per hectare)	137 (persons per hectare)	52 (persons per hectare)																						
<p><b>Key stakeholders were/are involved in this policy/decision/business plan</b></p>	<p>BIDs are a business led initiative which are developed through significant engagement with businesses. To ensure the feasibility and demand for a BID, BID proposers undertake engagement activity, surveys, and consultations to assess whether businesses would be interested in participating in a BID. BID proposers also engage with the local authority in its capacity as the Billing Authority, Ballot Holder and custodian of the areas public realm, planning policy, and community safety services.</p> <p>The Bermondsey BID was proposed by the Blue Bermondsey Business Association (BBBA). The BBBA are a group of businesses who</p>																								

	<p>represent the interests of businesses in Bermondsey. Since 2011 the BBBA have been pursuing the development of a BID locally and have consulted and engaged the relevant stakeholders to progress this. Stakeholders include:</p> <ul style="list-style-type: none"> <li>• Business rate payers within the BID area</li> <li>• Southwark Council</li> </ul> <p>In 2013, the BBBA commissioned a survey of 100 Bermondsey businesses, responses to the survey provided the following information:</p> <ul style="list-style-type: none"> <li>• Types of business in Bermondsey;</li> <li>• Percentage of businesses that are independent, family run, franchises etc;</li> <li>• Age of businesses;</li> <li>• Number of employees per business;</li> <li>• Customer information;</li> <li>• How businesses felt about the future;</li> <li>• Businesses future investment and recruitment plans;</li> <li>• The extent to which businesses are concerned about the local environment, community safety, transport and relationship with partners;</li> <li>• Improvements that might benefit businesses;</li> <li>• The extent to which businesses are aware of the BBBA and their campaign to form a BID; and</li> <li>• Overall support for a BID in Bermondsey.</li> </ul> <p>Of those businesses surveyed, 92% answered 'Yes' when asked 'Do you think it is good for businesses to have a unified voice through a local business association such as the BBBA?'. 88% of businesses were supportive for the BID. The survey indicated that this key group of stakeholders were supportive of the BID in Bermondsey.</p> <p>The BBBA have also held events and informal engagements with businesses to inform them of the BID proposal and the implication that a BID may have on their business and the surrounding area.</p> <p>Southwark Council's involvement in the development of the Bermondsey BID has taken various forms, as the Council has responsibility for delivering different aspects related to the BID development process. Since 2011, the BBBA have consulted and informed the council of progress as stipulated in regulations. The council has engaged in the development of BID proposal documents, ballot arrangements, and the organisation of the BID revenue account.</p> <p>Once the Blue Bermondsey BID Company formally begins operating it will continue to consult with the Council to implement the final baseline agreement, operating agreement and BID arrangements.</p>
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## Section 4: Pre-implementation equality analysis

This section considers the potential impacts (positive and negative) on groups with 'protected characteristics', the equality information on which this analysis is based and any mitigating actions to be taken.

<p><b>Age</b> - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).</p>
<p><b>Potential impacts (positive and negative) of proposed policy/decision/business plan</b></p>
<p>The Bermondsey BID intends to deliver employment initiatives for young people (age not specified), by engaging businesses in the BID area and encouraging them to employ or train local young people. These projects will target a specific age group, and should improve the skills and employment prospects of participants.</p>
<p><b>Equality information on which above analysis is based</b></p>
<p>Bermondsey BID Proposal Documents</p>
<p><b>Mitigating actions to be taken</b></p>
<p>Not applicable</p>

<p><b>Disability</b> - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.</p>
<p><b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b></p>
<p>No possible impact identified</p>
<p><b>Equality information on which above analysis is based</b></p>
<p>Bermondsey BID Proposal Documents</p>

<b>Mitigating actions to be taken</b>
Not applicable

<b>Gender reassignment</b> - The process of transitioning from one gender to another.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No potential impact
<b>Equality information on which above analysis is based.</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Marriage and civil partnership</b> - Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. <b>(Only to be considered in respect to the need to eliminate discrimination.)</b>
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents



<b>Mitigating actions to be taken</b>
Not applicable

<b>Pregnancy and maternity</b> - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Race</b> - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Religion and belief</b> - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Sex</b> - A man or a woman.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Sexual orientation</b> - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Equality information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

<b>Human Rights</b> There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour , Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
No possible impact identified
<b>Information on which above analysis is based</b>
Bermondsey BID Proposal Documents
<b>Mitigating actions to be taken</b>
Not applicable

## Section 5: Further actions and objectives

<b>5. Further actions</b>			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
<b>Number</b>	<b>Description of issue</b>	<b>Action</b>	<b>Timeframe</b>
1	There are no specific equalities concerns regarding the development of a BID in Bermondsey. However the Council intends to encourage the BID Company to adopt good practice with regards to the Equalities Act 2011	Explore the possibility of working with the BID proposer to integrate equalities commitments into their Business Plan.	October 2014

<b>5. Equality objectives (for business plans)</b>				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
<b>Objective and measure</b>	<b>Lead officer</b>	<b>Current performance (baseline)</b>	<b>Targets</b>	
			<b>2013/14</b>	<b>2014/15</b>
N/A				

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Next Steps on Developing Long Term Plans for the Delivery of New Council Homes	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Leader of the Council	

## **FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL**

In July 2013 this council made an historic commitment to build 11,000 new council homes by 2043.

This report is all about the delivery of that commitment, and describes how we will ramp up our programme of building those new council homes from a few hundred early starts to 1,500 finished homes by 2018 and a total of 11,000 new homes over the thirty years of the programme. It authorises officers to put in place the additional capacity required to deliver to these timescales, including the creation of a new company, wholly owned and controlled by the council, that will allow us to secure the necessary investment.

It also describes how we will bring together the management of the new homes building programme with the ongoing maintenance and renewal of our existing council housing stock. It sets out how we will engage with residents on a borough wide and estate by estate appraisal of our existing housing stock to enable us to develop a comprehensive, long term investment and asset management plan that will ensure a high quality council home for all our tenants in the future.

London is suffering from a chronic shortage of quality, affordable homes. We in Southwark are committed to using every tool at our disposal to increase the supply of all kinds of homes across the borough, including new council homes. And we are committed to demanding the highest standards of quality, so that Southwark becomes a place where you will not know whether the home you are visiting is in private, housing association or council ownership.

Through our planning policies, we will unlock new sites for house building, both council and commercial. Through our large scale regeneration programmes and the financial contributions they bring to the council, we will deliver new private, housing association and council homes for hard working families on all income levels. Through our new homes delivery programme, we will deliver a total of 11,000 high quality new council homes for social rent and thousands more for shared ownership. And through the long term active management of our council housing assets, we will ensure that every council tenant enjoys a high quality home, that is warm, dry and safe, with a modern kitchen and bathroom.

Our commitment is real – this is how we will deliver it.

## RECOMMENDATIONS

That the cabinet:

1. Notes progress underway within the Direct Delivery programme that forms part of the commitment to build 11,000 new council homes over 30 years from 2013 to 2043.
2. Agrees to bring together, under the head of major works, the future programme delivery for new council homes with the ongoing asset management of the existing housing stock.
3. Instructs the Strategic Director of Housing and Community Services to:
  - put in place the necessary capacity to oversee further programme delivery;
  - undertake a comprehensive appraisal of the overall performance of current Housing Revenue Account (HRA) assets and report back the outcome of this analysis to cabinet in December 2014;
  - bring a further report to cabinet in December 2014, setting out the proposed pipeline for the delivery of 1500 new council homes by 2018;
  - establish a wholly owned and controlled council 'vehicle' to secure future funding capacity for the programme.
4. Instructs the strategic director of housing and community services to report annually to cabinet on delivery of the programme.
5. Agrees the draft "charter of principles" (Appendix 1) to govern our approach to engagement on housing investment and renewal.
6. Instructs the strategic director of housing and community services to consult with residents on the draft "charter of principles" through the summer, reporting back to cabinet in October 2014.
7. Notes the continuing role of the Futures Steering Board (FSB) as a valued sounding board, providing important tenant and homeowner perspectives on the delivery of the 11,000 new council homes.
8. Notes the ongoing engagement on the New Southwark Plan and emerging 30 year housing strategy, and instructs officers to ensure the necessary linkages are made with the proposed engagement set out in this report.

## BACKGROUND INFORMATION

9. Improving housing in Southwark is at the centre of the council's plans to create a fairer future for all, regardless of whether residents are social housing tenants, council leaseholders, private renters or homeowners. Access to appropriate, good quality affordable homes is important not just for residents but also to the wider economy and essential to shaping a borough which all residents are proud to call home.
10. In October 2011, after resident consultation, cabinet agreed an investment programme of £326 million to make every council home warm, dry and safe by 2015/16. By the end of 2013/14, over £180 million had been invested, over

9,000 properties have or are benefiting from work undertaken, in excess of 120 lifts had been refurbished and over 6,000 individual boilers replaced, with many more residents benefitting from improvements to district heating works. The investment programme is on track to be fully committed by 2015/16 in line with target.

11. At the same time, recognising that housing was one of the single biggest challenges facing the future of the borough, cabinet agreed to set up a commission, independent of council influence, to explore options for the future financing, ownership and operation of Southwark's housing stock beyond 2015/16. The independent housing commission reported in October 2012. It was followed by extensive engagement with residents on the future of council housing. The engagement process comprised wide ranging community conversations, consultation through formal mechanisms, including Tenants Council and Homeowners Council and the establishment of a new tenant and homeowner sounding board, the Futures Steering Board (FSB).
12. The outcome of the community engagement was reported to cabinet in July 2013. It highlighted overwhelming support for the views that:
  - Council housing should be for people for whom the private rented sector is unaffordable, who are in low paid work, beyond retirement age or unable to work (e.g. through illness or disability) and who have a local connection with the borough;
  - The council should invest in its housing stock to provide good quality homes for all its tenants;
  - The council should provide as many homes at genuinely affordable rents as possible and should look creatively at different options for financing and managing the delivery of new council homes;
  - The council's housing stock should be better managed and there is a significant appetite among council tenants and homeowners for more resident involvement in housing management, more tenant management initiatives and for exploring partnership working with other social housing providers, where this makes sense for a particular estate or locality.
13. Following this engagement, cabinet made an historic commitment to build a total of 11,000 new council homes.
14. Since July 2013, work has been undertaken on the council's approach to delivering this commitment. A report comprising a new homes investment plan, independently prepared by housing experts Savills UK, was presented to cabinet in January 2014. The report set out the different approaches available to the council to achieve its objectives and stated that the council's ambition to build 11,000 new council homes was both realistic and deliverable.
15. Also in January 2014, the FSB set out its response to the new homes investment plan report. In summary, the FSB was "delighted" to see the council's clear and strong commitment to building 11,000 new homes over the next 30 years. The full detail of their response, as set out in the January cabinet report, has been used to inform the actions set out in this report. The FSB was also consulted on the content of this report at its most recent meeting with council officers on 9 July 2014. They will continue to be actively engaged in progressing the next steps set out later in this report, as the council concludes the strategic planning and early development sites phase of the 11,000 homes programme and the focus shifts to

large scale delivery.

### **Purpose of this report**

16. This report sets out plans to progress one of the most ambitious programmes of housing investment and renewal in a generation, including the building of 11,000 new council homes by 2043, the first 1,500 of which will be built by 2018. The purpose of the report is to put in place the actions required to deliver this programme of borough-wide and estate by estate housing investment and renewal - shaped by residents and funded through a range of new and existing mechanisms.
17. The council will fully align and bring together its resources, operating across service and departmental boundaries, and will reshape how future council housing is supported and financed. This will include establishing a wholly owned and controlled council vehicle to finance future delivery of new homes whilst maintaining and improving the quality of the existing estate.
18. Most importantly, the report describes how the council will put residents front and centre when considering the choices that need to be made on local housing investment and renewal. These choices will impact on different communities in different ways over different periods of time and will be based on solid evidence, shaped by local opinions and residents' aspirations for the future.

### **What the report says**

19. The report begins with an update on progress so far delivery, including the early sites identified for the first of the 11,000 new council homes.
20. The report then looks forward, outlining the long term housing vision for Southwark, which provides the framework for developing a new borough-wide housing strategy. It then considers how the council will go about identifying further potential land for development opportunity including, as part of the emerging New Southwark Plan, looking at capacity and opportunities for redesignation of land at strategic sites such as the Old Kent Road.
21. The report goes on to explain how the council is balancing investment in the existing stock, through ongoing asset management, with its plan to deliver 11,000 new council homes. This will entail taking a more pro-active approach to the stewardship of its housing assets and means aligning delivery of new council homes with ongoing asset management. Through its housing vision, the council set itself the challenge not just of increasing the supply of homes, but of demanding that all homes, including its existing housing stock, are of the highest standards of quality. The report sets out the links between this vision and plans for delivery.
22. The report then explains how the council will establish the capacity to achieve its plans, including the establishment of new officer governance and delivery arrangements under the strategic director of housing and community services and a wholly-owned, council controlled 'vehicle' to finance future delivery.
23. Finally, it sets out how residents will shape the programme of housing investment and renewal at the borough-wide and estate by estate level, now and in the future.



## KEY ISSUES FOR CONSIDERATION

### Progress to date

24. In recognition of the need to address some of the more immediate housing needs in the borough in May 2012, the leader of the council signalled his intent that the council begin a programme of new house building and asked that officers work up a programme of delivery. The schemes comprising the first phase of the directly funded housing delivery programme were agreed by cabinet in October 2012. Since then:
  - Eight of the schemes have secured planning approval, with two currently in the planning process.
  - Five schemes have now commenced on site, and a further scheme will commence on site before December 2014.
  - Twenty four “Hidden Homes” are included in the programme.
25. The schedule of schemes is attached at Appendix 2.
26. In October 2013 cabinet went on to agree in principle a second phase of schemes to be worked up in further detail. The schedule of schemes, with next steps outlined, is attached at Appendix 2. More details of some of the schemes currently on site or with agreed planning permission, including site drawings and photographs, are included at Appendix 3.
27. In order to support future delivery of new council homes, cabinet agreed proposals for a procurement exercise in March 2014, to develop two frameworks for designers, project managers and contractors tailored to Southwark’s requirements. Interim arrangements to progress design work prior to contractors coming on board were also agreed.
28. A number of schemes of relatively larger size than those in the second phase will be assembled, that lend themselves to working with partners in joint venture arrangements. This will access existing supply chains to achieve good value and reduce the financing burden for the construction of private housing.
29. In addition, officers will consider how the council can best secure new council housing in private developments through section 106 agreements or land disposals. This would correspond to the role traditionally taken by Registered Providers of affordable housing in section 106 agreements in privately led developments. The first such scheme to deliver through a disposal is being worked up at Braganza Street workshops. Using section 106 or land disposals will form one of a number of important and alternative components in how we seek to finance the future delivery of 11,000 new council homes. More details on alternative funding mechanisms are set out later in this report.
30. At the more strategic level, further delivery options will be identified that contribute to the building of new council rented homes, both general needs and specialist housing types. Where appropriate, intermediate housing will be developed, including both shared ownership on the Social Homebuy model and of the retained equity type agreed previously by cabinet.
31. Progress to date therefore demonstrates that the council is already meeting its commitment to build 11,000 new homes. At the same time, the scale of the

ambition requires the council to now put in place actions that will progress delivery from these early sites to a borough-wide and estate by estate programme of investment and renewal.

### **A 30 year housing strategy for Southwark**

32. Providing more homes for people to live in, including council homes, and making homes affordable and of the highest possible quality are some of the council's top priorities. Recognising that its own plans for council housing are one part of a wider and growing housing offer in the borough, on 28 January 2014, the cabinet agreed a vision for a new thirty year housing strategy for Southwark.
33. This long term vision consists of four key principles:
  - We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
  - We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
  - We will support and encourage all residents to take pride and responsibility in their homes and local areas.
  - We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
34. The programme to deliver 11,000 new council homes by 2043 is a key contributor to the principle to increase the supply of all kinds of homes across the borough. Aligning the programme for new council homes with ongoing asset management of the existing housing stock and bringing that stock up to the highest possible standard of quality is in line with the principle to make Southwark a place where a visitor would not be able to distinguish between homes in private, housing association or council ownership.
35. To take forward the next stage of development of the housing strategy, a senior officer group involving all council departments has been established. This group is overseeing detailed research and analysis of housing need, condition and supply.
36. Work to date has included carrying out a sub-regional strategic housing market assessment (SHMA), which was completed in June 2014. This continues to demonstrate a high level of unmet need for affordable housing in the southeast London sub-region and in the borough. Research is also being undertaken into private sector housing conditions in the sub-region and the scope for this sector to meet local housing needs.
37. The development of a long term housing strategy is ambitious and marks Southwark out from many other local authorities. It means that the council will be able to plan with greater certainty and work with developers and other partners in a way that gives them clarity of vision and outcomes.
38. The strategy will also set out how we will aim to meet particular housing needs, including for specialist provision. This will include taking account of the assessments that need to be made as part of a broader appraisal of the current estate and future investment requirements.

39. Most importantly, a long term strategy, developed in alignment with the council's programme for delivery of 11,000 new homes, gives residents the opportunity to shape plans at both the strategic and local level. The proposals for resident engagement set out in this report, as well as the related engagement on the housing elements of the New Southwark Plan, will form an integral part of the approach to engagement on the development of the new housing strategy.
40. It is anticipated that the new housing strategy for Southwark will be completed by autumn 2015.

### **Identifying longer term development opportunities**

41. The commitment to build 11,000 new council homes by 2043 requires the council to identify as much potential land as possible for development opportunity. This will mean using tools such as the New Southwark Plan to achieve the council's ambition. The Mayor's London Plan sets a target for Southwark to deliver 2005 new homes of all kinds each year. Alterations to the London Plan currently being considered propose increasing this target to 2736 each year. The New Southwark Plan will refine and update our strategies to deliver the council's fairer future vision.
42. To prepare the New Southwark Plan, the council will consult on issues and options in October 2014. Residents will be engaged in this process so that they help shape the strategy and achieve sustainable development which improves the environment of the borough, provides infrastructure such as schools and health facilities and promotes economic well-being. The plan will also have a particular focus on improving the health of the borough.
43. The plan will refine the policies and identify opportunities for development which will support the strategy not only to deliver the overall housing target but specifically to support the commitment to build 11,000 new council homes by 2043.

### **A more pro-active approach to actively managing the estate**

44. As one of the largest landlords in the country, it is important that the council has the most comprehensive understanding of how it can actively manage and maintain its housing assets and how this is balanced with the delivery of any future plans, in this case 11,000 new council homes. Clear standards need to be set and put in place. These standards need to be agreed and costed for works to bring existing stock up to a quality that is both affordable and within available resources. At the same time, a robust assessment needs to be undertaken to identify those assets which cannot be economically refurbished to the agreed standard.
45. A starting point for this assessment is the council's approach to asset management. In 2011 cabinet agreed a five year housing investment programme of £326 million to improve the stock. The programme was put together based upon the assumptions of need (i.e. which housing stock needed most work), affordability (i.e. how much we have to spend and how this spend was distributed) and practical considerations (i.e. how housing blocks are grouped). The key components of the ongoing asset management programme are:

- The main warm, dry and safe (WDS) estates and street properties programme (electrics, windows, roofs, bathrooms, doors, boilers as well as other external repairs)
  - Lift, individual boiler, district heating and electrical works programmes
  - The existing investment two-year programme and the high priority Fire Risk Assessment (FRA) schemes
  - Expenditure on major voids and voids capitalisation.
46. The ongoing asset management programme is based on warm, dry, safe principles, which equates to the Government's Decent Homes Standard. In putting together the current asset management programme, some estates were recognised as needing a higher investment and given funding beyond that available through WDS. These 'High Investment Needs Estates' (HINE) are Abbeyfield Estate, Four Squares Estate and Hawkstone along with the continued regeneration of the Elmington Estate and Aylesbury Estate.
47. Achieving delivery of the warm, dry, safe programme does not of course in itself remove the need to continue to bring properties up to the Government's Decent Homes Standard. Properties will always be falling out of decency on a year by year basis, given a number of the Decent Homes criteria are based on age. It is therefore important to look at short and longer term performance of the council's housing assets to put in place the most appropriate and effective plans for delivery.
48. Recognising the increasing emphasis on long term performance of our ongoing assets, activity includes both "traditional" stock investment actions and "active asset management". These are defined as:
- **Stock investment** –those activities that will maintain the stock to a standard that meets local need
  - **Active asset management** – those activities to improve or replace properties that have poor economic and social performance with properties that are more fit for purpose.
49. Moving forward, the council has the opportunity to align future delivery of council homes more closely to the ongoing asset management of the existing housing stock, and in doing so take a more pro-active approach to how we actively manage the local estate. This will ensure that the council balances investment in the maintenance and improvement of existing stock with the need to deliver new homes. This report therefore proposes the alignment of ongoing asset management activity of the existing housing stock with future programme delivery for new council house building.

### **Appraisal of existing assets**

50. In order to ensure that the council takes every opportunity for appropriate investment and renewal within its own stock, this report also recommends that a detailed and comprehensive appraisal be undertaken of the performance of the current Housing Revenue Account (HRA) assets. Actions to develop this approach will include a stage of data collection and validation. This will be followed by the development of operational cash flows at a local level and an assessment of their worth to the housing business.
51. Alongside the financial evaluation, the council will identify non-financial measures

of sustainability in order to identify those areas where the housing stock prevents the council effectively meeting its social housing objectives, for example as set out in the housing vision described earlier in this report. This will include a measure of social return, which will be based on a range of locally relevant factors such as income, employment, health and well-being, education, skills and training, crime and anti-social behaviour, barriers to housing and social exclusion and the wider living environment.

52. The appraisal will include commentary on the costs and agreed investment standard to be used in future investment programmes for existing assets, including a comparison against other standards applied within the sector. The aim would be that the standard to be applied to existing assets reflects as far as feasible the quality proposed for new development.
53. Finally, a correlation of these results with open market values and development potential across the stock will identify candidate groups of assets where more detailed options appraisal could result in either opportunities for additional homes or improvements in values to the overall HRA business plan, increasing the surpluses that may be available to subsidise new developments.
54. The council has developed an asset performance evaluation tool that provides information on the performance of the stock and can be used by the council to test alternative scenarios. This will be the council's strategic planning tool that it will own and maintain and update over time to review its short, medium and long term strategy for its assets.
55. The asset performance evaluation tool enables the council to understand and evaluate the performance of its existing housing assets, from a financial and non financial perspective. The results from the appraisal of existing assets will provide illustrative future cash flows for the operating cash flows associated with all assets and an estimate of their worth to the overall business plan in net present value terms. The tool will also include a measure of social return, based on feedback from engagement with residents. This will be used to support the development of an active policy of managing housing assets which challenges the value for money of each investment decision, based on an analysis of both the value of future cash flows, and the extent to which investment meets the council's long term housing strategy and related policy objectives.
56. The tool will enable the council to establish a programme of options appraisals to support the investment strategy. This will improve business plan capacity by strengthening asset cash flows. It will also support the development of the 11,000 new council homes programme by identifying sites where investment and renewal will deliver better outcomes for both the council and its residents.
57. A comprehensive appraisal will be concluded and reported to cabinet in December 2014.

### **Establishing the capacity to further deliver the programme**

58. This report proposes the alignment of the future delivery of council homes with the ongoing asset management of the existing housing stock. The head of major works will become responsible for the new build programme alongside the responsibility for the current warm, dry and safe programme and the ongoing housing investment in the existing housing stock, including the installation of kitchens and bathrooms.

59. The delivery programme team will include housing development expertise, community engagement officers to ensure that residents are involved from the earliest stages and throughout the lifetime of the programme, and financial and commercial support to ensure that the programme is funded as necessary.
60. The action planning for the delivery of the programme, including the potential funding model, delivery vehicle and business plan, is already ongoing and progress is described elsewhere within this report.
61. The monitoring of the delivery programme will be overseen by a new corporate governance structure: the housing delivery programme board. The programme board will be chaired by the strategic director of housing and community services, and will consist of senior officers from across the council.
62. The housing delivery programme board will review individual project appraisals to include design, build costs, procurement, community impacts, infrastructure requirements and ongoing service delivery requirements such as environmental services. The board will be responsible for reviewing the overall programme including cross subsidy and opportunity to generate other means of funding. The board will also be engaged in and understand and approve the assumptions and parameters that drive the decision making on the individual scheme feasibilities.
63. The housing delivery board will report into the housing investment board which in turn reports to the leader of the council, as the portfolio holder with responsibility for delivering the 11,000 new council homes, and to the cabinet as a whole.
64. The new arrangements will subsume the existing delivery arrangements, currently located within the regeneration division in the chief executive's department. Staff consultation has commenced and will progress over the summer. It is anticipated that the new management arrangements should come into effect by early autumn 2014. In the meantime, work has begun to recruit specialist financial and community engagement support to augment the council's existing capabilities.

#### **A wholly council owned and controlled 'delivery vehicle'**

65. In the past a number of financial, legal and regulatory issues have resulted in Registered Providers ("RPs") taking a lead in delivering new social housing, even where this is on council owned land. The main reason for this is that, prior to the Localism Act 2011, HRA reform and grant reductions from the Homes and Communities Agency, councils were in a less favourable position than RPs to both build and maintain large scale stock, as borrowing levels were limited and restrictions applied to the amount of income that could be retained from council housing.
66. This position has evolved over recent years. Due to a combination of changes in the Localism Act, HRA reform, HCA grant reduction, and interest from institutional investors, councils are in a similar position as RPs in terms of the opportunities available to them to deliver new social housing. In particular, with renewed interest from institutional investors in larger scale council house building, councils are now in a much stronger financial position to build and deliver new social housing.
67. Delivery and ownership of new build council housing within the HRA may not

however be possible due to caps imposed by the Government on the total level of debt that can be held within the HRA, even given the relaxation on caps announced by the government in the 2013 autumn statement. Also, the council's consistent policy has been to ensure that HRA debt is carefully managed within prudent limits. As a consequence, the council now intends to establish by April 2015 a vehicle, wholly council owned and controlled, to fund new council home delivery.

68. The vehicle will sit outside the HRA and so enable borrowing beyond existing HRA headroom limits. While Southwark's housing investment plans are on a far bigger scale, several working examples of similar council owned delivery vehicles have already been established elsewhere for example in Ealing, Greenwich, Newham and Barking and Dagenham.
69. Establishing a council-owned and controlled delivery vehicle does not mean abandoning existing delivery and investment plans. Rather the vehicle will create additional flexibility to enable the council to increase current development capacity and so give speed and scale to plan implementation.

### **Engagement with residents**

70. Sound engagement with the community and involvement from and by residents is the starting point and bedrock upon which both existing and future housing investment and renewal programme will be progressed. In December 2012 the council agreed a new and innovative approach to community engagement.
71. The "community conversation" introduced a different way in which the council sought to engage. The engagement on future housing investment and renewal will follow the same best practice principles of being universal, impartial, comprehensive, timely and cost-effective using innovative approaches alongside the formal mechanisms that broadened participation and encouraged those who do not normally give us their views to have their say
72. Delivering 11,000 new council homes by 2043 and demanding the highest quality in the standards of new and existing stock, demands an ambitious process of resident engagement and involvement i.e. different types of community engagement taking place over different areas at different scales and with different groups, partly determined by the nature of the investment opportunities attached to local areas. This will also mean an estate by estate approach that is flexible and responsive to local needs and issues, and uses a range of methods to ensure maximum possible participation.
73. Residents will work together with the council plus any development partners to design the best possible solutions for future investment that maximises the number of homes available whilst ensuring quality of supply. The engagement and design process will need to be appropriately structured to ensure maximum participation and influence from residents, particularly those affected by any specific changes put in place as a result of redevelopment and renewal of local estates. Agreements with any development partners will take on board agreed principles to underpin the regeneration programme that arise from our engagement.

### **Engagement – establishing and agreeing principles**

74. A first step will be to establish and agree some overarching principles that are

brought together to form a charter that governs how we go about, over the longer term, borough-wide housing investment and renewal.

75. This draft “charter of principles” is attached at Appendix 1. These principles build on the Lakanal engagement (see paragraphs 81 to 86) and have been informed by what people told us in response to the earlier phase of consultation on the Housing Commission findings. The principles include establishing clear, broad criteria for prioritising local housing regeneration and investment with regard to location, height, access, quality, community benefit and social impact and so on.
76. Following agreement by cabinet it is proposed that the draft “charter” be consulted upon with local residents. This will take place through the summer and a final “charter” will be presented back to cabinet in October 2014. The consultation represents the first phase of a multi-staged, wide ranging approach to engagement with residents, shaped by residents and for residents throughout.

### **Engagement – applying the principles to a programme of housing investment and renewal**

77. With a “charter” in place and following presentation to cabinet in October, it is proposed that officers begin engagement with residents to inform and influence the ongoing appraisal of existing HRA assets, focusing on the measures of social return used to determine that appraisal process. The outcome of this will be a clear list of measures, designed and agreed with residents that will be built into the ongoing appraisal of existing HRA assets.
78. It is proposed that the appraisal of the existing HRA assets be concluded by December 2014. The outcome of this appraisal will result in a series of options for investment in the future estate across the borough. These options will be published for consultation and engagement with residents to commence early in 2015.
79. The next stage of engagement and consultation will ask residents for their views on the options for future investment in the estate and it is proposed that officers commence a series of estate by estate and area by area consultation and engagement. This is so that local residents in those areas have the opportunity to design and shape how investment is best delivered. The charter of principles will again be key to informing these engagement activities. The type, scale and duration of these activities will depend on what is proposed for the area under investigation. Ultimately it will be residents with the council to determine the shape and style of the engagement programmes for local estates and areas that directly affect them.

### **Supporting the engagement process**

80. In summary, the aim is for residents to be at the front and centre of future plans for housing investment and renewal and so the engagement process set out in this report is clearly very intensive. To effectively progress the engagement programme, a dedicated officer resource reporting through the housing delivery structure and with clear links to the existing community engagement team will be established.

### **A template for future engagement**

81. The ongoing and extensive engagement work on current refurbishment projects



including on the future of Lakanal House following the tragic events there provides a practical example of how the council is going about individual area and localised engagement on future housing investment and renewal. This combines broader engagement with the use of a project board of residents that has taken residents with us every step of the way and puts them in the driving seat of shaping local housing renewal and investment.

82. The approach includes officers working together with residents at the early stages of a scheme. This includes working up options for refurbishment and taking detailed account of people's views, ideas and opinions on how this is best delivered. The principles of how officers will work with residents are agreed at the outset with resident representatives who form a working party to develop, consider and agree options for the future of the wider estate.
83. Officers work with resident representatives to reach out to the wider group of residents on the estate. An independent residents' friend provides expert advice to the resident group – this helps to build an atmosphere of confidence, enthusiasm and trust.
84. As contractors are appointed they work together with residents and council officers to look at all possible options and help select their preferences. In some cases the group has also worked with council officers on a localised lettings policy.
85. Officers and residents work together on how development can enhance the estate as a whole and bring opportunities to address wider improvements including the potential to create new homes, revitalise under-used assets like commercial units, better provide for local community groups, improve lighting and security and get input to a wider list of improvements to implement when resources are available.
86. The whole process is about benefiting the estate and the community as a whole, not just improving the homes that people live in. The aim is to create a neighbourhood with a strong sense of community and for which residents feel a real sense of ownership.

#### **Delivery timeline and next steps**

87. This report sets out plans to progress one of the most ambitious programmes of housing investment and renewal in a generation including the building of 11,000 new council homes by 2043, the first 1,500 of which will be built by 2018.
88. These plans include a number of actions and a high level delivery timeline, based on the agreement of this report, is set out below:

<i>2014</i>	
July	Establish housing delivery programme board, chaired by Strategic Director of Housing and Community Services
	Agree draft charter of principles for resident engagement on housing investment and renewal
August	Begin consultation on charter of principles with residents
September	Bring together, under the head of major works, the future programme delivery for new council homes with the ongoing asset management of the existing housing stock
October	Finalise charter of principles for agreement by cabinet
	Commence consultation with residents on the measures to inform the appraisal of the current estate
	Commence first stage engagement on New Southwark Plan.
December	Conclude appraisal of existing assets and report to cabinet
<i>2015</i>	
January	Commence engagement with residents on specific options for investment in the future estate across the borough followed by a series of estate by estate and area by area consultation and engagement (specific timings to be worked up with residents).
April	Wholly council owned and controlled 'vehicle' established to secure future funding capacity for the programme
Autumn	Agree long term housing strategy for Southwark
<i>2018</i>	1,500 new council homes delivered

### Policy considerations

89. A new council plan is being proposed for agreement by cabinet elsewhere on this agenda. In that plan, it commits the council to improving housing standards and building more homes of every kind including 11,000 new council homes by 2043 with 1,500 by 2018.
90. The vision for a new long term housing strategy for the borough was agreed by cabinet on 28 January 2014. The vision consists of four principles as set out in paragraph 33 of this report. The proposals detailed in this report, covering the development of new homes, improvements to the quality of the existing housing stock, engagement with residents, and provision of housing to meet a range of housing needs, exemplify these strategic principles.
91. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Saved Southwark Plan policies, the Aylesbury Area Action Plan and the Canada Water Area Action Plan. These will soon be joined

by the Peckham and Nunhead Area Action Plan and a revised Canada Water Area Action Plan.

92. The Core Strategy and the Saved Southwark Plan policies are to be replaced by a local plan to be known as the New Southwark Plan. This will be prepared in consultation with residents, land owners, developers, employers, local organisations and other groups over the next two to three years starting with the publication of issues and options in October 2014. As noted above, the New Southwark Plan will set out the strategy to bring the full benefits and opportunities of regeneration to all Southwark's residents including the delivery of the long term housing strategy.

### **Consultation**

93. This report proposes undertaking one the most complex and comprehensive engagement and consultation activities with residents in recent times. An engagement plan will be delivered commencing in the summer and ultimately leading to an estate by estate programme to be progressed through 2015. The fundamental principle that underlies this engagement is to engage with as broad and representative a range of residents as possible and to give residents real choices on the future investment programme.
94. It will be important to ensure that the resident engagement set out in this report will inform major areas and action planning within the new housing strategy and New Southwark Plan. As part of the strategy's development separate engagement will take place on other housing tenures, and for those with special housing needs.

### **Risk management**

95. A wholly owned and controlled 'delivery vehicle' is the preferred model to contain financial risk within a separate delivery vehicle.
96. The vehicle will enable the council to meet borrowing needs to support its investment proposals, whilst effectively managing risk and protecting new assets from right-to-buy. High level financial modelling to support the new vehicle is also being undertaken with associated detailed work on the stock condition asset management model. This will include investment needs analysis capable of supporting prudential management of existing stock and planning for new build, with appropriate management and mitigation of risk.
97. The practical risks associated with the planning and actual delivery of new homes at scale are those normally associated with any significant development programme: site availability; funding capacity, skills and expertise (in-house or external), and officers are developing mechanisms to manage and mitigate those risks.

### **Community impact statement**

98. Southwark is a borough which has high levels of housing need. The 2014 SHMA continues to demonstrate the need for affordable housing, with the borough experiencing very high house prices that are outside the reach of many of its residents. It has the highest house prices in the housing sub-region (the average 2 bedroom flat being sold for £360k in 2013). At the time of the 2011 census there were 18,547 overcrowded households in Southwark, a higher number, and

a higher percentage (15.3%), than any of the other four boroughs in the sub-region. Over the period 1981-2012 the population of Southwark increased by 34%, the fastest growth in the sub-region by some margin. This helps to demonstrate a continuing need for more homes, and particularly for affordable homes in the borough.

99. The report sets out proposals for a comprehensive community engagement programme with residents, not just those living in our homes and on our estates, but also those living in the vicinity of estates where the new homes will be built. This will be one of the most comprehensive engagement exercises of its type ever undertaken. It will build on the learning of other community conversation exercises undertaken by the council, such as that carried out in response to the findings of the independent housing commission; being inclusive, open and accessible to all of Southwark's diverse communities. As set out in this report, the results of the resident engagement exercises will be reported to cabinet and will help to shape the future direction of the council's 11,000 new homes programme.

### **Resource implications**

100. All costs associated with the development of this plan to date have been contained within the Housing Revenue Account. The resident engagement proposals will also require adequate resourcing in order to be conducted effectively, particularly at the next stage of the engagement process. More details will be provided in future reports.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

101. As many of the sites are likely to be part of housing estates, it will generally be necessary to conduct a consultation with secure tenants under section 105, Housing Act 1985 before any final decision is taken concerning the site. Other persons likely to be affected should also be consulted. The law requires that such 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 it must be conscientiously taken into account when the ultimate decision is taken. Similarly due regard must be had to the impact a proposal in relation to any site may have on persons with protected characteristics under the Equality Act 2010.
102. Paragraph 65 to 69 of the report refers to the possibility of an alternative business structure being used. The report emphasises that this will be owned and controlled by the council. This may be achieved under powers conferred by local government legislation that include the general powers of competence under Section 1 of the Localism Act 2011, which effectively gives local authorities the powers of an individual of full capacity. The power to trade is contained within section 95, Local Government Act 2003 which allows a council to do for a commercial purpose anything which it is authorised to do for the purpose of carrying on any of its ordinary functions. The power conferred by section 95 may only be exercised after a business case has been prepared and approved.
103. If any land is to be transferred to the new structure then this will either need to be

for best consideration in accordance with section 123 Local Government Act 1972 or if the purpose of the disposal is likely to contribute towards the promotion or improvement of economic, social or environmental well-being of the area. If housing land then the disposal needs to be in accordance with the requirement to obtain consent under section 32 Housing Act 1985. There are a number of general consents which have been issued under the General Housing Consents Order 2013 and this includes disposals to a body owned or partly owned by the local authority. When making its considerations, the council should have regard to its community strategy and its fairer future promises.

104. The development of an alternative business structure will involve legal complexities requiring legal advice and input throughout development.

**Strategic Director of Finance and Corporate Services (FC14/011)**

105. This report notes progress to date on delivering new council homes. It also instructs the strategic director of housing and community services to put in place the necessary capacity to oversee further programme delivery and to establish a wholly owned and controlled council 'vehicle' to secure future funding capacity for the programme.
106. The resource implications arising from a proposal of this size are significant and will be addressed in detail as plans progress and will be subject to further reports.
107. The strategic director of finance and corporate services expects that each element of this programme will be subject to full financial appraisal to ensure it delivers best value and can be contained within available resources.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet paper – Developing Long term Plans for the Delivery of New Council Homes	Corporate Strategy, Southwark Council, 160 Tooley Street London SE1 2QH	Stephen Gaskell, Corporate Strategy Tel: 020 7525 7293
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4329">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4329</a>		
Cabinet paper – Vision for a New Housing Strategy for Southwark	Corporate Strategy, Southwark Council, 160 Tooley Street London SE1 2QH	Claire Linnane, Corporate Strategy Tel: 020 7525 0732
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4328">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4328</a>		
Cabinet paper- Independent Housing Commission – Conclusions And Next Steps Following Community And Stakeholder Engagement	Corporate Strategy, Southwark Council, 160 Tooley Street London SE1 2QH	Claire Linnane, Corporate Strategy Tel: 020 7525 0732
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3882">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3882</a>		
Cabinet paper – Establishment of a housing commission – 13 December 2011	Corporate Strategy, Southwark Council, 160 Tooley Street London SE1 2QH	Stephen Gaskell, Corporate Strategy Tel: 020 7525 7293
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=2588">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=2588</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Draft charter of principles
Appendix 2	Schedule of directly funded housing delivery programme schemes
Appendix 3	More details of directly funded housing delivery schemes currently on site or with agreed planning permission, including site drawings and photographs

**AUDIT TRAIL**

<b>Cabinet Member</b>	Leader of the Council	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Community Services	
<b>Report Author</b>	Stephen Gaskell, Head of Strategy and Partnerships Graeme Gordon, Director of Corporate Strategy	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 July 2014	



## 11,000 New Council Homes: Our Commitment to Involving You

This charter is our commitment on how the council and our partners will work together with residents on our programme of investment and renewal. It sets out our promise to give people who live and work in Southwark a real say in our ambitious programme to build 11,000 new council homes. We will ensure that the council and any partner working with us on the new homes programme adopts and implements the commitments it makes.

The charter is underpinned by our values and fairer future principles which are:

- Treating residents as if they were a valued member of our own family.
- Being open, honest and accountable.
- Spending money as if it were from our own pocket.
- Working for everyone to realise their own potential.
- Making Southwark a place to be proud of.

### **Our commitments to you on involving residents are:**

#### **How we will work with you on developing the principles for housing investment and renewal of our estates**

- We will work with you to identify what are the factors which make an estate a success and worth investing in for the future.



- We will involve the community area by area as we work with you to consider the options and opportunities for development in each part of the borough.

### **How we will work with you on the development of the new homes on your estate**

- We will work with you on the design of each scheme and keep you informed every step of the way as the programme progresses.
- Consultation and engagement will continue throughout the design and delivery of the programme rather than be a one-off exercise at the beginning without further opportunities to give us feedback. We will keep you informed as to how your views have been taken into account.
- Each scheme will have a named lead officer so that residents know who to contact.
- Consultation will be led by local project groups of residents and local councillors in each area.
- We will hold one to one meetings for any resident that wants one.
- We will only proceed with submitting a planning application for proposals for this programme where there has been thorough dialogue and consultation with residents.

### **How we will involve you in ensuring that the new homes are delivered to a high standard**

- For each scheme we will set up a residents' project team of interested residents to regularly meet with us on the delivery of the new homes
- We will involve representatives from the wider community affected by the development of new homes.
- We will hold monthly site meetings with resident representatives from the residents' project team
- We will walk around the site with resident representatives and ward councillors a week before the handover
- We will carry out a satisfaction survey to find out how satisfied you are with how the projects are delivered, and what we can learn for the future
- We will work with you to ensure we get value for money for every pound spent on the programme.

## **Giving you a real say in how the new homes are managed**

- We will work with you on an area basis on options for involving you in the longer term management and upkeep of your home.

## **Our other commitments to you**

### **We will demand high standards for the quality and affordability of new homes**

- The 11,000 homes that we develop for rent will be let at formula or target rent i.e. true council rent levels.
- We aim to develop new homes that meet high standards of construction, design and environmental sustainability.
- The programme will include homes that fully meet the needs of vulnerable people and people with disabilities. We will make sure that our new homes help people to live independent lives.
- We will work with you not just to build new homes but to create great neighbourhoods with a strong sense of community. We will work with you to plan how our investment can create opportunities for improvements to the whole neighbourhood, building communities of which we can all be proud.
- We will ensure that the programme supports local employment and skills sourcing local labour and involving local businesses.

### **Your housing options if you are affected by redevelopment of your estate**

- We will ensure that leaseholders and homeowners affected by redevelopment get access to dedicated advice, support and information on their options for the future. This will include, where it is necessary, offering a full range of options for re-housing including shared ownership and shared equity, and any loss, compensation or disturbance payments residents may be entitled to.
- The programme aims to benefit local people and any tenant or leaseholder wanting to stay in an area where development takes place will be offered options to do so.
- We want to make most effective use of the new stock to make sure it is let fairly and in a way that deals with any specific local issues and concerns, and contributes to sustainable and mixed communities. We will work with residents to give them a say on lettings so that, for example, we make provision for those freeing up under-occupied properties, and to ensure that lettings take account of local

circumstances.

- Where tenants of the new homes want to move they will have the same rights to transfer and exchange their homes as any other Southwark tenant.
- At least half of the homes we develop will be available to tenants in housing need on the estate at the first letting to make sure that local residents affected by redevelopment get a fair deal.

## Direct Delivery - Phase 1 Schemes

Scheme	Ward	Architect / Contractor	Temporary Accommodation	Social Rent	Intermediate	Market	Total	Planning	Works	
									Start	Complete
Willow Walk	Grange	PRP / Mansell	54	21	0	0	75	Approved	Started	Mar 2015
Cator St - Extra Care	Peckham	PRP / Osborne	0	42	0	0	42	Approved	Nov 2014	Mar 2016
Clifton Estate	Peckham	AMA / Osborne	0	8	0	0	8	Approved	Mar 2014	Dec 2015
Crossways Church, Hampton Street	Newington	VHH / Osbourne	0	4	0	2	6	Submitted May 14	Jan 2015	Apr 2016
East Dulwich Est, Gatebeck House	South Camberwell	Baily Garner / Osborne	0	9	0	0	9	Approved	Nov 2014	Nov 2015
East Dulwich Est, Southdown House	South Camberwell	Baily Garner / Osborne	0	10	8	0	18	Approved	Nov 2014	Nov 2015
Masterman House garages	Camberwell Green	PRP / Osborne	0	15	0	10	25	Approved	Apr 2014	Feb 2016
169 Long Lane, SE1	Chaucer	Levitt Bernstein / Morgan Sindall	0	21	0	0	21	Approved	Apr 2014	Feb 2016
Nunhead Community Centre, SE15	Nunhead	PRP / Morgan Sindall	0	8	0	0	8	Approved	Mar 2014	Oct 2015
Sumner Road, Workshop	Peckham	Levitt Bernstein / Morgan Sindall	0	50	20	42	112	Submitted Jun 14	May 2015	Dec 2016
Hidden Homes	Various	Various	0	24	0	0	24	N/A	Oct 2013	Mar 2015
			54	212	28	54	348			

APPENDIX 2B

Direct Delivery - Phase 2 Schemes

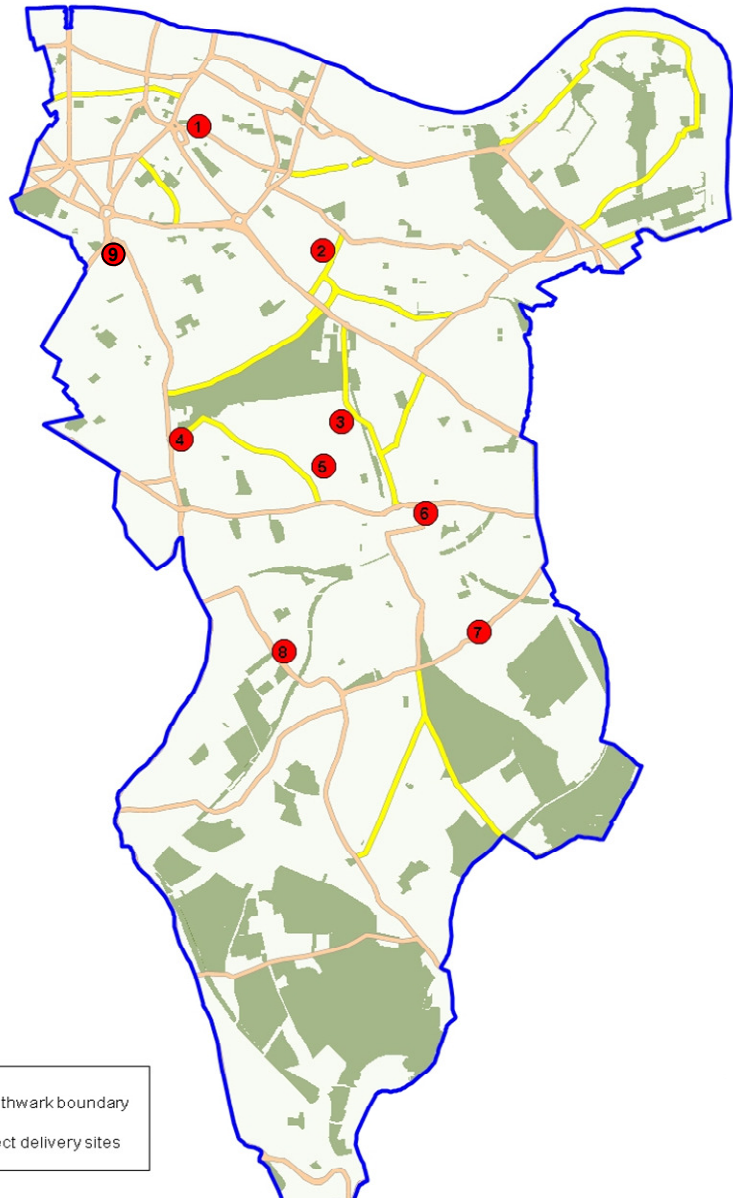
Site		Ward	Social Rent	Intermediate	Market	Total	Current position	Next Steps
Joseph Lancaster Nursery Annexe, Deverill Street SE1	Disused council building. Single storey building and surrounding land.	Chaucer	14	2	0	16	Capacity study completed but not used for consultation. Initial consultations on principles held with T&RA. Initial site investigations carried out.	Agree delivery arrangements with JMB. Next stage of procurement of consultants / contractors
Canada Estate various SE16	Parcels of land on estate.	Rotherhithe	51	6	0	57	Capacity Study produced and initial drop in session held.	Draft consultation strategy to be agreed with T&RA - to consider targeting rehousing on Edmonton Court. Second drop in session to be arranged and individual consultation with Edmonton residents. Next stage of procurement of consultants / contractors.
Daniels Road Car Park SE15	Strip of land on north side of Daniels Road.	Nunhead	7	1	4	12	Capacity study developed. Initial T&RA feedback awaited. Site surveys undertaken.	Attend T&RA meeting in August. Next stage of procurement of consultants / contractors.
Albion Street Civic Centre SE16	Former municipal building.	Rotherhithe	18	2	0	20	Initial capacity work completed, in the context of potential wider scheme. Initial site surveys completed.	Instruct architect on further capacity assessment for mixed used scheme. Agree consultation strategy. Appraise possible links with Canada Estate scheme on assumption ground floor will be non residential. Demolition of existing building proposed. Also possible link to school.
Commercial Way SE15	Former estate land. Two sites between Pentridge St & East Surrey Grove. Originally earmarked for tram.	Peckham	34	6	21	61	Capacity Study produced and initial discussion with T&RA. Initial site surveys completed	Arrange drop in session with T&RA to consider capacity study. Next stage of procurement of consultants / contractors

Weston St Garages, Kipling Estate, SE1	Garage site on estate in Leathermarket JMB management	Grange	22	3	0	25	Leathermarket JMB has secured funding to work up development from GLA under Community Right to Build and have formed a Community Benefit Society.	Cabinet report on forward plan for Sept to seek approval to enter into lease agreement with the Community Benefit Society to enable development of new homes.
Meeting House Lane 95a, SE15	Disused council office building. Former Acorn NHO, on edge of Acorn Estate.	Livesey	7	1	4	12	Held initial meeting with T&RA. Discussions ongoing concerning T&RA facility in disused laundry. Capital bid for community provision agreed. Initial site surveys completed	New capacity study to be commissioned. Consider demolition of existing building short term. Resolve route for community provision.
Welsford Street Garages SE1	Garages and car parking. Former E&C site. Consists of 30 garages with large informal car parking space to rear.	South Bermondsey	15	3	9	27	Capacity study previously carried out while in E&C process. Initial site surveys completed	Commission new capacity study.
Colombo Street SE1	Long lease, LBS freehold - 2 storey GP surgery	Cathedrals	18	2	0	20	No discussions yet held with occupiers.	Arrange meeting with GPs about temporary relocation and incorporation into new development
Causton Hse, Goschen Estate, Bethwin Road SE5	Sites adjacent to the railway, adjacent to block, row of sheds and space to rear of sheds.	Camberwell Green	8	1	5	14	No current T&RA, Camberwell West Area Forum briefed 22.10.'13. Initial sites surveys completed.	Commission new capacity and site surveys. Appraise options for new developments alongside Cleaner, Greener, Safer with Cllr Dixon-Fyle.
Pelier Street SE17	Former car breaker's yard on edge of park	Newington	8	0	0	8	Outline planning submission submitted based on previous strategy to dispose.	Incorporate into Phase 2 delivery arrangements. Consult with adjacent T&RAs and RAs
Goschen Est, ex T&RA Hall rear of Causton House SE5	Single storey brick building to rear of Causton House.	Camberwell Green	2	0	0	2	No current T&RA, Camberwell West Area Forum briefed 22.10.'13. Initial site surveys completed.	Commission new capacity. Appraise options for new developments alongside Cleaner, Greener, Safer with Cllr Dixon-Fyle.
Lugard Rd Garages, SE15	Row of 7 garages & 3 parking bays. Sub station to rear of site.	Nunhead	5	0	0	5	No relevant T&RA, Peckham & Nunhead Area Forum briefed on 16 Sept '13. Initial site surveys completed.	Commission Capacity study.
Fenham Rd Garages SE15	12 garages on the corner of Fenham Rd and Nutcroft Rd.	Peckham	6	0	0	6	No relevant T&RA, Peckham & Nunhead Area Forum briefed on 16 Sept '13. Initial site surveys completed.	Commission Capacity study.
Tenda Rd Car park SE16	Car parking area on Willmington Terrace.	South Bermondsey	7	1	4	12	Initial consultation with T&RA, and follow up letter sent. Initial site surveys completed.	Commission Capacity study.

35-41 Nunhead Lane SE15	Site of former nursery fronting Nunhead Lane	The Lane	6	1	3	10	No relevant T&RA, Peckham & Nunhead Area Forum briefed on 16 Sept '13. Initial site surveys completed.	Commission Capacity study.
Kinglake St. Garages SE17	2 storey garage block at southern edge of (New) Kinglake	East Walworth	7	7	0	14	Three TRA meetings attended and outline capacity study discussed. Concerns about loss of garages. Initial site surveys completed.	Capacity study to be commissioned. Possibility for TR&A facility at ground floor.
<b>Total</b>			<b>235</b>	<b>36</b>	<b>50</b>	<b>321</b>		

## Phase 1 Site Locations

- ① 169 Long Lane, SE1
- ② Willow Walk, SE1
- ③ Sumner Workshops, North Peckham Estate, SE15
- ④ Masterman House Garages, Elmington Estate, SE5
- ⑤ Cator Street, SE15
- ⑥ Clifton Garages, Clifton Estate, SE15
- ⑦ Nunhead Green Site B, SE15
- ⑧ Southdown House and Gatebeck House, East Dulwich Estate, SE22
- ⑨ Crossways Church (a.k.a. Castle Resource Centre) Hampton Street, SE1



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## Phase 1 Progress Report

### ① 169 Long Lane, SE1

21 Social Rent flats

- 5 storey with lift
- Ground floor commercial unit
- To be managed by Leathermarket JMB
- Ringfenced allocations to Kipling Estate

- Start on site (enabling works)
  - April 14
- Start on site due - Oct 2014
- Completion - Feb 2016



### ② Willow Walk, SE1

21 Social Rent flats in a 4 storey block with lift

54 Short Stay accommodation in 3 storey block and amenity/office space.

- Play area shared with Alscot Estate
- Blocks divided by new road
- General Needs ring fenced to Alscot Estate

- Start on site (construction) - 10 Apr 2014
- Completion due - Mar 2015



### ③ Sumner Workshops, North Peckham Estate, SE15

50 Social Rented Units

20 Shared Ownership

41 Private housing

- In blocks max 6 storey divided by new road.
- New T&RA facility
- New playground to be shared with North Peckham Estate
- Ring fenced allocations to North Peckham Estate

- Planning Application submitted June 2014
- Start on site due - May 2015
- Completion due - Dec 2016



## Phase 1 Progress Report

④ **Masterman House Garages, Elmington Estate, SE5**

15 Social Rent units  
10 Private Housing units

- 2 blocks max
- 5 storey with lift
- ringfenced allocations to Elmington Estate

- Planning consent obtained April 2014
- Enabling works complete
- Start on site due - Apr 2014
- Completion due - Feb 2016

⑤ **Cator Street, SE15**

Extra Care - 42 General Needs Housing Units

- 4 storey block with common parts and office/amenity space

- Start on site (enabling works incl Centre of Excellence) - Mar 2014
- Start on site (construction) due – Nov 2014
- Completion due - Mar 2016

⑥ **Clifton Garages, Clifton Estate, SE15**

8 Social Rent Units

- in 4 storey block with lift
- ringfenced allocations to Clifton Estate

- Enabling works completed
- Start on site due - Mar 2014
- Completion due - Dec 2015



## Phase 1 Progress Report

⑦ **Nunhead Green Site B, SE15**

8 Social Rent Houses

- 2 x 4 bed/4p
- 5 x 3 bed/5p
- 1 x 4 bed/6p

- Planning consent obtained
- Demolition of Community Centre complete
- Window renewal programme at Crofton/Basswood imminent
- Start on site due Sept 2014
- Completion due Oct 2015

⑧ **Southdown House and Gatebeck House, East Dulwich Estate, SE22**  
19 Social Rented Units and 8 Shared Ownership Units

- ringfenced allocations to East Dulwich Estate

- Start on site due –Nov 2014
- Completion due - Nov 2015

⑨ **Crossways Church (a.k.a. Castle Resource Centre) Hampton Street, SE1**

6 flats, 4 for social rent and 2 for church

- Planning application submitted - May 2014
- Start on site due - Jan 2015
- Completion due - Apr 2016



<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Major Works Status Report incorporating Warm, Dry and Safe	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

### **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

Southwark's Warm, Dry and Safe programme for improving our council housing stock has been one of the most ambitious programmes in the country to bring housing stock up to the Decent Homes standard: a £383m project over five years to ensure that every council home is of a decent standard.

I want to record my thanks to my predecessor, Councillor Ian Wingfield, for the work he has led on this programme to date. Over three years in, it is proving to be a well-managed capital programme that delivers on time. When it has been agreed that some work should be delayed or will take longer than initially planned, other parts of the programme have been accelerated to pick up the slippage. As the programme has progressed, residents' satisfaction with the work has improved and is higher than that across all major works.

The programme includes the strategic safety works programme, in response to Fire Risk Assessments. Work on all substantial risk high rise blocks has been completed, together with almost all the high moderate risk blocks. Our work with British Gas to deliver insulation and other environmental improvements has also added to the programme's impact.

This report sets out this progress in more detail, and sets out the remaining programme up to completion in March 2016. It also sets out initial stages to deliver the commitment to deliver new bathrooms and kitchens as part of the programme from 2016 onwards.

Finally, members should note the resourcing issues set out in the report. Officers anticipate that this shortfall can be addressed within the programme, but further work will need to take place to ensure that this funding gap can be bridged.

### **RECOMMENDATIONS**

1. That cabinet notes the status of the Housing investment programme with particular reference to the Warm, Dry and Safe (WDS) programme.
2. That cabinet notes that the current WDS programme is on course to be fully committed by the end of 2015/6.
3. That cabinet notes the progress of the strategic safety works programme. All substantial risk high rise blocks have now been completed and nearly all the high moderate risk blocks originally identified have now been completed. Additional

schemes have been added to the Fire Risk Assessment (FRA) programme and an additional allowance has been made outside of Warm, Dry and Safe to tackle substantial risk medium rise properties. Further FRA work will be prioritised in discussion with the London Fire Brigade alongside our longer term asset management planning.

4. That cabinet notes the ongoing work that has been delivered through British Gas to deliver environmental improvements including roofs, windows and cavity work at a notional cost to Southwark.
5. That cabinet notes the current programme resources.
6. That cabinet notes that the resources for the programme will be assessed in line with the commitment to deliver a quality kitchen and bathroom for every council tenant and the completion of the WDS programme.
7. That cabinet notes that this report will be sent to Home Owners Council and Tenant Council following cabinet approval.

## **SUMMARY**

8. It is a key priority of the council to make every home in Southwark warm, dry and safe. This paper is to give an interim update on the WDS programme as at the end of March 2014.
9. Over £180m has been spent and the programme is on course to be fully committed by the end of March 2015/16. The annually set WDS spend target for 2013/14 of £80m was achieved and a spend target of £90m has been set for 2014/15.
10. Some of the programme has been accelerated, whilst some delays have been caused to some projects due to the mutual conclusion of two partnering contractors.
11. Whilst backlog funding from the GLA has been secured along with additional works delivered by British Gas, additional funding is estimated to be required to complete the ambitious programme to make all homes warm, dry and safe.

## **BACKGROUND INFORMATION**

### **Introduction**

12. On 18 October 2011 cabinet agreed a detailed five year housing investment programme, with a summary set out in Appendix 2 of this report.
13. The key components of the programme are:
  - a. The main WDS estates and street properties programme (electrics, windows, roofs, bathrooms, doors, boilers as well as other external repairs)
  - b. Lift, individual boiler, district heating and electrical works programmes
  - c. The existing investment two-year programme and the high priority FRA schemes
  - d. Expenditure on major voids and voids capitalisation.

14. The programme is based on WDS principles and this equates to the Government's Decent Homes Standard. These principles are:
  - a. **Warm** – modern functioning heating, well insulated roofs, windows in good condition or double glazed with secure locks, sliding window vents and restrictor hinges where needed, draught excluders on front doors, cavity wall insulation
  - b. **Dry** – roofs, windows and building fabric in good condition, free from water penetration and damp
  - c. **Safe** – modern electrics including rewiring where necessary, secure front doors (fire rated where necessary)
15. The delivery of WDS homes is one of Southwark's Fairer Future promises.
16. The administration was re-elected in May 2014 on a mandate that included delivering a quality kitchen and bathroom for every council tenant.

### **Delivery background**

17. Delivery of the WDS programme was initiated on a wave of change that included establishment of the new Housing Department in 2011 and the setting up of the major works team within the department.
18. During the first three years of the programme there have been set backs that have meant that some of the planned targets for delivery have been tested, i.e.
  - a. Waiting for the decision of the Upper Tribunal on the partnering contracts, received in January 2012 delayed the start of the programme.
  - b. The Major Works partnering contract for Lot 2 with Wates Construction Limited (Wates) was ended by mutual agreement on 18 June 2012 (Bermondsey/Rotherhithe delivery area), with the works being carried out with a combination of the use of the back-up contractor for that Lot and competitively tendering work.
  - c. The Major Works partnering contract for Lot 1 in with Breyer Group Plc (Breyer) was ended by mutual agreement on 15 February 2013 (Borough & Bankside / Walworth area) with the works being carried out with a combination of the use of the back-up contractor for that Lot and competitively tendering work.
19. Cabinet took decisive action to accelerate the delivery of the WDS programme by approving some works to be brought forward from 2014/15 to start in 2013/14 and from 2015/16 to start in 2014/15.

### **KEY ISSUES FOR CONSIDERATION**

#### **What has been achieved – overall position**

20. At the end of March 2014, over £180m had been spent for the first three years of the WDS programme. Spending continues to accelerate. The annually set target for 2012/13 to spend £63m was achieved, and in 2013/14 WDS spend was £82.5m against a target of £80m.
21. A summary of the first three years' planned expenditure from the 18 October 2011 cabinet report is set out below. Each of the tables links back to the original budgets approved by the original cabinet report.

<b>Original WDS forecast for 2011/12-2012/13</b>	<b>2011/12 Forecast Spend</b>	<b>2012/13 Forecast Spend</b>	<b>2013/14 Forecast Spend</b>	<b>Total Forecast Spend</b>
Four Squares Security (New Place Estate)		500,000	4,500,000	<b>5,000,000</b>
Four Squares WDS (New Place Estate)		250,000	7,317,403	<b>7,567,403</b>
WDS – FRA Moderate Contingency		5,000,000	0	<b>5,000,000</b>
WDS – FRA Substantial Contingency		2,500,000	0	<b>2,500,000</b>
Elmington (Drayton / Llangland)		700,000	800,000	<b>1,500,000</b>
WDS – Landlord Obligations (Individual Heating)	8,110,000		4,000,000	<b>12,110,000</b>
WDS – Landlord Obligations (District Heating)	5,936,298		3,661,358	<b>9,597,656</b>
WDS – Landlord Obligations (Electrical Works)	2,350,000		2,300,000	<b>4,650,000</b>
WDS – Landlord Obligations (Lifts)	5,020,000		1,780,000	<b>6,800,000</b>
Contingency		2,000,000	3,400,000	<b>5,400,000</b>
WDS Estates		10,619,169	26,974,339	<b>37,593,508</b>
WDS Street Properties		2,462,907	3,172,127	<b>5,635,034</b>
Minor Voids Capitalisation	3,000,000	3,000,000	3,000,000	<b>9,000,000</b>
Minor Voids WDS Works	1,000,000	1,000,000	1,000,000	<b>3,000,000</b>
Leathermarket	1,100,000	1,100,000	1,100,000	<b>3,300,000</b>
Current Schemes		68,969,221	0	<b>68,969,221</b>
<b>TOTAL</b>		<b>124,617,596</b>	<b>63,005,227</b>	<b>187,622,822</b>

22. Summary of actual spend in the first three years of the programme:

<b>WDS Spend for 2011/12-2012/13</b>	<b>2011/12 Spend</b>	<b>2012/13 Spend</b>	<b>2013/14 Spend</b>	<b>Total</b>
Four Squares WDS and Security (New Place Estate)	£0.0m	£2.5m	£10.4m	£12.9m
Elmington (Drayton / Llangland)	£0.0m	£1.6m	£0.2m	£1.8m
WDS - Landlord Obligations (Individual Heating)	£3.5m	£8.2m	£3.5m	£15.3m
WDS - Landlord Obligations (District Heating)	£2.8m	£2.3m	£3.2m	£8.2m
WDS - Landlord Obligations (Electrical Works)	£2.8m	£0.2m	£0.4m	£3.4m
WDS - Landlord Obligations (Lifts)	£3.1m	£2.7m	£2.2m	£8.0m
Contingency	£0.0m	£0.1m	£3.0m	£3.1m
WDS Estates	£0.0m	£5.8m	£23.7m	£29.5m
WDS Street Properties	£0.0m	£0.9m	£3.7m	£4.6m
Minor Voids Capitalisation	£3.0m	£3.0m	£3.0m	£9.0m
Minor Voids WDS Works	£0.8m	£1.0m	£1.0m	£2.8m
Current Schemes	£19.7m	£34.6m	£23.7m	£78.0m
Hawkstone	£0.1m	£0.2m	£3.0m	£3.3m
Leathermarket JMB WDS spend	£0.8m	£1.4m	£1.4m	£3.6m
<b>Grand TOTAL</b>	<b>£36.6m</b>	<b>£64.5m</b>	<b>£82.5m</b>	<b>£183.6m</b>

For information: £1.1m of High Investment Needs Estate (HINE) funding has also been spent on Four Squares in 2013/14.

23. A summary of progress is given below with a more detailed breakdown given in Appendix 3.

Budget heading	Progress Status	Description of progress
Four Squares (security and WDS)	On site	Four Squares was started in 2012/13 as scheduled. A larger scope of external works was required than anticipated meaning the external works are starting in 2014/15 following additional High Investment Needs Estate (HINE) funding being agreed.
Elmington (Drayton / Langland)	Completed	Elmington was started in 2012/13 and completed in 2013/14.
WDS – Landlord Obligations (Individual Heating)	Ongoing Programme (accelerated)	This programme is running ahead of planned spend.
WDS – Landlord Obligations (District Heating)	Ongoing Programme	All the planned schemes up to the end of 2013/14 are on site with the exception of Gilesmead that will be on site early in 2014/15.
WDS – Landlord Obligations (Electrical Works)	Ongoing Programme	Works was completed to Guthrie/Jurston laterals and work is on site for Whitworth/Ellington (Rockingham) incoming mains. The remaining budget is being used alongside the WDS programmed works.
WDS – Landlord Obligations (Lifts)	Ongoing Programme	This programme is running well and is on schedule.
WDS Estates 2012/13 and WDS Street Properties 2012/13	On site or completed.	The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes. Some further delays have been caused with the mutual conclusion of the Wates and Breyers Major Work's partnering contracts. All schemes are now on site or completed. The exception is Sunray Estate where the scope of works has been revised and will therefore start in 2014/15.
WDS Estates 2013/14 and WDS Street Properties 2013/14	Some delays	Four schemes are on site with a pilot started on a fifth scheme. Four tendered schemes are to start early in 2014/15. Tustin has been delayed due to the scope of works required.
Minor Voids Capitalisation	Ongoing Programme	Voids capitalisation, allocation utilised.
Minor Voids WDS Works	Ongoing Programme	Minor voids works on target, allocation utilised.
<b>Current Schemes</b>		
Fire Risk Assessment (FRA) works - current	Substantial risk blocks Completed	All substantial risk high rise blocks complete.
	Higher Moderate risk blocks complete / on site	Nearly all the originally planned higher risk high rise moderate risk blocks are complete.
2 year programme	Largely complete	The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes and there have been particular issues causing further delays, however most of these schemes are now complete with the rest completing early in 2014/15.



24. From 2011/12-2013/14:
- a. Over 9,000 properties have benefited or are benefiting from work on their property or block started as part of our WDS major works programme to estates and street properties.
  - b. In addition to the WDS major works programme, fire safety works have been completed to all the substantial and nearly all the higher moderate high rise blocks through the FRA programme.
  - c. Over 120 lifts have been refurbished as part of the lifts programme.
  - d. Over 6,000 individual boilers have been replaced and many more residents have benefited from district heating works.

#### **What has been achieved – FRA programme**

25. The FRA Programme has progressed well with specific details available in Appendix 3. All 27 substantial risk high rise blocks and 175 out of 176 (not including four squares where works are being completed alongside the main scheme) of the high moderate blocks identified have now been completed. Over £36m has already been invested in delivering these FRA works.
26. In addition to reducing risk in high rise properties, £2.3m has been agreed for work to 48 substantial risk medium rise blocks which is being coordinated alongside the remaining WDS programme.
27. Cabinet has also agreed funding to install sprinkler systems into sheltered and hostel accommodation by September 2016 and of LD2 type automatic battery powered smoke/heat detection to council homes across the borough starting with the highest priority blocks by March 2015. LD2 alarm installations are also being installed to converted street properties and emergency lighting identified through inspections is also being installed. Programmes are in place to carry out FRA works to sheltered accommodation (for further details on the sheltered programme see Appendix 5), TA hostels and Tenant and Resident Association (TRA) halls as well as a five year programme of electrical testing blocks.
28. Work is being undertaken to prioritise future work and reducing fire risk in discussion with the London Fire Brigade. Other work being carried out includes improving signage, providing block plans to the London Fire Brigade and providing residents with information on the fire safety features of their dwelling.

#### **What has been achieved – Decent Homes**

29. 62.66% of the council's rented accommodation was Decent at March 2014. Each April the homes falling into non Decency that year are added meaning that the overall Decency rate drops initially at the start of each year.
30. As well as through the delivery of major works the Decency levels will change with surveys and repairs that are undertaken. The Decency achieved through major works will only be updated on completion of a scheme, so as more schemes are finishing the decency levels will increase. At the end of the WDS programme, and when all the schemes are completed, it is expected that the council's stock will be close to 100% Decent.

## Targets for the future years

### Spend

31. Following meeting the target WDS spend of £63m in 2012/13 and £80m in 2013/14, a target spend of £90m has been set for 2014/15.

### Programme

32. The following gives an overview summary of the planned programme. This represents the continued acceleration of the programme, with some works brought forward from later years in the programme. For a more detailed breakdown see Appendix 4.

Programme Breakdown	Planned start on site date	Original planned start date	Comment
WDS – Landlord Obligations (Individual Heating)	Ongoing Programme	Ongoing Programme	Yearly programme is ahead of spend.
<b>WDS – Landlord Obligations (District Heating)</b>			
District Heating 14/15	-	-	No new schemes were planned for 2014/15.
District Heating 15/16	2014/15	15/16	The 2015/16 schemes are planned to be brought forward to begin in 2014/15.
WDS - Landlord Obligations (Electrical Works)	Ongoing Programme	Ongoing Programme	A further £1.5m is available for essential replacement of communal, lateral electrical wiring and associated equipment in future years as part of the ongoing WDS programme.
WDS - Landlord Obligations (Lifts)	Ongoing Programme	Ongoing Programme	The programme is expected to continue to run to schedule.
Warm, Dry, Safe Estate Properties 14/15	2013/14 2014/15	- 2014/15	Some works were brought forward into 2013/14 and the rest of the works are planned to start in 2014/15.
Warm, Dry, Safe Estate Properties 15/16	2014/15 2015/16	- 2015/16	Works in two of the five contract areas are being brought forward into 2014/15 with the rest planned to start on site in early 2015/16.
WDS Street Properties 13/14	2014/15	2013/14	Due to the delayed start for 2012/13 street properties, pilot works began on the 2013/14 street properties with the main works starting in 2014/15.
WDS Street Properties 14/15	2014/15	2014/15	The 2014/15 street properties programme is to start in 2014/15.

<b>Programme Breakdown</b>	<b>Planned start on site date</b>	<b>Original planned start date</b>	<b>Comment</b>
WDS Street Properties 15/16	2015/16	2015/16	The 2015/16 street properties programme is expected to continue to run to schedule.
Hawkstone Refurbishment	2013/14	2015/16	Hawkstone Low Rise internals started on site in 2013/14 with the externals starting in 2014/15.
Maydew Refurbishment	2015/16	2015/16	Maydew is expected to start on site in 2015/16.
Minor Voids Capitalisation	Ongoing Programme	Ongoing Programme	Capitalisation only.
Minor Voids WDS Works	Ongoing Programme	Ongoing Programme	Minor voids works.

33. The main points of note from the programme are:
- The programme is expected to be fully committed by 2015/16.
  - All the 2012/13 estates programme is now on site with many projects already complete (the exception is Sunray due to the change of specification). Initial delays due to receipt of a decision from the Upper Tribunal and the competitive tendering of projects due to the mutual conclusion of two partnering contracts.
  - The non tendered 2013/14 estates projects are on site, some schemes are delayed and due to start in 2014/15 following the mutual conclusion of a partnering contract. Other projects are delayed for specific reasons given in Appendix 3.
  - Works with budgets totalling around £25m from the 2014/15 estates projects started in 2013/14 with the rest of the 2014/15 estates worked expected to be committed in 2014/15.
  - Works in two of the contact areas covering estates in Camberwell/Peckham and Nunhead and Peckham/Dulwich are being brought forward from the 2015/16 programme to be committed in 2014/15 along with limited projects in other areas.
  - The 2012/13 Streets programme has completed and pilots on the 2013/14 programme have begun, with the entire 2014/15 programme expected to be committed in 2014/15.
  - The 2015/16 district heating schemes are to be brought forward to be committed in 2014/15.

## **Resources**

### **Additional resources secured**

34. After a successful bid for backlog funding the council has received grants for £12.1m in 2012/13, £32.4m in 2013/14 and provisionally £32.3m in 2014/15. The backlog funding has allowed the programme to continue despite the delivery of the WDS programme being more expensive than initially anticipated.
35. There is a potential that further backlog funding for 2015/16 may be made available to bid for in 2014/15, but any funding that may be made available is likely to be dependant on regulating leasehold charges.

36. The 18 October 2011 cabinet report allowed for £29m of backlog funding towards the Housing Investment Programme. The additional £48.8m provisionally secured through backlog funding that was not accounted for in the original planned resources has been added to the programme on top of the £326m already allocated to WDS.
37. Additional capital bids for additional FRA works and other minor capital costs not included in the original programme added a further £8.2m to the programme.
38. Programme funding:

Original WDS provision	£326m
Addition funding through backlog funding	£48.8m
Additional capital bids for additional work	£8.2m
<b>Programme total</b>	<b>£383m</b>

39. British Gas has been undertaking works to reduce carbon emissions. The council is working with British Gas to deliver environmental improvements including roofs, windows and cavity work. The actual work is at a notional cost to Southwark. A review of the benefits of this work will be undertaken and reported on conclusion of the work. Work completed to March 2016:
- 2100 cavity wall insulations (CWI) filled
  - Double glazed windows in at Wade House and Bardell House (Dickens Estate)
  - External Wall Insulation (EWI) completed at Mortain House, Radcliffe House (Manor Estate), Wade House, Bardell House and Spenlow House (Dickens Estate)
  - Insulated Flat Roofs completed at Wade House, Bardell House and Spenlow House (Dickens Estate)

### Planned Resources

40. This WDS schemes continue to come back over the originally estimated budgets as previously reported to cabinet. The main reasons for the difference in costs from the original plan are:
- the fact that there was only 11% real stock data
  - insufficient allowance scaffolding costs and asbestos costs
  - preliminary work costs
  - other non-WDS related work costs that did not form the estimate but should be done at the same time as WDS works for efficiency reasons.
  - A risk pot of 5% is added to schemes that may not be spent (approximately £10m on committed schemes)
41. The resources required to meet the WDS standard on schemes committed by March 2014 were higher than the original estimated amount from the 18 October 2011 cabinet report.

Schemes set	Original WDS amount on committed schemes	Actual budget for committed schemes
WDS 2012 estates programme	£11.1m	£32.2m
WDS 2013 estates programme	£4.2m	£12.1m
WDS 2014 estates programme	£8.7m	£24.9m

Schemes set	Original WDS amount on committed schemes	Actual budget for committed schemes
Streets 2012/3 programme	£2.5m	£3.7m

42. These are the actual costs of delivering schemes to meet the aims of delivering the WDS programme rather than estimated costs based on the limited information when the programme was put together.
43. The programme generally aimed to tackle the worst first, so it is expected that some of the later schemes will only require minor works to meet the WDS standard.
44. At the end of March 2014 the WDS programme only has around £120m from the current £383m budget that is not committed<sup>1</sup>.
45. It is expected that in 2014/15 Southwark will commit up to £80m of the original WDS budget allocated to schemes. The schemes in the WDS estates and streets programmes are expected to continue to require more resources than originally budgeted.
46. Following the manifesto commitment to deliver a kitchens and bathroom programme, resources will need to be assessed. A capital bid will be put forward to the Housing Investment Board to include assumptions on kitchens and bathrooms and for the resources required to complete the WDS programme (see recommendation 6).
47. There are a number of potential funding streams that can contribute to or reduce the commitment for extra resources for this programme including the potential for bidding for further Decent Homes Backlog funding from the GLA, 'risk pots' in committed projects not being utilised, under spends on projects and programmed works being assessed as not requiring works following detailed surveys.
48. A revised programme will be drawn up including Kitchens and Bathrooms and the anticipated resources required.
49. The investment required up to the end of 2013/14 on individual heating replacement and communal heating repairs has been higher than budget due to:
- Individual boilers have a life cycle of 9-12 years dependant on type and use. The average age of boilers across the borough is 15 years. A programme of renewals for the oldest type of boilers was proactively undertaken to minimise the risks of outages. This programme of an additional £4m spend in 2012/13 brought the average age to under 14 years and reduced the demands of repairs in the term heating contract
  - We have over 100 district heating systems which serve over 17,000 properties. Many of the systems are the original installed with a large number over 40 years of age. The normal lifecycle for a typical communal system is 25 years. The age of the systems has led to more frequent breakdowns and the need to renew major components on an emergency basis.

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<sup>1</sup> Excluding voids capitalisation and the ongoing lift and heating programmes

Programme	Original WDS amount for heating to 2013/14	Actual spend to 2013/14
Individual Heating Installations	£12.0m	£15.2m
Boiler Plant Upgrades	£2.5m	£3.5m

50. Additional resources are anticipated to be needed to meet demand to the end of the WDS programme in March 2016:
- The additional individual allocation is required to maintain heating services when individual boilers are beyond repair and maintain the average age of the stock.
  - Considering the increasing age of our communal systems extra resources are required for the renewal of major components and assist in maintaining the service.

Programme	Current budget remaining (including virements) to March 2016	Additional resources required to March 2016
Individual Heating Installations	£4.78m	£3.22m
Boiler Plant Upgrades	£0.65m	£2.0m

### Resident perception

51. The consolidated 2013/14 survey results for the main WDS refurbishment works are:

Area	Satisfaction on main WDS refurbishment works	Overall satisfaction for all major works
Satisfied with quality of works	86%	80%
Satisfied with service provided by contractors	85%	79%
Satisfaction with service provided by Southwark	77%	74%

52. The satisfaction on WDS refurbishment works is higher than the average satisfaction across all major works and higher than the previous year.
53. Work is ongoing to analyse the reasons for dissatisfaction in order to improve the service. Home owner satisfaction is lower than that of tenants; however specific meetings are being held with home owners to address their concerns as part of the engagement process with residents.

### Future work streams

54. The Southwark Housing Commission places the *development of a long-term (30-year) strategy for council housing under the HRA* at the heart of the Commission's report. To support *more cost-effective approaches to decision making so that the value of the assets can be maximised* a 30-year asset management strategy will be developed following the consideration of the investment strategy presented to cabinet.
55. A project board was formed in late 2013/14 to oversee the development of the asset management information and system that will support the development of the ongoing asset strategy. This will allow for a more informed consideration of

the long-term risk on assets and liabilities as well as improvements to our compliance systems. Key improvement work is expected to continue in 2014/15 and 2015/16.

56. The intention is to have a new contractor framework whereby two lists of 6-7 contractors would be chosen to tender for individual building works projects through mini-competition (one for smaller contractors to offer opportunities to medium sized firms). The current Major Works partnering contracts would still remain in place subject to contract extension reviews, however mini-competition would be used in the areas where there are no Major Works partnering contracts. An OJEU advertisement is out and PQQs came back in February 2014 and are being assessed. It is planned that the new framework will be in place in 2015.

### **Other major works projects**

57. £2m from revenue resources have been earmarked for external and communal decorations. The programmes will be carried out in conjunction with 2013/14 WDS streets programme and the 2014/15 Estates Programme.
58. Work has begun in preparing costs for the first phase of WDS works to the Aylesbury Estate with Taplow and Northchurch being carried out as a pilot. WDS surveys are being undertaken west of Thurlow Street as it is likely to be later in the programme. The WDS programme will assess to ensure that investment reflects value with the scheduling of the regeneration works. Works to Aylesbury mains and boiler works have been accelerated with the boiler works completed and the mains on site and due to complete in 2014/15.
59. Work is continuing to the Tenant and Resident Association (T&RA) Halls programmes with Phase 1 (7 Halls) and Phase 1a (8 Halls) completing in early 2014/15 and Phase 2 (8 Halls) due to complete later in the year. Piter Road (Phase 2) in the hostels programme completed in 2013/14 and Phase 3 is (Copeland and Linden Grove) completing in early 2014/15.

### **Programme investment delivery**

60. To ensure the successful delivery of the programme the project teams within the major works division are given clear milestones and targets to work to along with clear levels of delegated authority.
61. The head of major works is responsible for the delivery of the programme. Progress against targets and strategic issues are addressed by the strategic director of housing and community services when required and in chairing a monthly major works monitoring group.
62. There are clear approval/gateway processes to make sure that prior to committing works the right level of quality in performance, health and safety and wider council requirements such as equalities, sustainability and local economic benefits will be achieved.
63. As well as project and programme budget monitoring within the major works teams, spend and forecasts are monitored through the housing investment board backed by the capital finance team to ensure that financial management procedures are in place.

64. A further annual progress report will be sent to cabinet following the end of the current financial year.

### **Conclusion**

65. The WDS programme is on course to be fully committed by the end of 2015/16. The overall programme continues to accelerate with the spend targets for 2012/13 and 2013/14 being achieved. However, costs are higher than originally anticipated and additional resources are required to complete the programme. 2014/15 will be a key year for delivering the programme with the majority of the remaining programme expected to be on site by the end of the year. The programme and the resources required need to be reassessed in line with the commitments to deliver kitchens and bathrooms.

### **Policy implications**

66. This paper provides an update to the key fairer futures promise of delivering Warm, Dry and Safe homes.
67. This paper provides an update to the delivery of the Government's Decent Homes Standard.

### **Community impact statement**

68. The community impact of the proposed programme was assessed as part of the 31 May 2011 report titled Housing Investment Programme and Revised Strategy.
69. Southwark's Housing Requirements Study 2008 found that certain types of households are over-represented in the borough's social housing, e.g. lone parents and pensioner households. Of pensioner household, for example, 69.1% live in social rented housing. The study also found that 40% of council renters contain at least one person with a health problem and that disadvantaged groups overall are more likely to be living in social housing, for example, certain BME groups.
70. There is increasing evidence of a link between poor housing conditions and ill health. The proposals in this report to make homes warm, dry and safe are likely to have health benefits for tenants and residents.
71. Replacing single glazed windows with double-glazing and replacing older, less efficient heating systems, increasing the thermal efficiency of council homes will have benefits for all residents benefiting from the investment strategy, through reducing carbon emissions.
72. Providing better thermal insulation, improving communal heating systems etc. This priority should benefit all communities. The Housing Needs survey 2003 found that certain ethnic groups were overrepresented in homes with poorer thermal comfort ratings. Furthermore, people on fixed incomes, e.g. pensioners, people on benefits and other groups suffering from fuel poverty will also benefit from more energy efficient homes.



### **Investment implications**

73. The Housing Investment Programme (HIP) seeks to ensure that investment in the housing stock is targeted in line with the council's priorities, such as making all homes Warm Dry and Safe, and its other obligations as a landlord. It is planned around the level of resources estimated to be available for the coming years. These include a number of different funding streams, which have varying degrees of certainty, making it essential that the programme has flexibility to respond to changing circumstances.
74. It is important that any change in the assumptions around the level of resources is included into the HIP estimates to ensure that adequate level of resources is made available to deliver Warm, Dry and Safe homes.

### **Resource implications**

75. The report sets out progress made against the WDS programme to date and targets over the remaining programme period to 2015/16. WDS funding of £383m is currently contained within the Housing Investment Programme (HIP) including the additional £48.8m and additional £8.2 million capital bids.
76. Experience to date shows that scheme costs generally are running in excess of the original estimates for the reasons set out in the report.
77. Resources will need to be reassessed to include Kitchens and Bathrooms within the programme. A capital bid will be put forward to the Housing Investment Board to include assumptions on kitchens and bathrooms and for the resources required to complete the WDS programme.

### **Financial implications**

78. An initial budget of £326m was approved by cabinet for the WDS programme in 2011 and since then additional budget allocations have increased the total budget to £383m.
79. On 18 March 2014 cabinet approved an additional budget of £985m for investment in the council's housing stock, as part of the council's capital refresh. The total value of the council's approved Housing Investment Programme is approximately £1.5bn up to the period 2021/22. The cabinet report of 18 March 2014 highlighted the significant shortfall in resources to meet the projected expenditure over this period.
80. It is expected that the strategic director of finance and corporate services will work closely with the strategic director for housing to explore funding options to ensure the capital programme can be sustained over the long term.

### **Consultation**

81. This update report will be sent to Home Owners Council and Tenant Council following cabinet approval.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

82. This report requires cabinet to note a number of actions relating to the WDS programme. There are no specific legal implications regarding the recommendations noted in this report. Officers from legal services will continue to provide legal advice (when required) to the WDS initiative.

### Strategic Director of Finance and Corporate Services (FC14/014)

83. The report requires cabinet to note the status of the housing investment programme with particular reference to the Warm, Dry and Safe (WDS) programme. The resource implications are contained in the body of the report.

84. There are no new financial implications arising from this report. However, it should be noted that further work is required to identify full funding for the WDS programme. This will be closely monitored and progress reported to cabinet regularly in the quarterly capital monitoring reports.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Link listed below. Cabinet 18 October, 2013	Southwark Council Major Works Housing and Community Services Department Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4</a>		
Link listed below. Housing Investment Programme and Revised Strategy 31 May 2011	Southwark Council Major Works Housing and Community Services Department Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4</a>		

**APPENDICES**

No.	Title
Appendix 1	Pictures of the programme
Appendix 2	Overview of the Cabinet agreed programme from 18 October 2013
Appendix 3	A review of the planned WDS programme up to March 2014
Appendix 4	Landlord Obligations (Individual Heating)
Appendix 5	Works to Sheltered Accommodation

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	Gerri Scott, Strategic Director Housing & Community Services	
<b>Report Author</b>	David Markham, Head of Major Works	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 July 2014	

# APPENDIX 1

## Pictures of the programme



Dickens Estate Internals



Four Squares internals



Southampton Way: Keepmoat



Langland House: Keepmoat



Four Squares towers: Keepmoat



Southampton Way: Keepmoat



Croxted T&RA Hall: Saltash



Silverlock T&RA Hall : Saltash



Priter Road Hostel : Saltash



Street Properties : Saltash



Brandon Estate : A&E Elkins

## APPENDIX 2

### Overview of the Cabinet agreed programme from 18 October 2013

Programme Breakdown	2011/12	2012/13	2013/14 inflation 6.33%) (inc. @	2014/15 Inflation 9.5%) (inc. @	2015/16 Inflation 12.22%) (inc. @	Total
Four Squares Security (New Place Estate)	0	500,000	4,500,000	0	0	5,000,000
Four Squares WDS (New Place Estate)	0	250,000	7,317,403	0	0	7,567,403
WDS - FRA Moderate Contingency	0	5,000,000	0	0	0	5,000,000
WDS - FRA Substantial Contingency	0	2,500,000	0	0	0	2,500,000
Elmington	0	700,000	800,000	0	0	1,500,000
WDS - Landlord Obligations (Individual Heating)	8,110,000		4,000,000	4,000,000	4,000,000	20,110,000
WDS - Landlord Obligations (District Heating)	5,936,298		3,661,358	4,650,808	3,173,500	17,421,964
WDS - Landlord Obligations (Electrical Works)	2,350,000		2,300,000	2,700,000	2,700,000	10,050,000
WDS - Landlord Obligations (Lifts)	5,020,000		1,780,000	2,500,000	1,500,000	10,800,000
Contingency	0	2,000,000	3,400,000	4,000,000	12,593,755	21,993,755
2010 - Warm, Dry, Safe (Roofs & Windows Plus)	0	10,619,169	26,974,339	34,121,947	16,659,408	88,374,864
2011 - Warm, Dry, Safe (Roofs Windows Plus)	0	0	0	0	599,096	599,096
2012-15 - Warm, Dry, Safe (Roofs & Windows Plus)	0	0	0	0	392,856	392,856
2010 - Warm, Dry, Safe (Non Roofs & Windows)	0	0	0	0	9,654,846	9,654,846
2011 - Warm, Dry, Safe (Non Roofs & Windows)	0	0	0	0	1,143,859	1,143,859
2012-15 - Warm, Dry Safe (Non Roofs & Windows)	0	0	0	0	488,291	488,291
2010 - WDS Street Properties	0	2,462,907	3,172,127	3,521,248	0	9,156,282
2011-15 - WDS Street Properties	0	0	0	0	1,777,564	1,777,564
Hawkstone Refurb	0	0	0	0	7,000,000	7,000,000
Maydew Refurb	0	0	0	0	11,000,000	11,000,000
<b>Sub-Total:</b>	<b>12,766,298</b>	<b>32,682,076</b>	<b>57,905,227</b>	<b>55,494,003</b>	<b>72,683,174</b>	<b>231,530,779</b>
Leathermarket	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
Minor Voids Capitalisation	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Minor Voids WDS Works	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Current Schemes	68,969,221		0	0	0	68,969,221
<b>Total:</b>	<b>124,617,596</b>		<b>63,005,227</b>	<b>60,594,003</b>	<b>77,783,174</b>	<b>326,000,000</b>

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## APPENDIX 3

### A review of the planned WDS programme up to March 2014

#### Four Squares (New Place Estate)

Status: **On site**  
 Type of works: **WDS plus additional funding as a High Investment Needs Estate (HINE)**  
 Original Agreed budget: **£12.6m (£7.6m WDS works £5m security)**

**Comment:** The Four Squares estate internals have been **completed** and security works at Marden are on site with the externals and layard security works due to start in early 2014/15. Four Squares is a High Investment Needs Estate. A total of £26.6m was originally set aside to be invested including £12.6m from WDS funding. An options appraisal exercise to determine the scale of works required to the estate and the different approaches that could be taken was carried out. It was decided that an enhanced refurbishment scheme would be undertaken and that void properties on the estate would be disposed of to contribute to the value of £9m. Following the decision, a condition survey was undertaken, and a number of structural problems came to light, including brick slips falling from the towers and the instability of several gable ends. As a result, the Council commissioned a comprehensive structural survey of the Estate which recommended a number of structural works particularly to the south west stair towers of Layard and Marden. The funding estimate for this estate did not include these additional structural works. Additional High Investment Needs money has been agreed to carry out the additional work indentified from the structural surveys including structural work to the stair towers and brickwork at roof level, additional concrete repairs, asphalt on balconies and extensive works to waterproof garages (major removal and reinstatement of soft landscaping and boundary walls not originally specified).

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
Four Squares Security and WDS (New Place Estate)	£12.6m	£12.9m	On site  (completion delayed due to increased scope of works)	Four squares has started in 2012/13 as scheduled. The externals are due to start in early 2014/15 following agreement of additional funding to complete the work identified through structural surveys.

### Elmington Estate (Drayton / Languard only)

Status: **On site**  
 Type of works: **WDS and additional works to Drayton / Languard only**  
 Original Agreed budget: **£1.5m**

**Comment:** This scheme has completed as outlined in the original agreed programme. The schemes budget had been revised and agreed through delegated approval to £2.1m with the additional funding coming from the contingency allowed in the programme but costs are under that budget.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
Elmington	£1.5m	£1.8m	Completed	Elmington completed as scheduled starting in 2012/13 and completing in 13/14.

### Landlord Obligations (Individual Heating)

Status: **Ongoing programme of boiler replacements**  
 Type of works: To support the capitalisation of heating works undertaken via the term contractors as part of the ECON contract.  
 Original Agreed budget: **£20.1m**

**Comment:** Additional money was brought forward from our 2015/16 individual heating programme into 2012/13 meaning more inefficient boilers were replaced with more efficient models helping to deliver earlier savings for residents and tackle fuel poverty. Over 6000 boilers have been replaced from WDS funding. Tadworth House heating has also been completed.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
Landlord Obligations (Individual Heating)	£12.1m	£15.3m	Ongoing (Spend ahead)	This programme is spending ahead of schedule.

### Landlord Obligations (District Heating)



Status: **Ongoing programme of district heating works**  
 Type of works: **District Heating Works**  
 Original Agreed budget: **£17.4m**

**Comment:** Overall the district Heating Programme is running well however additional funding is required as outlined in the main report.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
Landlord Obligations (District Heating)	£9.6m	£8.2m	Ongoing	All schemes except one planned to start by 2013/14 are on site or completed. The 2015/16 schemes are being planned to start in 2014/15. Overall this means the district heating programme is progressing well.

Individual Scheme progress (district heating 2011/12-2013/14)

Scheme	Progress	Status / Comments
New Place flow header	Works not required	Works not required, money moved to BEMS <sup>2</sup> upgrade.
Gilesmead heating	Delayed	This project was delayed whilst the council carried out detailed consultation with residents on their concerns regarding district heating. The project is due to start on site in early 2014/15.
District heating works Capitalisation of plant works undertaken via the term contractors	Ongoing	Spend on this programme is ahead of schedule with more capital works being carried out on district heating than originally planned. See the resource request in the main report.
Kinglake Heating/Boiler	Completed	Completed
Salisbury Heating	Completed	Completed
Portland St ctls	Completed	Completed under budget with the remainder transferred to BEMS

<sup>2</sup> Building Management Systems (BEMS) monitor and control services such as heating, ensuring they operate at maximum levels of efficiency and economy. This is achieved by maintaining the optimum balance between environmental conditions, energy usage and operating requirements.

Scheme	Progress	Status / Comments
Newington Heating	Completed	Completed
Newington Mains	Completed	Completed
New Place Boiler Replacement	Completed	Completed
BEMS upgrade	On site	Increased budget from efficiencies elsewhere, now this phase is due to complete in 2014/15.
Kinglake Heating/Boiler	Completed	Completed under original budget costs. Surplus budget transferred to BEMS.
Neville Boiler House boiler and flue	Completed	Completed
Rouel road Mains	On site	Works have begun and are planned to be completed in 2014/15
New Place Boiler Replacement	Completed	Completed
Hastings Boiler House boiler and burner	On site	Works have begun and are planned to be completed in 2014/15
Leontine Boiler House boiler and flue	On site	Works have begun and are planned to be completed in 2014/15
Neville Boiler House boiler and flue	On site	Works have begun and are planned to be completed in 2014/15
North Peck Boilers	On site	Works have begun and are planned to be completed in 2014/15

The works to the Acorn Estate will be delivered as part of the scheme to continue provision of service following the redevelopment of the site of the former Wooddene block.

## WDS Estates and WDS Street Properties

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £13.1m for 2012/13 programme  
 £30.1m for 2013/14 programme  
 £37.6m for 2014/15 programme  
 £30.7m for 2015/16 programme

**Comments:** Many of the schemes are now on site, however, all of these schemes were delayed due to the LVT decision and some have been further delayed due to the ending of partnering contracts. Where the partnering contracts have ended alternative arrangements have been put in place using back up contractors or tendering the works. Some of these schemes are costing more than predicted from the original stock condition survey data. For further details see the resources section of the report.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
WDS Estates and WDS Street Properties 2012/13	£13.1m	£16.6m	Completed or on site	Many of these schemes are now complete and the rest are on site. The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes and further delays were caused by the mutual conclusion of the Wates and Breyers works contracts.
WDS Estates and WDS Street Properties 2013/14	£30.1m	£10.3m	On site or Delayed	Although some of the 2013/14 schemes are on site, some have been delayed.

Original programmed WDS works 2012/13 (schemes)	Estate	Progress	Area	Ward	Status / Comments
Brandon Estate (Camberwell) 2012	Brandon	Completed	Camberwell	Camberwell Green	Completed.
Croxted Road 2012	Croxted	Completed	Dulwich	College	Completed.
Brandon 2012 contract 1,2&3 (Walworth)	Brandon	On site (Delayed)	Walworth	Newington	On site. Start delayed due to the mutual conclusion of the Beyer contract. Due to

Original programmed 2012/13 (schemes)	WDS works	Estate	Progress	Area	Ward	Status / Comments
						complete in 2014/15.
Dickens WDS 2012		Dickens	On site (Delayed)	Bermondsey	Riverside	On site. Start delayed as affected by the ending of the Wates contract. Due to complete in 2014/15.
Comber 2012 Phase 1 & 2		Comber	Completed	Camberwell	Camberwell Green	Completed.
Elmington 2012		Elmington	Completed	Camberwell	Camberwell Green / Vrs	Completed.
WDS Street Properties 12/13 (excluding Sunray Estate)		Various street properties	Completed	Various	Various	Completed. However, due to a change in the scope of the works at the Sunray Estate this is being completed separately and now due to start in 2014/15.

Original programmed 2013/14 (schemes)	WDS works	Estate	Progress	Area	Ward	Status / Comments
Clifton Estate		Clifton	On site	Nunhead & Peckham Rye	The Lane	On site and completing in 2014/15.
Crawford Estate		Crawford	On site	Camberwell	Camberwell Green	On site and completing in 2014/15.
Congreve / Salisbury (also includes Comus House brought forward from 2015/16)		Congreve	Delayed	Walworth	East Walworth	Tendered following the conclusion of the partnering contract, due on site early in 2014/15
		Salisbury				
Denmark Hill Estate		Crawford	On site	Camberwell	Camberwell Green	On site and completing in 2014/15.
Scovell Estate (also includes four blocks from Tabard Gardens brought forward)		Scovell	Delayed	Borough & Bankside	Cathedrals	Tendered following the conclusion of the partnering contract, due on site early in 2014/15
Tustin Estate		Tustin	Options being considered	Rotherhithe	Livesey	Work on the Tustin Estate has been delayed due to the level of work required to meet the WDS standard. Options are being considered on how to proceed.

<b>Original programmed 2013/14 (schemes)</b>	<b>WDS works</b>	<b>Estate</b>	<b>Progress</b>	<b>Area</b>	<b>Ward</b>	<b>Status / Comments</b>
Wyndham Estate		Wyndham	On site	Camberwell	Camberwell Green	On site and completing in 2014/15.
Aylesbury Estate		Aylesbury	Delayed	Walworth	Faraday	Works have been delayed into 2014/15, as they needed to be scheduled around the phasing of the regeneration. Phase 1 includes Taplow and Northchurch that is being carried out as a pilot.
Acorn Estate		Acorn	Delayed	Peckham	Livesey	The works to the Acorn Estate are pending regeneration works.
WDS Street Properties 13/14		Various street properties	On site	Various	Various	A large pilot scheme is on site, with the rest of the scheme beginning in 2014/15.

### WDS - Landlord Obligations (Electrical Works)

Status: **A programme of works**  
 Type of works: **Essential electrical works which have arisen as a result of FRA electrical tests and essential replacement of communal, lateral electrical wiring and associated equipment**  
 Original Agreed budget: **£10.1m**

**Comment:** FRA electrical works have been undertaken. An additional £5m revenue funding has been spent on electrical works, the remaining £5.5m in the budget for FRA electrical works will be used in the FRA budget.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
WDS - Landlord Obligations (Electrical Works)	£4.6m	£3.4m	Ongoing	£5.5m used for FRA works.

### WDS - Landlord Obligations (Lifts)

Status: **Ongoing programme**  
 Type of works: **To replace lift parts which have become obsolete, resulting in ever increasing service failures. These works will result in improved lift performance and reliability.**  
 Original Agreed budget: **£10.1m**

**Comment:** The lift programme continues to run to schedule with 129 lifts having been refurbished by March 2014.

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Overall Progress	Comments
WDS - Landlord Obligations (Lifts)	£6.8m	£8.0m	Ongoing	This programme is running well and is ahead of schedule.

### Minor Voids Capitalisation

Status: **Ongoing programme**  
 Type of works: **Capitalisation of voids works**  
 Original Agreed budget: **£15.0m**

<b>Budget Area</b>	<b>Scheduled WDS Spend to March 2014</b>	<b>Actual spend to March 2014</b>	<b>Progress</b>	<b>Status / Comments</b>
Minor Voids Capitalisation	£9.0m	£9.0m	Ongoing	Capitalisation of voids works

**Minor Voids WDS Works**

Status: **Ongoing programme**  
 Type of works: **Minor voids works**  
 Original Agreed budget: **£5.0m**

<b>Budget Area</b>	<b>Scheduled WDS Spend to March 2014</b>	<b>Actual spend to March 2014</b>	<b>Progress</b>	<b>Status / Comments</b>
Minor Voids WDS Works	£3.0m	£2.8m	Ongoing	Minor Voids Works

**Current Schemes incorporating FRA Moderate and Substantial Contingency**

Status: **See breakdown below**  
 Type of works: **Incorporated all current schemes at the time of the Warm, Dry and Safe, mainly the FRA programme and the two year programme.**  
 Original Agreed budget: **£76.5m (£69m Current Schemes budget + £5m FRA Moderate contingency and £2.5m FRA Substantial contingency)**

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
Current Schemes	£69.0m plus £7.5m contingency	£78m	Ongoing	All the substantial and nearly all of the original planned higher moderate high rise FRAs works are now complete. There are some delays in 2 year programme due to the ending of the partnering contracts.

### FRA works

**Comment:** The programme to address issues arising from the Fire Risk Assessments for historic blocks is split into two sections: Only spend from 2011/12 onwards would be from the WDS budget.

- a. Substantial blocks; those identified as in need of urgent action
- b. Moderate blocks – requiring significant actions to bring to tolerable level

All the substantial risk blocks are now complete and the higher risk medium blocks are almost complete.

Original WDS programmed works	Progress	Risk	No of blocks	Status / Comments
Columbia / Regina	Complete	Substantial	2	
Maydew House	Complete	Substantial	1	
Witcombe Point	Complete	Substantial	1	
Perronet House	Complete	Substantial	1	
Castlemead	Complete	Substantial	1	
Marie Curie	Complete	Substantial	1	
Wickway Court	Complete	Substantial	1	
Aylesbury Smoke Alarms	Complete	Substantial	0	
Crane House	Complete	Substantial	1	
Bradenham & Chiltern	Complete	Substantial	2	
Wendover	Complete	Substantial	2	
Brydale	Complete	Substantial	1	
Hanworth & Trevelyan	Complete	Substantial	2	



Original WDS programmed works	Progress	Risk	No of blocks	Status / Comments
Taplow & Missenden	Complete	Substantial	3	
Dodson / Guthrie / Jurston	Complete	Substantial	3	
Aberfeldy / Glenfinlas / Kirwyn	Complete	Substantial	3	
Coniston & Kevan	Complete	Substantial	2	
Rye Hill (30-120) (122-208) (210-296)	Complete	Moderate	3	
Rowland Hill House	Complete	Moderate	1	
Styles House	Complete	Moderate	1	
Casby / Lupin	Complete	Moderate	2	
Prospect House	Complete	Moderate	1	
Crystal Court	Complete	Moderate	1	
Tissington Court FRA Works	Complete	Moderate	1	
Bermondsey & Rotherhithe Package 1	Complete	Moderate	11	
Borough&Bankside & Walworth Package 1	Complete	Moderate	17	
Borough&Bankside & Walworth Package 2	Complete	Moderate	33	
Netley House	Complete	Moderate	1	
Camberwell & Peckham Package 2	Complete	Moderate	19	
Nunhead & Dulwich Package 1	Complete	Moderate	11	
Fontenelle	Complete	Moderate	1	
Bermondsey & Rotherhithe Package 2	Complete	Moderate	44	
Draper House	On site	Moderate	1	Due to complete in 2014/15
Camberwell & Peckham Package 1	Complete	Moderate	20	
Gloucester Grove	Complete	Moderate	7	Funded out of the contingency budget

Sidmouth House has also been added to the programme to start in 2014/15 and is funded out of additional bids added to the contingency budget.

## 2 year programme

Original WDS programmed works	Progress	Status / Comments
Proctor / Flatman/Brisbane Refurbishment	Complete	
63-78 Marchwood Close	Complete	

Original WDS programmed works	Progress	Status / Comments
Crystal Court Refurb	Complete	
Cossall Estate Phase 2	Complete	
Street Properties 11/12	Complete	
Rockingham Estate	On site	Completion due in 2014/15, following the replacement of Breyer on this contract
Sceaux Gardens	Complete	
Draper House refurbishment	On site	Completion due in 2014/15, following the replacement of Breyer on this contract
St Saviours Estate 1b	Complete	
St Saviours Estate 2	Complete	
MW Consort Estate	Complete	
Manor Estate 4	On site	Completion due in early 2014/15
John Kennedy House Refurbishment	Complete	

#### Other Current Schemes

There are a number of other existing schemes that incurred WDS spend largely at the end of the defect period. The council has also completed a borough wide insulation programme.

#### WDS Contingency

Budget Area	Scheduled WDS Spend to March 2014	Actual spend to March 2014	Progress	Status / Comments
WDS Contingency	N/A	£3.0m	See resource section	The majority of the spend is for previously unidentified FRA works at Gloucester Grove (£2.3m), however the contingency is allocated to schemes that are coming in over the original WDS budget. Even with the increased funding the contingency is expected to be fully allocated in 2014/15.

## APPENDIX 4

### Landlord Obligations (Individual Heating)

Status: **Ongoing programme of boiler replacements**  
 Type of works: To support the capitalisation of heating works undertaken via the term contractors as part of the ECON contract.  
 Original Agreed budget: **£20.1m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
WDS - Landlord Obligations (Individual Heating)	Ongoing Programme	Ongoing Programme	Programme spending ahead of schedule.

### Landlord Obligations (District Heating)

Status: **Ongoing programme of district heating works**  
 Type of works: **District Heating Works**  
 Original Agreed budget: **£17.4m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
WDS - Landlord Obligations (District Heating)			
District Heating 15/16	2014/15	15/16	The 2015/16 schemes are planned to be brought forward to 2014/15.

Scheme	Planned Start on site Date	Original planned start on site date	Comment
District heating works Capitalisation of plant works undertaken via the term contractors	Ongoing programme	Ongoing programme	Spending and works are ahead of schedule.
Helen Gladstone Boiler House	2014/15	2015/16	Brought forward into 2014/15

<b>Scheme</b>	<b>Planned Start on site Date</b>	<b>Original planned start on site date</b>	<b>Comment</b>
boiler and burner			
Stanswood Boiler House boiler and flue	2014/15	2015/16	Brought forward into 2014/15
Underhill Road Plant Room boiler	2014/15	2015/16	Brought forward into 2014/15
Heron House Boiler House pump and boiler	2014/15	2015/16	Brought forward into 2014/15
Barlow Boiler House boiler and burner	2014/15	2015/16	Brought forward into 2014/15
Leysdown Boiler House boiler, burner and flue	2014/15	2015/16	Brought forward into 2014/15
Minnow Walk Boiler House boiler and flue	2014/15	2015/16	Brought forward into 2014/15
Plaxdale Boiler House boiler and flue	Repaired	2015/16	Repair completed as part of the ongoing boiler programme
Portland Boiler House boiler and flue	2014/15	2015/16	Brought forward into 2014/15
Soane House Boiler House boiler, burner and flue	2014/15	2015/16	Brought forward into 2014/15
Albert Wescott Boiler House boiler and burner	2014/15	2015/16	Brought forward into 2014/15
Conant Boiler House boiler and burner	2014/15	2015/16	Brought forward into 2014/15
King Charles Court Boiler House boiler and flue	2014/15	2015/16	Brought forward into 2014/15

**WDS - Landlord Obligations (Electrical Works)**

Status: **See individual schemes**  
 Type of works: **Essential electrical works which have arisen as a result of FRA electrical tests and essential replacement of communal, lateral electrical wiring and associated equipment**  
 Original Agreed budget: **£10.1m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
WDS - Landlord Obligations (Electrical Works)	Ongoing Programme	Ongoing Programme	Remaining £5.5m in the budget for FRA electrical works was transferred to the FRA budget. A further £1.5m is available for essential replacement of communal, lateral electrical wiring and associated equipment in future years as part of the ongoing WDS programme.

**WDS - Landlord Obligations (Lifts)**

Status: **Ongoing programme**  
 Type of works: **To replace lift parts which have become obsolete, resulting in ever increasing service failures. These works will result in improved lift performance and reliability.**  
 Original Agreed budget: **£10.1m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
WDS - Landlord Obligations (Lifts)	Ongoing Programme	Ongoing Programme	The programme is expected to continue to run ahead of schedule.

## Warm, Dry, Safe Estate Properties 2014/15

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £34.1m

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Warm, Dry, Safe Estate Properties 14/15	2013/14 – 2014/15	2014/15	Around £25m of 14/15 works were committed in 13/14 and the rest of the works are planned to start in 2014/15.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
POMEROY ESTATE	2014/15	2014/15	Nunhead & Peckham Rye	Nunhead	As scheduled.
PRIORY COURT	2013/14	2014/15	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
PELICAN ESTATE	2013/14	2014/15	Nunhead & Peckham Rye	The Lane	Brought forward.
LUGARD HOUSE	2013/14	2014/15	Nunhead & Peckham Rye	Nunhead	Brought forward.
MAGDALENE CLOSE	2013/14	2014/15	Nunhead & Peckham Rye	The Lane	Brought forward.
ATWELL ESTATE	2013/14	2014/15	Nunhead & Peckham Rye	The Lane	Brought forward.
GAYWOOD ESTATE	2014/15	2014/15	Borough Bankside &	Cathedrals	As scheduled.
NELSON SQUARE GARDENS 2	2014/15	2014/15	Borough Bankside &	Cathedrals	As scheduled (packaged with Gaywood).
LANCASTER ESTATE	2014/15	2014/15	Borough Bankside &	Cathedrals	As scheduled.
RUSHWORTH-BOYFIELD	2014/15	2014/15	Borough Bankside &	Cathedrals	Brought forward (packaged with Lancaster Estate).
TABARD GARDENS (PART)	2014/15	2014/15	Borough Bankside &	Chaucer	Chartham House, Chilham House, Headbourne House,

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
					Seal House.
NEWINGTON ESTATE	2014/15	2014/15	Walworth	Newington	As scheduled.
KINGSLAKE ESTATE	2014/15	2014/15	Walworth	East Walworth Faraday	As scheduled.
LETT SOM ESTATE	2013/14	2014/15	Camberwell	Brunswick Park	Brought forward.
SOUTHAMPTON WAY ESTATE	2013/14	2014/15	Camberwell	Brunswick Park	Brought forward.
HAVIL STREET ESTATE	2013/14	2014/15	Camberwell	Brunswick Park	Brought forward.
BEACON HOUSE	2013/14	2014/15	Camberwell	Brunswick Park	Brought forward.
TABARD GARDENS (REST)	2014/15	2014/15	Borough and Bankside	Chaucer	As scheduled.
ROCKINGHAM ESTATE	2014/15	2014/15	Borough and Bankside	Chaucer East Walworth	As scheduled.
QUENTIN HOUSE	2014/15	2014/15	Borough and Bankside	Cathedrals	As scheduled.
NELSON ESTATE	2014/15	2014/15	Walworth	Faraday	As scheduled.
DODDINGTON GROVE ESTATE	2014/15	2014/15	Walworth	Newington	As scheduled.
PORTLAND ESTATE	2014/15	2014/15	Walworth	Faraday	As scheduled.
PENROSE HOUSE	2014/15	2014/15	Walworth	Newington	As scheduled.
ALVEY ESTATE	2014/15	2014/15	Walworth	East Walworth	As scheduled.
MARDYKE ESTATE	2014/15	2014/15	Walworth	East Walworth	As scheduled.
NAYLOR HOUSE	2014/15	2014/15	Walworth	East Walworth	As scheduled.
RENNIE ESTATE	2014/15	2014/15	Bermondsey	South Bermondsey	As scheduled.
MORRISS HOUSE	2013/14	2014/15	Bermondsey	Riverside	As scheduled.
SILVERLOCK ESTATE	2014/15	2014/15	Rotherhithe	Livesey	As scheduled.
PEDWORTH ESTATE	2014/15	2014/15	Rotherhithe	Rotherhithe	As scheduled.
OSPREY ESTATE	2014/15	2014/15	Rotherhithe	Surrey Docks	As scheduled.
HADDONFIELD ESTATE	2014/15	2014/15	Rotherhithe	Rotherhithe	As scheduled.
HARBORD HOUSE	2014/15	2014/15	Rotherhithe	Rotherhithe	As scheduled.
BONAMY ESTATE	2014/15	2014/15	Rotherhithe	Livesey	As scheduled.
DEYNSFORD ESTATE	2014/15	2014/15	Camberwell	Brunswick Park	As scheduled.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
				Camberwell Green	
CLEVE HALL ESTATE	2014/15	2014/15	Camberwell	South Camberwell	As scheduled.
GLEBE ESTATE	2014/15	2014/15	Camberwell	Brunswick Park	As scheduled.
BELLS GARDENS ESTATE	2014/15	2014/15	Peckham	Peckham	As scheduled.
BARSET ESTATE	2014/15	2014/15	Nunhead & Peckham Rye	Nunhead	As scheduled. Buchan Road assessed as meeting WDS standard.
HONITON GARDENS	2014/15	2014/15	Nunhead & Peckham Rye	Nunhead	As scheduled.
DELAWYK CRESCENT ESTATE	2014/15	2014/15	Dulwich	Village	As scheduled.
KINGSWOOD ESTATE	Largely meeting WDS standard <sup>3</sup>	2014/15	Dulwich	College	1-15 Lyall Avenue staying in programme for 2014/15.
SYDENHAM HILL ESTATE	Meeting WDS standard <sup>3</sup>	2014/15	Dulwich	College	

### Warm, Dry, Safe Estate Properties 2015/16

Status: **See individual schemes below**  
 Type of works: **WDS**  
 Original Agreed budget: **£28.9m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Warm, Dry, Safe Estate Properties 15/16	2014/15 - 2015/16	2015/16	Works in two contract areas are being brought forward into 2014/15 along with limited schemes in other areas with the rest planned to start on site early in 2015/16.

<sup>3</sup> Following more detailed surveys this was assessed as meeting the WDS standard



Tenanted internal works for Bermondsey and Rotherhithe areas are expected to start in 2014/15, other works as started.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
ARNOLD ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
ASTLEY ESTATE	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
AYLWIN ESTATE	2015/16	2015/16	Bermondsey	Grange	As scheduled.
BURTON HOUSE	2013/14	2015/16	Bermondsey	Riverside	As scheduled.
CHARLES MACKENZIE	2014/15	2015/16	Bermondsey	Grange	Brought forward to schedule in British Gas works
CHERRY GARDEN ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
CHERRY GARDEN HOUSE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
CHERRY GARDEN STREET	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
COXSON WAY	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
CRANBOURNE HOUSE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
CREASY ESTATE	2015/16	2015/16	Bermondsey	Grange	As scheduled.
DEVON MANSIONS	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
DUNTON ROAD	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
ELDRIDGE COURT	2015/16	2015/16	Bermondsey	Grange	As scheduled.
FAIR STREET ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
FOUNTAIN HOUSE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
HAROLD ESTATE	2015/16	2015/16	Bermondsey	Grange	As scheduled.
KEETONS ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
LEWES HOUSE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
LONGFIELD ESTATE	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
LYNTON ESTATE	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
MAWBAY ESTATE	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
PETER BUTLER HOUSE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
PURBROOK ESTATE	2014/15	2015/16	Bermondsey	Grange	Planned to be brought forward.
ROUEL ROAD ESTATE	2013/14	2015/16	Bermondsey	Grange South Bermondsey	Brought forward internals started 13/14 externals 14/15.
SETCHELL ESTATE	2015/16	2015/16	Bermondsey	Grange	As scheduled.
SOUTHWARK PARK ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
SOUTHWARK PARK ROAD	2015/16	2015/16	Bermondsey	Riverside South Bermondsey	As scheduled.
ST CRISPINS ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
ST JOHNS ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
ST OLAVES ESTATE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
TANNER HOUSE	2015/16	2015/16	Bermondsey	Grange	As scheduled.
THORBURN SQUARE	2014/15	2015/16	Bermondsey	South Bermondsey	Brought forward due to roof works required
TOWER BRIDGE BUILDINGS	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
WESSEX HOUSE	2015/16	2015/16	Bermondsey	South Bermondsey	As scheduled.
WEST LANE	2015/16	2015/16	Bermondsey	Riverside	As scheduled.
ABBEYFIELD ESTATE	2014/15	2015/16	Rotherhithe	Rotherhithe	Damory / Thaxted only Maydew in 2015/16.
AINSTY ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
ALBION ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
AYLTON ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
BRADLEY HOUSE	2014/15	2015/16	Rotherhithe	Rotherhithe	Brought forward to schedule in British Gas works
BRAMCOTE GROVE	2015/16	2015/16	Rotherhithe	Livesey	As scheduled.
BRUNEL ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
CANADA ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
CATHAY HOUSE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
COURTHOPE HOUSE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
DOWNTOWN ESTATE	2015/16	2015/16	Rotherhithe	Surrey Docks	As scheduled.
FRANKLAND CLOSE ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
GOMM ROAD	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
HENLEY CLOSE	Meeting standard	WDS 2015/16	Rotherhithe	Rotherhithe	Following surveys found to be meeting WDS standard.
HOWLANDS ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
IRWELL ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
KIRBY ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
MILLPOND ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
PLOUGH ESTATE	2015/16	2015/16	Rotherhithe	Surrey Docks	As scheduled.
PYNFOLDS ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
RISDON HOUSE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
SLIPPERS PLACE ESTATE,(FORMERLY ARICA HOUSE)	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
ST MARYS ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
SWAN ROAD ESTATE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
TISSINGTON COURT	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
WESTFIELD HOUSE	2015/16	2015/16	Rotherhithe	Rotherhithe	As scheduled.
ALBERT BARNES HOUSE	2015/16	2015/16	Borough & Bankside	Chaucer	As scheduled.
AMIGO HOUSE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
AYRES STREET	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
BANKSIDE DEVELOPMENT EDGAR	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
BOROUGH ROAD ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
BROOK DRIVE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
COOPER CLOSE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
DODSON ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
HADDONHALL ESTATE	2015/16	2015/16	Borough & Bankside	Chaucer	As scheduled.
HAYLES BUILDINGS	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
KELLOW HOUSE	2014/15	2015/16	Borough & Bankside	Chaucer	Brought forward (packaged with Tabard Gardens works)
LANT ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
			Bankside		
MARSHALSEA ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
PARK STREET ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
ROCHESTER ESTATE	2015/16	2015/16	Borough & Bankside	Cathedrals	As scheduled.
SMEATON COURT	Meeting standard WDS	2015/16	Borough & Bankside	Chaucer	
WEBBER ROW ESTATE	Meeting standard WDS	2015/16	Borough & Bankside	Cathedrals	
ALBANY ROAD	2015/16	2015/16	Walworth	Faraday	As scheduled.
BROCKLEY HOUSE	2015/16	2015/16	Walworth	Faraday	As scheduled.
BROWNING ESTATE	2015/16	2015/16	Walworth	East Walworth	As scheduled.
COMUS HOUSE	2014/15	2015/16	Walworth	East Walworth	Brought forward (packaged with Congreve)
COOKS ROAD	2015/16	2015/16	Walworth	Newington	As scheduled.
DARWIN STREET	2015/16	2015/16	Walworth	East Walworth	As scheduled.
DRAPER ESTATE	2015/16	2015/16	Walworth	Newington	As scheduled.
GAITSKELL HOUSE	2015/16	2015/16	Walworth	Faraday	As scheduled.
GATEWAY ESTATE	2015/16	2015/16	Walworth	Faraday	As scheduled.
HAMPTON HOUSE	2015/16	2015/16	Walworth	Newington	As scheduled.
INVILLE ESTATE	2015/16	2015/16	Walworth	Faraday	As scheduled.
KENNEDY WALK	2015/16	2015/16	Walworth	East Walworth	As scheduled.
KENNINGTON PARK HOUSE	2015/16	2015/16	Walworth	Newington	As scheduled.
KENNINGTON PARK ROAD	2015/16	2015/16	Walworth	Newington	As scheduled.
KING CHARLES COURT	2014/15	2015/16	Walworth	Newington	Brought forward.
KINGSTON ESTATE	2015/16	2015/16	Walworth	Faraday	As scheduled.
MANCHESTER HOUSE	2015/16	2015/16	Walworth	East Walworth	As scheduled.
MANOR PLACE	2015/16	2015/16	Walworth	Newington	As scheduled.
MICHAEL FARADAY HOUSE	2015/16	2015/16	Walworth	Faraday	As scheduled.
MINNOW STREET ESTATE	2015/16	2015/16	Walworth	East Walworth	As scheduled.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
NURSERY ROW	2015/16	2015/16	Walworth	East Walworth	As scheduled.
ORB STREET	2015/16	2015/16	Walworth	East Walworth	As scheduled.
PASLEY ESTATE	2015/16	2015/16	Walworth	Newington	As scheduled.
PELIER ESTATE	2015/16	2015/16	Walworth	Newington	As scheduled.
PULLENS ESTATE	2014/15	2015/16	Walworth	Newington	Brought forward.
STOPFORD ROAD	2015/16	2015/16	Walworth	Newington	As scheduled.
BONSOR STREET	2014/15	2015/16	Camberwell	Brunswick Park	Brought forward.
BROMAR ROAD	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
CAMBERWELL GROVE ESTATE	2014/15	2015/16	Camberwell	Brunswick Park South Camberwell	Brought forward.
CASTLEMEAD	2014/15	2015/16	Camberwell	Camberwell Green	Brought forward.
CHAMPION HILL ESTATE	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
CHAMPION PARK ESTATE	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
CRAWFORD ROAD	2014/15	2015/16	Camberwell	Camberwell Green	Brought forward.
DOWLAS ESTATE	2014/15	2015/16	Camberwell	Brunswick Park Camberwell Green	Brought forward.
ELMINGTON ROAD	2014/15	2015/16	Camberwell	Brunswick Park	Brought forward.
GILESMEAD	2015/16	2015/16	Camberwell	Brunswick Park	Scheme to follow district heating works.
GOSCHEN ESTATE	2014/15	2015/16	Camberwell	Camberwell Green	Brought forward.
GROSVENOR PARK	2014/15	2015/16	Camberwell	Camberwell Green	Brought forward.
GROVE LANE	2014/15	2015/16	Camberwell	Brunswick Park	Brought forward.
HARFIELD GARDENS	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
HILLCREST	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
ONDINE ROAD	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
THE BIRCHES	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
THE LIMES	2014/15	2015/16	Camberwell	South Camberwell	Brought forward.
CASSINGHURST	2014/15	2015/16	Dulwich	Village	Brought forward.
COLLEGE ROAD ESTATE	2014/15	2015/16	Dulwich	College	Brought forward.
COUNTISBURY HOUSE	2014/15	2015/16	Dulwich	College	Brought forward.
CRAWTHEW GROVE	2014/15	2015/16	Dulwich	East Dulwich	Brought forward.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
CRYSTAL PALACE ROAD	2014/15	2015/16	Dulwich	East Dulwich	Brought forward.
EAST DULWICH GROVE	2014/15	2015/16	Dulwich	Village	Brought forward.
ELMWOOD ROAD	2014/15	2015/16	Dulwich	Village	Brought forward.
FRIERN ESTATE	2014/15	2015/16	Dulwich	East Dulwich	Brought forward.
GILLIES COURT	2014/15	2015/16	Dulwich	Gillies Court - Sidcup	Brought forward.
HALLIWELL COURT	2014/15	2015/16	Dulwich	East Dulwich	Brought forward.
HERNE HILL ESTATE	2014/15	2015/16	Dulwich	Village	Brought forward.
LORDSHIP LANE	2014/15	2015/16	Dulwich	College	Brought forward.
LORDSHIP LANE ESTA	2014/15	2015/16	Dulwich	College	Brought forward.
LYTCOTT GROVE ESTA	2014/15	2015/16	Dulwich	Village	Brought forward.
MELFORD COURT	2014/15	2015/16	Dulwich	College	Brought forward.
ST DAVIDS MANSIONS	2014/15	2015/16	Dulwich	Peckham Rye	Brought forward.
WOODLAND ROAD ESTATE	2014/15	2015/16	Dulwich	College	Brought forward.
YORK HOUSE	2014/15	2015/16	Dulwich	College	Brought forward.
ARNOLD DOBSON HOUSE	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
BARTON CLOSE	Meeting standard	WDS 2015/16	Nunhead & Peckham Rye	The Lane	
BRAYARDS ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
BRIMMINGTON ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	Livesey Nunhead	Brought forward.
CLIFTON CRESCENT	2014/15	2015/16	Nunhead & Peckham Rye	Livesey	Brought forward.
CONSORT ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
COPLESTON ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
DANIELS ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
EAST DULWICH ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye The Lane	Brought forward.
EVELINA ROAD	2014/15	2015/16	Nunhead &	Nunhead	Brought forward.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
			Peckham Rye		
FENWICK ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
GAUTREY ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
GOWLETT ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
HANOVER PARK	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
HEATON HOUSE	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
HOLLYDALE ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
HONOR OAK RISE	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
KIRKWOOD ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
LIMES WALK	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
LINDEN GROVE	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
LINDEN GROVE ESTAT	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
MAXDEN COURT	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
MONCRIEFF ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
MUNDANIA ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
NEW JAMES STREET ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
NUNHEAD ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye The Lane	Brought forward.
OAK HILL COURT	2014/15	2015/16	Nunhead &	Peckham Rye	Brought forward.

Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
			Peckham Rye		
OLIVER GOLDSMITH ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
PHILIP WALK	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
POMEROY STREET	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
QUEENS ROAD ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
RAUL ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
REEDHAM STREET	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
RUSSELL COURT	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.
RYE HILL ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
SASSOON HOUSE	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
SOLOMONS PASSAGE	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
ST MARYS ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
STANBURY ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
TAPPESFIELD ESTATE	2014/15	2015/16	Nunhead & Peckham Rye	Nunhead	Brought forward.
THERAPIA ROAD	2014/15	2015/16	Nunhead & Peckham Rye	Peckham Rye	Brought forward.
UNDERHILL ROAD	Fire works safety	2015/16	Nunhead & Peckham Rye	Peckham Rye	Fire safety works through sheltered programme in 2014/15
WHORLTON ROAD	2014/15	2015/16	Nunhead & Peckham Rye	The Lane	Brought forward.



Scheme	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
CARLTON GROVE	2014/15	2015/16	Peckham	Livesey	Brought forward.
CAROLINE GARDENS	2014/15	2015/16	Peckham	Livesey	Brought forward.
CATOR STREET	2014/15	2015/16	Peckham	Peckham	Brought forward.
DAVEY STREET	2014/15	2015/16	Peckham	Peckham	Brought forward.
FRIARY ESTATE	2014/15	2015/16	Peckham	Livesey	Brought forward.
FRIARY ROAD	2014/15	2015/16	Peckham	Livesey	Brought forward.
GERVASE STREET	2014/15	2015/16	Peckham	Livesey	Brought forward.
GLOUCESTER GROVE ESTATE	2014/15	2015/16	Peckham	Peckham	Brought forward.
KINGS GROVE	2014/15	2015/16	Peckham	Livesey	Brought forward.
LEDBURY ESTATE	2014/15	2015/16	Peckham	Livesey Peckham	Brought forward.
MONTPELIER ROAD	2014/15	2015/16	Peckham	Livesey	Brought forward.
NAYLOR ROAD	2014/15	2015/16	Peckham	Livesey Peckham	Brought forward.
NORTH PECKHAM ESTATE	2014/15	2015/16	Peckham	Peckham	Brought forward.
OLIVER GOLDSMITH ESTATE	2014/15	2015/16	Peckham	Peckham	Brought forward.
STUDHOLME STREET	2014/15	2015/16	Peckham	Livesey	Brought forward.
SUMNER ROAD	2014/15	2015/16	Peckham	Peckham	Brought forward.
UNWIN ESTATE	2014/15	2015/16	Peckham	Livesey	Brought forward.
WILLOWBROOK ESTATE	2014/15	2015/16	Peckham	Peckham	Brought forward.

### Warm, Dry, Safe Street Properties

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £10.9m

Programme area	Planned Start on site Date	Original planned start on site date	Area	Ward	Comment
WDS Street Properties 13/14	2013/14	2013/14	Various	Various	Due to the delayed start for 12/13, the start of the 13/14 street properties was delayed, a pilot started in 13/14.
WDS Street Properties 14/15	2014/15	2014/15	Various	Various	The 14/15 street properties programme is expected to continue to run to schedule
WDS Street Properties 15/16	2014/15	2015/16	Various	Various	The 15/16 street properties programme is expected to continue to run to schedule.

### Hawkstone Refurbishment

Status: Hawkstone low rise expected on site in 2013/14  
 Type of works: WDS  
 Original Agreed budget: £7.0m

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Hawkstone Refurb	2013/14	2015/16	Hawkstone Low Rise internal started in 2013/14 with the externals starting in 2014/15

### Maydew Refurbishment

Status: Not started

Type of works: **WDS**  
 Original Agreed budget: **£11m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Maydew Refurb	2015/16	2015/16	Maydew expected to start in 2015/16.

### Minor Voids Capitalisation

Status: **Ongoing programme**  
 Type of works: **Capitalisation of voids works**  
 Original Agreed budget: **£15.0m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Minor Voids Capitalisation	Ongoing Programme	Ongoing Programme	Capitalisation only.

### Minor Voids WDS Works

Status: **Ongoing programme**  
 Type of works: **Minor voids works**  
 Original Agreed budget: **£5.0m**

Programme area	Planned Start on site Date	Original planned start on site date	Comment
Minor Voids WDS Works	Ongoing Programme	Ongoing Programme	Minor voids works.

**Works to Sheltered Accommodation**

Status: **Ongoing programme**  
 Type of works: **Warm, dry and Safe, Fire Safety works, decorations, boilers**

The works programme for the borough's twenty Sheltered Housing Units includes fire safety upgrades (front and communal doors; ceiling renewal; fire stopping and escape routes), installation of sprinkler systems, and communal internal and external decorations, along with remedial work as necessary. Work is also being carried out to renew boilers and pipework. Where these works have been identified as overlapping with the scope of the Warm, Dry and Safe programme, the packages are being coordinated to minimise resident disruption.

<b>Sheltered Scheme</b>	<b>Area</b>	<b>Ward</b>	<b>Works being undertaken</b>	<b>Start on site / note</b>
Jack Jones House	Nunhead & Peckham Rye	The Lane	Fire doors and upgrades Interior decorations Minor external decorations WDS works (electrics) Sprinkler system	Complete Complete Complete 2014/15 2014/15
George Court Walter	Rotherhithe	Livesey	Fire doors and upgrades; Interior decorations; WDS works (kitchens/bathrooms; electrics); Sprinkler system Boilers (part of SELCHP)	Complete Complete 2014/15 2014/15
Russell Court	Nunhead & Peckham Rye	The Lane	Fire doors and upgrades; Interior decorations; Minor external decorations WDS works (electrics) Sprinkler system	Complete Complete 2014/15 2014/15 2014/15
Barset	Nunhead & Peckham Rye	Nunhead	Fire doors and upgrades; Interior decorations; Minor external decorations WDS works (electrics) Sprinkler system	Complete Complete 2014/15 2014/15 2014/15
King Charles Court	Walworth	Newington	Fire doors and upgrades; interior decorations; WDS works (kitchens/bathrooms; envelope; electrics)	2014/15 2014/15 2014/15

<b>Sheltered Scheme</b>	<b>Area</b>	<b>Ward</b>	<b>Works being undertaken</b>	<b>Start on site / note</b>
			sprinkler system; damp remedial work Boilers	2014/15 2014/15 2014/15
Ray Gunter	Walworth	Newington	Fire doors and upgrades; Minor external decorations; WDS works; sprinkler system	2014/15 2014/15 By 2015/16 2014/15
Brook Drive	Borough Bankside	& Cathedrals	Fire doors and upgrades; Minor external decorations; WDS works; sprinkler system	2014/15 2014/15 By 2015/16 2014/15
Keetons	Bermondsey	Riverside	Fire doors; WDS works (kitchens/bathrooms; envelope; electrics) sprinkler system	2014/15 2014/15 2014/15
Lew Evans	Nunhead Peckham Rye	& Peckham Rye	Fire doors and upgrades; Sprinkler system; Minor external decorations; Boilers	Complete 2014/15 2014/15 2014/15
Lucy Brown	Borough Bankside	& Cathedrals	Fire doors and upgrades; WDS works (kitchens/bathrooms; envelope; electrics) sprinkler system; Minor external decorations;	Complete By 2015/16 By 2015/16 By 2015/16
Consort	Nunhead Peckham Rye	& The Lane	WDS works (kitchens/bathrooms; envelope; electrics) Sprinkler system	Complete 2014/15
Cossall	Nunhead Peckham Rye	& Nunhead	WDS works (kitchens/bathrooms; envelope; electrics) Sprinkler system	Complete 2014/15
Hughes House	Walworth	Newington	WDS works (kitchens/bathrooms; envelope; electrics) Fire doors and upgrades; sprinkler system Boiler	2014/15 2014/15 2014/15 Complete 2014/15
Locksfield	Walworth	East Walworth	Fire doors and upgrades; WDS works (kitchens/bathrooms; envelope; electrics); sprinkler system Boiler	2014/15 2014/15 2014/15 Complete 2014/15

<b>Sheltered Scheme</b>	<b>Area</b>	<b>Ward</b>	<b>Works being undertaken</b>	<b>Start on site / note</b>
D'Eynesford	Camberwell	Camberwell Green	<b>Fire doors and upgrades; WDS works (kitchens/bathrooms; envelope; electrics); Sprinkler system</b>	<b>Complete 2014/15 2014/15</b>
Rock Grove	Bermondsey	South Bermondsey	<b>Fire doors and upgrades; WDS works (kitchens/bathrooms; envelope; electrics); sprinkler system Boilers (part of SELCHP)</b>	<b>2014/15 2014/15 2014/15</b>
Marden	Bermondsey	Riverside	<b>Fire doors and upgrades; WDS works (kitchens/bathrooms; envelope; electrics); Sprinkler system Boilers (part of SELCHP)</b>	<b>Complete Complete 2014/15</b>
Grosvenor Park	Camberwell	Camberwell Green	<b>Fire doors and upgrades; WDS works; sprinkler system</b>	<b>2014/15 2014/15 2014/15</b>
Harry Lambourn	Peckham	Livesey	<b>Fire doors and upgrades; WDS works; sprinkler system</b>	<b>2014/15 2014/15 2014/15</b>
Pedworth	Rotherhithe	Rotherhithe	<b>Fire doors and upgrades; WDS works; sprinkler system Boilers (part of SELCHP)</b>	<b>2014/15 2014/15 2014/15</b>

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Integrated Community Support – A New Commissioning Strategy, Underpinned by an Ethical Care Charter	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

**FOREWORD – CLLR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

There is no greater responsibility than the care and support that we provide to the most vulnerable people in society. It is a key goal of the council to help ensure that those in need of care are able to stay living in their own homes, leading active lives in their own neighbourhoods. Over time more people have been able to get this support - support which they consistently tell us they want. As a result we have seen fewer people having to go into residential and nursing homes, and more people able to continue to live independently and safely, whilst still accessing the help that they need.

This shift in the “balance of care” is transforming community based support, including homecare. As more people access these services, in turn, home care workers will need to take on a greater role in the care system. Whether helping with personal care – including help to get up, to get washed, dressed and fed in the mornings and the equivalent routine at bed time, housework, shopping, or being there as someone to talk to - the homecare workforce is crucial. By appreciating the important work of home care workers, the council in turn enables them to take up their new roles, supporting better outcomes for the people in receipt of care.

The media has recently highlighted the experiences of care workers on low pay and poor conditions. Obligatory zero hour contracts have come to serve as an illustration for the way that care workers have been taken for granted for the crucial work that they carry out in our country. Southwark Council is at the forefront of this debate nationally. We believe that by treating care workers in an ethical manner, the workforce is enabled to do the very best jobs that they can, providing better care and support for those people who need this help. That is why we are making sure that, in Southwark, care workers are paid for their travel time and that there will be an offer of a guaranteed level of working hours each week as an alternative to zero hour contracts. Today we set out our approach to delivering this key commitment by the end of October 2014.

The greater role of community support, including home care, requires the right approach to meet future challenges – of which treating the local workforce in an ethical manner is a fundamental part. Good quality, coordinated care requires a strong partnership approach. That is why the council has developed a strategy for integrated community support. This strategy will ensure that, in the future, people in need of care and support are able to draw in addition on clinical and health expertise to meet their whole-person health and care needs.

## RECOMMENDATIONS

That cabinet:

1. agrees the Southwark ethical care charter as set out in paragraph 20.
2. agrees the commissioning strategy for integrated community support (including homecare), as set out in paragraphs 34-36, which is underpinned by the Southwark ethical care charter.
3. notes the proposed variation and extension of the council's universal homecare contracts to ensure that, by the end of October 2014, (a) care workers are paid for their travel time, (b) care workers are offered a guaranteed level of working hours each week as an alternative to zero hours contracts and (c) that the council continues to meet its statutory responsibilities and that there is continuity of care for existing service users. These changes are being considered alongside this report in an individual decision-making (IDM) report by the Cabinet Member of Adult Care, Arts and Culture.
4. notes that provision will be made through the forthcoming policy and resourcing strategy of up to £5.2 million for the implementation of the charter to be represented by a combination of procurement and commissioning, existing budgets and the potential for the use of any Better Care Fund monies and earmarked reserves.
5. requests the interim strategic director of children's and adults' services to, in consideration of other decisions, now bring forward a gateway 1 procurement report for integrated community support by October 2014.

## BACKGROUND INFORMATION

6. In Southwark children, young people and adults who require support to live as independent and fulfilling lives as possible consistently express a desire that the support and care that they require should be based in their own homes and communities. This underlines the crucial role that community based health and social care services like homecare play in providing the right support in the right places so that those with ongoing needs can be supported in the way that they choose.
7. To meet this challenge and enable some of the most vulnerable members of Southwark's communities to live more independently and be able to stay, and receive help in their own homes, the council has been and continues to transform the way services are commissioned and delivered.
8. The provision of good quality, coordinated care and support in people's homes and local neighbourhoods requires a strong partnership approach. The services that people access across health and social care can at times be fragmented and may be difficult to navigate. Recognising these challenges the Southwark Health and Wellbeing Board in March 2014 agreed *Better Care, Better Quality of Life* a shared vision with Southwark CCG for the integration of health and social care services.
9. This commitment from the Southwark Health and Wellbeing Board and the related work of the Southwark and Lambeth Integrated Care (SLIC) programme



provides the partnership context for taking forward key local priorities around the future of the homecare service. The council's refreshed *Fairer Future* priorities in addition include a commitment to implement an ethical care charter.

10. Drawing on expertise from across the local partnership a number of service design principles have been developed that have informed the commissioning strategy set out this report. The commissioning strategy will not only deliver the councils commitment to implement an ethical care charter for home care but will also ensure that home care is commissioned in a way that delivers a more integrated approach to community based support for people with health, care and support needs.
11. With increasing numbers of people who have complex and varied needs that span primary and secondary health care services and social care support in the community, it is vital that the future approach to the commissioning of home care services supports the delivery of a more integrated approach. Critical to the ability of community-based services to take on a larger role is how the commissioning strategy supports the development of the borough's social care workforce.
12. By treating care workers in an ethical manner, care workers themselves are better equipped to take on their important roles. Homecare providers which have implemented aspects of an ethical charter for home care have been able to demonstrate that, where staff are valued and feel appreciated for their work, there is a demonstrable improvement in the outcomes and experience of the people who are in receipt of this important service.
13. The ambitious and transformative approach set out in the strategy will not only deliver a step change in how the home care workforce is valued and developed, but it will also allow the council to lead and influence the way in which the provider market for homecare develops both locally and across London. While not without risk, the council should be able to secure benefit for our residents through showing market leadership in the early adoption of an ethical approach.
14. Initial market engagement in addition indicates that forward thinking, quality providers of homecare services are increasingly focused on working in partnership with leading councils to deliver an ethical approach. Providers recognise the potential impact that this can have on improving the quality of care and, by testing out different and more integrated user focused models, how this can also help develop and retain a well skilled and valued workforce.
15. There is the potential for this to deliver a market edge for providers who are willing to work with the council in this way. Negotiations going forward will necessarily include how benefits and risks will be shared differently across providers and commissioners as we move away from the existing, cost-driven business models to focus on sustainable high-quality care provided by a well-trained and fairly paid workforce.
16. As set out later in this report, following the council's commitment in November 2013, good progress has been made towards fully implementing an ethical charter for home care services. The commissioning strategy set out in this report, if agreed, will be followed by a procurement approach that will ensure that all principles in the charter are fully delivered through the establishment of new contracting arrangements by July 2015.

## KEY ISSUES FOR CONSIDERATION

### Ethical Care Charter

#### An ethical approach to care

17. Since the development of the Unison Ethical Care Charter in 2012 and the councils commitment to implement the principles of this charter in 2013, Southwark has contributed to further work that was undertaken nationally on working conditions in the care sector, in particular home care services.
18. The result of this work was the Kingsmill report, which was published in May 2014. The Kingsmill report stated that, nationally, “care workers are undervalued, under-paid and under-trained.” The keynote report set out that this has led to issues in the retention of skilled care workers (with a 30% turnover of domiciliary care workers in the United Kingdom each year), and with a situation in which younger people often do not consider care work a viable career path. The Kingsmill report recognised that many of these challenges require a national solution, although set out that there are also areas where a local approach can make a valuable impact. In considering this, the Kingsmill report included a recommendation for local authorities to implement the Kingsmill care charter – and set out the criteria of this charter.
19. The council, through the refreshed *Fairer Future* priorities, has reiterated its commitment to deliver an ethical charter for home care services and be at the forefront of tackling poor working conditions in care in order to improve the quality of care people receive. Drawing on the Unison charter, the report by Baroness Kingsmill and national best practice, the proposed ethical care charter for Southwark has been developed.

#### Southwark ethical care charter

20. The proposed areas to be included in the Southwark charter are set out below.

Criteria	Kingsmill Report - care charter	Unison - ethical care charter	Southwark - ethical care charter
(1) Time allocated will match needs of clients (not limited to 15mins)	✓	✓	✓
(2) No minute-by-minute task-based commissioning or provision	✓	✓	✓
(3) Domiciliary workers will be paid for their travel time	✓	✓	✓
(4) Local authorities and service providers will be transparent in their price setting	✓		✓
(5) Zero hour contracts will not be used in place of permanent contracts	✓	✓	✓
(6) Local authorities will monitor service providers, including working conditions of staff	✓	✓	✓
(7) Clients will be allocated the same homecare worker wherever possible	✓	✓	✓
(8) Visits will be scheduled so that workers are not forced to leave to get to another client		✓	✓

Criteria	Kingsmill Report - care charter	Unison - ethical care charter	Southwark - ethical care charter
(9) Those homecare workers eligible must be paid statutory sick pay		✓	✓
(10) Homecare workers will be covered by the occupational sick pay scheme		✓	✓
(11) Providers will have a clear procedure for following up concerns about clients		✓	✓
(12) Homecare workers will be trained (at no cost to themselves)		✓	✓
(13) Homecare workers will be given time to meet co-workers to share best practice		✓	✓
(14) Homecare workers will be paid at least the [London] Living Wage		✓	✓

21. By including in Southwark's ethical charter the commitment that both providers and the council as the commissioner will be transparent in setting prices, the council will ensure that it delivers on its broader duties under the Care Act to manage the social care market for both council funded users of social care and self funders.
22. The adoption of the Southwark ethical care charter will place Southwark at the forefront of tackling poor conditions of care, corresponding to the criteria of both the Kingsmill and Unison charters for homecare workers. The charter would underpin the future commissioning approach for care in Southwark, helping to improve better outcomes for those people who have a care and support need.

#### **Progress on the implementation of an ethical care charter**

23. In April 2013, an initial feasibility review of the Unison Ethical Care Charter concluded that many aspects of the charter were already in place but that further analysis was require on other areas of the charter.
24. After the initial feasibility study, the next stage of this work was taken forward by a 'task and finish' group of key partners and stakeholders. The group reported back to cabinet in November 2013.
25. In consideration of this work, the cabinet agreed a vision and set of values for the future of the homecare service (as set out in Appendix 1). Cabinet also agreed to sign up to the ethical care charter and to work towards its implementation. In order to deliver this, cabinet agreed that a new commissioning strategy should be developed for the homecare service.
26. Since November 2013, the council has undertaken a number of key pieces of work which were required, as prerequisites, for the delivery of a future commissioning strategy. A summary of this work is set out below.
27. The council:
  - established a common workforce development approach for homecare workers – with council provided inductions and training at no cost to individual care workers

- undertook a financial and commissioning scoping exercise – in order to consider issues of affordability and equity across the system
- engaged with key stakeholders and partners, including providers, to develop a future commissioning strategy
- engaged intensively with the councils two main contract providers to ensure that through a variation and extension of existing contracts further progress was made around key aspects of the charter as follows:
  - payment for travel time will be implemented from August 2014; and
  - home care workers will be offered the choice of being employed on guaranteed hours, as opposed to zero hours contracts, by October 2014.

28. With this work now completed, the cabinet is now being asked to agree a commissioning strategy on the future service design, itself underpinned by the Southwark ethical care charter.

#### **Future Model for the Commissioning of Homecare Services**

29. Effective community based support is critical in continuing to deliver a shift from people being placed in residential settings, such as nursing and care homes, to a situation in which more people are able to access the support that they need in their own homes and neighbourhoods.

30. The Southwark homecare service is one part of a wider range of services which, as a whole, aim to provide holistic community support and care to adults and children in the borough. These services include short-term help to get people back onto their feet after being in hospital or care (reablement), support for those with ongoing health issues (continuing care), homecare support for young people, as well as district nursing, GP services and services which give people rapid support so that, where possible, those who do not need to be admitted to hospital are instead given the support they need within their own homes and neighbourhoods. These services are commissioned on the whole by the local authority and by the NHS.

31. The core list of community based services is set out below:

- homecare services
- complex homecare service
- hospital avoidance services e.g. enhanced rapid response care, night owl (overnight homecare and support)
- intermediate care
- reablement
- continuing healthcare
- specific community services which support pressures on the health service during the winter months
- care for those at the end of their lives
- support for people who have had a stroke
- wider community support / befriending services
- carers' services.

32. At the heart of the proposed approach and commissioning strategy for home care services is to seek out opportunities to ensure that care and support services are connected around the person rather than the person having to make the connections themselves. Within this approach there will be scope to ensure that:
- Home care services connect and collaborate with community health services, for example through ensuring that home care workers can play a role in follow-up support around falls prevention, exercise and the monitoring of early warning signs.
  - Wider voluntary and community based support that combats social isolation and promotes community engagement are a part of delivering high quality home care services that are well co-ordinated as part of an integrated community approach.
  - Future home care services adopt an outcome and reablement focused approach to support wider system outcomes such as the reduction of hospital admissions, and an ongoing reduction in unnecessary nursing and care home placements.
  - Home care services support and co-ordinate effectively with a neighborhood based approach to primary and community health care.
  - Home care services through being part of multidisciplinary working can support the overall wellbeing and outcomes for geographic populations through improved use of preventative primary care and community health intervention.
33. Local community support services (as set out in pgh 31) are being driven by an increasing identified need for coordinated health and care support. In light of this, the current label of homecare is insufficient. The future service design that has been developed is therefore better considered as one of integrated community support. It is with this title that a proposed strategy for this service (including homecare) has been developed.

## **INTEGRATED COMMUNITY SUPPORT – COMMISSIONING STRATEGY**

### **Commissioning strategy – objective**

34. The objective of the commissioning strategy for integrated community support is set out below:

Southwark Council will commission integrated community support from July 2015. The service will provide high quality care and support for those with a care need, and will be underpinned by the Southwark ethical care charter. The service will be able to draw on clinical and health expertise to meet the whole-person health and care needs of those who are in receipt of this service.

### **Commissioning strategy – strategic commissioning principles**

35. **Southwark integrated community support (ICS)** will be commissioned on the basis of the following strategic commissioning principles which Cabinet are asked to agree. The commissioning strategy principles are set out within the

partnership framework of the Southwark Health and Wellbeing Board's *Better Care, Better Quality of Life* vision for the integration of health and social care services.

#### **More care in people's homes and in their local neighbourhoods**

- The ICS will be commissioned on a ***neighbourhood basis***, enabling care and other support workers to be better linked into the communities in which they work.

#### **Person-centred care, organised in collaboration with the individual and their carers**

- The ICS will place ***those who are in receipt of care at the heart of the commissioning and procurement process*** – helping to shape and design the service that they will receive, and to assess its effectiveness in meeting individual needs

#### **Better experience of care for people and their carers**

- The ICS will have ***safety as its core***, ensuring at all times that a high quality service is commissioned that provides continuity of care and helps people to stay safe from harm.
- The ICS will be underpinned by the ***Southwark ethical care charter***.
- The ICS will have a service ***offer to all-ages***, providing consistent tailored support to those who need this service - supporting people at all stages of their lives.

#### **Population based care that is pro-active and preventative, rather than reactive**

- The ICS will be a core part of, and link with, ***wider community based support***, that combats social isolation and promotes community engagement

#### **Better value care and support at home, with less reliance on care homes and hospital based care**

- The ICS will support and ***further enable the shift in the balance of care*** in Southwark from residential settings to community based support and independent living.

#### **Less duplication and 'hand-offs' and a more efficient system overall**

- The ICS will ensure there are ***links across to other services*** and expertise, including primary care, reablement and intermediate care. In doing this the service will avoid a situation where those in receipt of care can have multiple visits from different organisations from across the health and social care system.
- The ICS will connect and collaborate with ***community health services***, linking with the local health neighbourhood model.

### Improvements to key outcomes for people's health and wellbeing

- The ICS be focused and monitored on the ***basis of real outcomes*** of those who receive care, with wellbeing as well as health and care outcomes at its core. This will help ensure that people leading fulfilled lives, connected to their own communities, and not prohibited from leading independent lives, is a key part of the service.
- The ICS will be commissioned on a ***long-term basis, creating a strategic relationship*** with the future service providers. It will provide greater certainty to those who receive care - whilst, at all times, ensuring providers are held to account, and share the risk, of any contracting issues.

The ICS will also embed the following cross-cutting issues, that is support of **stronger, more resilient communities** and **Southwark as a great place to live and work** at the heart of the service.

### Commissioning strategy – timescales

36. The Southwark integrated community based support service will be commissioned in accordance with the following procurement timetable.

Date	Milestone
October 2014	Gateway 1 – procurement strategy for integrated community based support
May 2015	Gateway 2 – decision on contract award for integrated community based support
July 2015	Expected contract let

### Community impact statement

37. The demographics of people who receive social care delivered by the council in Southwark can be summarised as follows:
- Of 4,600 people who receive care, approximately 64% are older people, with the remainder being people with learning disabilities, mental health problems or physical disabilities.
  - Amongst the over 65s, approximately 65% of these are women, which is linked to longer life expectancy for women and that needs for home care increase with much older people.
  - Approximately 37% of service users over 65 are from BME groups. This being disproportionately higher than the proportion of people over 65 years of age from BME communities in the borough.
  - Amongst the under 65s, approximately 47% of these are women and approximately 56% are from BME groups.
38. In relation to the council's principal home care contracts, the two main providers between them support nearly 1100 people providing over 540,000 visits and 502,000 hours of care on an annual basis. The majority of the activity delivered

by these contracts relate to the provision of personal care. Therefore disproportionately their recipients are older people and people with physical and sensory disabilities. Specialist children home care is delivered by separate contracts.

39. All those in receipt of homecare and local authority community based services meet the Fairer Access to Care Services (FACS) criteria of critical or substantial. This means that these people are likely to be classified as having a disability.
40. Any changes that impact on the care services delivered will have an impact on all adult social care client groups, though it should be noted that older people represent the largest group of service users.
41. The commissioning of Southwark integrated community support will include an equality analysis.
42. The full equalities impact of the delivery of the Southwark ethical care charter has been considered continually throughout the development of the commissioning strategy. This issue will also be considered as part of the equality impact assessment for Southwark integrated community support.

### **Resource implications**

43. Detailed financial modeling was commenced by the 'task and finish' group to inform the recommendations made in the report to Cabinet in November 2014. Further work is underway to determine the likely costs and benefits, and it is prudent at this time to allow for £5.2m in the forthcoming policy and resourcing strategy. This modeling has been based on home care activity levels as at June 2013.
44. The financial modelling will not only look at direct outgoings but also the wider benefits and savings that can be delivered by the strategy. There are a number of funding sources available which will be explored, including existing budgets, Better Care Fund monies and earmarked reserves.
45. Adult Social Care outturn figures for 2013/14 have illustrated that, as the council continues to shift the balance of care for older people in particular (the majority recipients of home care services), the numbers supported by home care have increased by 128 while at the same time there were 60 less people in nursing and residential care in 2013/14 than in the previous year. This increase in home care activity will lead to an increase in the estimated cost of implementing the Southwark ethical charter and recent financial modeling indicates this would be up to £5.2 million as opposed to the £4.1 million estimate provided to cabinet in November 2013.
46. With reference to the gateway 3 extension and variation IDM report, this will require the core existing homecare providers (MiHomecare Ltd and London Care Ltd) to pay home care workers for their travel time and offer home care workers a level of guaranteed hours as an alternative to zero hours contracts. The £5.2 million figure noted above includes the £1.67 million additional cost of implementing contract variation and extension with these existing providers.
47. It is expected that a competitive commissioning based approach will also help manage the level of additional investment required. The council will continue to



develop its approach to integration and aims to further shift the balance of care in partnership with the CCG and wider health system. The interim strategic director for children's and adults' services will work with the strategic director of finance and corporate services through the budget setting process for 2015/16 and beyond to ensure the sustainability of the new approach to commissioning home care services.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

48. This report requires the cabinet to note and agree a number of recommendations relating to integrated community support as further detailed in paragraphs 6-16. There are no specific legal implications arising from these recommendations, however in agreeing them the cabinet should have regard to the council's obligations to carry out its duties in accordance with the principles of best value. The cabinet is advised that the council may include workforce conditions as part of its contract/procurement requirements, but should only do so when the inclusion of these requirements will achieve best value. This report details the implications and benefits in agreeing the ethical care charter and commissioning strategy for integrated community support which the cabinet should consider.
49. The council is required under the Public Services (Social Value) Act 2012 to consider how what it is proposed to be procured may improve the economic, social and environmental well-being of an area, and consider the additional benefits to the community from the procurement process over and above the direct purchasing of services. These benefits can include investing in employees for improved outcomes to meet the needs of the community and promoting compliance with social and labour law. Further advice will be given by officers in legal services on the gateway 1 report for integrated community support which is due to be presented for approval in October.
50. The cabinet will be aware of the public sector equality duty's general duty (PSED General Duty) as set out in section 149 of the Equality Act 2010, and in making decisions the duty to have regard to the need to:
  - a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not.
51. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED General Duty also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. This report sets out the considerations which have been given to the PSED General Duty, in particular at paragraphs 37-42 of the report which the cabinet should consider when making this decision.

**Strategic Director of Finance and Corporate Services (FC14/016)**

52. This report seeks cabinet approval to the Southwark ethical care charter and commissioning strategy for integrated community support. It also notes the affordability and sustainability of the strategy. The resource implications are contained within the body of this report.
53. The strategic director of finance and corporate services notes that further work will be done to quantify the full cost of implementing the charter, including identifying potential funding sources. This will be subject to separate reports and decisions through appropriate channels.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Gateway 2 – Contract Award Approval – Homecare Services in Southwark presented to Cabinet on 25 January 2011	160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3337&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3337&amp;Ver=4</a>		
Developing a Quality Strategy and Best Practice Principles for Homecare Services: Initial review of UNISON's ethical care charter presented to Cabinet on 16 April 2013	160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4</a>		
Ethical Care Charter Task and Finish Group. Progress and Feasibility Report on the Work of the Task and Finish Group presented to Cabinet on 19 November 2013	160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4</a>		
Gateway 3 contract approval – contract extension and variation for home care services (to be published shortly)	160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/mgDelegatedDecisions.aspx?DS=0&amp;bcr=1">http://moderngov.southwark.gov.uk/mgDelegatedDecisions.aspx?DS=0&amp;bcr=1</a>		

## APPENDICES

No.	Title
Appendix 1	Our shared vision for <i>my life at home</i> in Southwark
Appendix 2	A set of values for home care

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	
<b>Lead Officer</b>	Jim Crook, Interim Strategic Director for Children's and Adults' Services	
<b>Report Author</b>	Jonathan Lillistone, Head of Commissioning, Children, Families and Adults	
<b>Version</b>	Final	
<b>Dated</b>	11 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 July 2014	

## Our Shared Vision for My Life at Home in Southwark

Quality of life for those who need care is distinct from quality of care. Quality of life is about recognition and involvement of the individual and the need to connect with them through a healthy relationship in order to provide a truly personalised service. This raises the bar on their experience of care beyond best practice. The following eight themes, clustered under the headings of Personalisation, Transitions and Transformation are derived from the 'My Home Life' <sup>1</sup> evidence base are felt by home care stakeholders in Southwark to be "human themes" which relate to the care of any older person wherever they live. Combined with the Six Senses Framework <sup>2</sup> which identifies a sense of **safety, continuity, belonging, achievement, purpose, and significance** being crucial for anyone to have quality of life, they are seen as the bedrock to support planning.

In order for this to truly achieve quality of life for those who need care in their own home, it is critical to apply the Six Senses Framework to home care staff as well as the users and carers at home. This will lead to health relationships, which is at the heart of 'relationship-centred care'. **The quality of life of all three parties is inextricably linked.**

### PERSONALISATION: (SEE ME)

#### 1. Maintaining identity

*People who have care delivered to them in their own home value the opportunity to have this choice, as long as their identity within the space that is theirs is respected.*

Being cared for at home is all about maintaining a person's identity, which for someone with care needs, will be closely associated with what we understand by "home". This may be the place where a person brought up their family, where the story of their life is reflected through photographs and possessions collected over years and through the style and decor of their dwelling. A person's home reflects who they are. It is sacred to the individual and those entering this space are there by invitation.

#### 2. Sharing decision-making

*A health, equal relationship between the person who needs care, a relative and/or friend, the home-care worker and any other involved professional (e.g social worker/community matron), means that there is a **shared** responsibility for the decisions to maximise a quality of life for the service user.*

<sup>1</sup> [www.myhomelife.org.uk](http://www.myhomelife.org.uk) My Home Life: Quality of Life in Care Homes published by Help the Aged 2006

<sup>2</sup> Mike Nolan et al. Sheffield University. 2006. The Six Senses framework underpinned the DH DignityCampaign.

This should happen naturally when professionals are invited to care for people in their own homes. Care workers can be fearful of issues relating to health and safety, or abuse and safeguarding which can make workers risk averse. People at home want to do “normal” things like us all. We must manage risk together, not avoid it, this requires us to be open-minded and imaginative. However, there must also be clear accountability for the person’s wellbeing by the provider and commissioners. We must get to know the user and their family carer, their families, networks and other professionals and communicate well to ensure that everyone knows what’s most important to the service user so they can live the life they wish. Starting with the service user, this is done by negotiating who bears responsibility if anything should happen to them, and incorporated into their care plan. Care workers need to understand issues relating to mental capacity in order to be clear when it is appropriate for decisions to be made on behalf of someone, in their best interests. This can be a fine balance for people with, for example, dementia or stroke and care workers must be adequately trained and supported by their employer and other professionals.

### **3. Creating communities**

*A personalised service requires a means for the user to stay connected within their community, whatever this means for them, to prevent isolation and loneliness and promote the sense of belonging.*

This relates directly to a service user’s Support Plan. Linking with the previous themes: the connections we have with our communities are a wider reflection of who we are, the choices we make and the relationships we have. Attending to these will help reduce the risk of depression and self-neglect which typically follow isolation and loneliness. When a person has care needs, they need their community to promote independence and choice, whether it’s for shopping, activities or just being sociable, and this should be covered in the Support Plan. For a home care worker to be “the ears and eyes of the Council”, they must be aware of the user’s links and contacts with the wider community and keep a weather eye out for these links to be maintained. Care at home is not just about visiting and doing tasks, it’s being mindful of the uniqueness of the individual and their belonging in their community.

## **NAVIGATION: (CONNECT WITH ME)**

### **4. Managing transitions**

*We are all on a journey through life and the changes in circumstances, environment and health have increasingly significant impacts as we get older. The changes affect us emotionally and care professionals need to recognise and understand the impacts of loss and change on service users, where they are in their life journey and the importance of the continuity of relationship and good communication.*

Transitions at home can be related to changes in personal circumstances which can lead to the need to engagement with services in different locations. Examples of the changes for older people are: retirement, loss of spouse/friends, increasing frailty, loss of independence, memory, relationships with friends. A person can easily become isolated in their own home. The requirements to make new relationships, with possible needs for care and support after experiencing loss may mean going to a day centre,

having respite admissions to a care home or needing to go to hospital. Reablement is another example of a transition requiring an adjustment of approach from carers. Managing transitions for people who have home care is about recognising loss, recovery, change, bereavement and helping a person bear the pain of grief of the losses. Home carers can help a person make the transition from home to care home/hospital and back again. Continuity of the relationship with home carers is crucial to help manage transitions well. This is about knowing how to work with someone, their idiosyncrasies, their preferences, remembering to make sure they have their personal effects that are meaningful to them when going somewhere new.

## 5. Improving health and healthcare

*More of us are living longer which means an increased incidence of age-related conditions. Care services need to be able to respond to more demand in numbers and complexity of cases. Healthcare services must support home-care workers on the frontline and work with their patients in a relationship-centred way.*

Very older people (85+) living in at home have a range of healthcare needs. The changing eligibility criteria and our increasing longevity mean that many people being looked after at home have substantial and complex needs which require the full range of healthcare services.

This is a major issue national issue. The gaps between health and social care affect people's quality of life at home. The user expects their care to be "seamless" and ideally, integrated. Some basic principles need to be shared and agreed. The care workers need to be well supported by the NHS (G.Ps, community matrons and the local acute trust). The expectations of care workers from other professionals and the public are increasing as more of what were traditionally 'nursing tasks' are now sitting with care workers – how is this supported and acknowledged?

## 6. Supporting good end-of-life

*When asked, most people who live at home wish to die at home or in a hospice with their loved ones with them and it's a relief for them to discuss their wishes. In practice, most people die in hospital or a care home.*

In society, there is a strong taboo about talking about dying and death, but it is important to have opportunities for discussion around this subject at a time conducive to older people. Home care workers could be the most appropriate people to open up these discussions with an older person which are very important to the individual and can be an unexpressed worry and emotional burden, being a barrier to quality of life. All involved in caring for older people should develop a "good death plan" with the person so that everyone knows what the person wants when they die. Their expectations can be heard and respected and they are more likely to die with dignity. This will benefit relatives and care workers as well as it's much easier to bear the loss of someone when preparations are previously made. It's crucial that care workers and families understand what to do to avoid unnecessary admissions to hospital so people can die at home but also understand when treatment is required. For example, if something happens outside what is expected or if it is not related to the illness / disability. Care workers at home need to know about Advance Care Planning (from the

End of Life Strategy) so they can work with users and their families on this. There are practical issues with this. More understanding is needed on the therapeutic aspects of care and support planning. This theme is closely related to the previous theme as a good death at home needs a joined-up multi-disciplinary team approach involving palliative care expertise.

## **TRANSFORMATION (*INVOLVE ME*)**

### **7. Our workforce**

*Our workforce in social care provides a critical role in our community. Society still fails to recognise the importance and worth of excellent care. This mirrors poor societal attitudes to those who need care. To counter this, home care workers need to be properly trained, valued, appreciated, heard and empowered. A shift in attitudes will create transformational change.*

In Southwark, we will recruit and retain the right people with the right attitudes and skills to provide high quality care and support to our service users. Raising the profile of a career in the profession will be our objective to ensure we are attracting and retaining high calibre people to work with older people in their own homes. The workforce in homecare is often expected to deliver quality with limited time to interact with users and without attention being paid to travel time. Many feel undervalued given the stigma attached to the work. They need to be properly trained and supported with fair working conditions that allow them to develop and grow in confidence and be proud of what they do. Our users and carers pick up on this and the lack of value given to care workers reflects badly on them. The way home care is commissioned needs to reflect this, with the users' view of what's most important for their quality of life being at the forefront. This means involving users, carers and providers and harvesting their expertise in the commissioning process.

### **8. Promoting a positive culture**

*The care organisations' culture needs to foster the conditions for good leadership and relationship-centred care in order to bring out the best qualities in the home care staff required by people with care and support needs and transform the experiences of service users.*

This reinforces the need for the providers to be commissioned in the right way, as the current working conditions for home care workers do not foster the right conditions to create quality of life for people in their own homes. This theme builds on the need to develop and grow the home care staff to meet the increasing challenges of the nature of the work. This must also be addressed by the NHS as well, developing home care staff without involving Health and Social Services will not be enough. Everyone needs to recognise the value of the care workers as equals. Regional managers need to see themselves as potential leaders, not feel victimised.

## APPENDIX 2

### A Set of Values for Home Care

Core values are the fundamental beliefs of a person or organisation. The core values are the guiding principles that dictate behaviour and action. Core values can help people to know what is right from wrong; they can help organisations determine if they are on the right path and fulfilling their business goals; and they create an unwavering and unchanging guide. There are many different types of core values and many different examples of core values depending upon the context. They help the shape the culture of an organisation.

The following four core values were agreed in the homecare stakeholder group. It is vital that the actions next to them are understood by everyone at every level in the organisation and ideally across all organisations involved in the care of an individual at home in Southwark. It is recommended that the values be used within organisations as part of recruitment, induction, supervision and appraisal **and** as a basis for strong partnership working across the system to support quality of life in home care. Everyone should model the behaviours required to make the values 'live' and not be meaningless words.

- **Respect** – we treat everyone with respect, empathy, compassion and dignity including respecting their culture
- **Integrity** – we stand by what we say, stand up for what we believe in and we don't promise what we can't deliver
- **Responsibility** – we don't shirk our responsibilities individually and as part of a team
- **Adaptability** – we keep moving and we respond to change; we use our imaginations to find new and better ways to do things.



<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		School Places Strategy Update	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children and Schools	

## **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

Southwark continues to make good progress in keeping pace with the increased demand for primary and secondary school places and in driving up standards for educational achievement.

Provisional KS2 results for 2014 indicate yet another year of improvement across our primary schools and scores are again above the national average. Southwark’s GCSE results achieved record levels of improvement in 2013 but it is the intention of this council to support schools to achieve even more with an ambitious target of 70% of our young people achieving five or more A\* to C grades at GCSE or equivalent by 2016.

An additional 1,080 extra primary school reception places were created between 2009 and 2013. A further 330 places will be in place in September 2014 with an additional 180 planned for September 2015 and 165 for September 2016. Demand for primary places, particularly in the north of the borough, continues to rise. It is therefore welcome that this report brings forward plans for further additional primary places in the north from 2015 and continues the work of ensuring additional places in this area are available as demand rises.

Whilst there is currently an overall surplus of secondary school places, a further 11 forms of entry (FE) for Year 7 pupils is forecast to be required across the borough by September 2018 with this rising to a further 19 FE by September 2019. Work is already underway across our existing secondary schools to assist and facilitate expansion so that many of our oversubscribed schools will be able to accommodate more students in the years ahead. In addition, this council is committed to opening a new secondary school in East Dulwich and will therefore be doing all it can to assist and facilitate the two initiatives supported by local parents and The Charter School Educational Trust and The Haberdashers’ Aske’s Federation to establish a free school on the Dulwich Hospital Site. The need for another new secondary school from September 2019 will be actively kept under review so that a decision can be made in a year’s time, allowing a four year planning period.

None of the progress made since 2010 would have been possible without the £170 million spent over the last four years to improve our school estate and the further £60.5 million investment outlined in the Gateway 1 Procurement Strategy for the appointment of contractors for the next phase of our primary expansion programme. The pace and scale of the increase in demand for school places requires a continuing investment programme if we are to ensure that every child and young person has a place at a local school and is learning in a high quality environment. Our commitment to meet this task is clear and investment will continue in the coming years as we work with popular and high performing

existing schools and engage with partners and providers who share our ambitions to meet the demand for primary and secondary places.

## **RECOMMENDATIONS**

1. That cabinet notes the updated forecast of primary school reception places and, in particular, the demand for additional primary school places in the north of the borough.
2. That cabinet approve the inclusion of Phoenix Primary School in the programme for permanent expansion of primary school places to provide two additional forms of entry on a temporary basis from September 2015 and a permanent basis from September 2016, as referred to in paragraphs 25 and 26.
3. That cabinet approve the further expansion of Keyworth Primary School by an additional form of entry to become 3FE, subject to the agreement of the governing body, as referred to in paragraph 27.
4. That cabinet notes that discussions are taking place with Southwark's diocesan boards on potential for expansion of diocesan schools in the north of the borough, as referred to in paragraph 29.
5. That cabinet notes the update on new primary free schools in the south of the borough and officers' engagement with the Education Funding Agency and the Harris Federation on finding a suitable site for the proposed new Harris Nunhead free school, referred to in paragraphs 30 to 33.
6. That cabinet approve the Wilkinson House site as the permanent new location for an expanded Bellenden School subject to public consultation and business case approval by the director of regeneration, as referred to in paragraphs 35 to 38.
7. That cabinet notes the updated forecast of demand for year 7 secondary school places in the borough and the steps being taken by officers to:
  - Assist and facilitate an appropriate expansion of existing secondary schools in Southwark
  - Assist and facilitate the two prospective applicants for a new secondary free school in the south of the borough
  - Engage with NHS Property Services on arrangements for disposing of surplus land at the Dulwich Hospital site.

## **BACKGROUND INFORMATION**

### **Context**

8. The school places strategy update report to Cabinet in March 2014 described the continuing demand for primary and secondary school places in the borough and the steps being taken to meet that demand.
9. Two key issues were identified for further exploration. For primary schools, the report noted that whilst the proposed overall number of places would meet the forecast demand by September 2016, the distribution of places was uneven, with an

under provision in the north of the borough and excess places in the south, where a number of free schools are being established. For secondary schools, despite the current overall surplus of places across the borough, the need for improved access for families to places in their preferred schools and the need to prepare for a steep rise in forecast demand starting in September 2018 were seen as issues to be addressed.

10. It was agreed that officers bring an update report to cabinet in July 2014 to include the latest position with free school proposals in the south of the borough and proposals for additional primary places required to fine tune supply and demand in the north. Cabinet also requested an update on secondary schools places, including the emerging options for a new secondary school in the borough.
11. Work is underway on the annual school capacity (SCAP) survey for submission by 25 July 2014. This survey informs the Department for Education (DfE) and EFA of areas where there are pressures on school places and where significant shortfalls of places are anticipated by local authorities. The projections of pupil numbers are also used to calculate the basic needs funding local authorities receive to secure sufficient school places to meet future demand. The updated forecast of places for the July 2014 SCAP survey have been taken into account for both primary and secondary schools in the detail of this report.

### **Approach to pupil place planning**

12. Southwark's pupil place planning is based on Greater London Authority (GLA) projections which are commissioned by Southwark and most London boroughs. These are informed mainly by:
  - Current school rolls
  - Birth rates
  - Underlying population projections
  - Migration
  - New housing development
13. In primary place planning the borough is split into five smaller planning areas to enable place planning to respond to the more local pressure for places whereas secondary planning is carried out on a borough-wide basis because the catchment areas for secondary schools extends as far as and often further than the borough's boundaries, and secondary age pupils are able to travel to secondary schools both in and outside the borough.
14. Structural changes to education provision, particularly the opportunity for sponsors to establish free schools that respond to locally expressed need rather than in response to the pressure for places, has made pupil place planning more complicated and requiring local authorities to be even more flexible and proactive in their approach.
15. The latest projections include a 2% planning margin allowed by the DfE to ensure sufficient places are available to respond to parental choice at a time of rapid growth and uncertain impact on demand from changes such as welfare reform.
16. Place projections are updated quarterly, using schools' updated termly roll data.

17. In April this year the DFE published a scorecard based on an analysis of all authorities' school capacity submissions. Southwark was rated green on the basis of three criteria:

- Quantity of new places – Southwark has provided 2130 new places between 2009/10 to 2012/13 and plans to deliver 2310 new places between 2013/14 to 2015/16. As a result the authority is rated green for performance, because no additional places are needed to meet demand across the LA in 2015 as estimated in the summer of 2013.
- Quality of places – Southwark is again rated green because we have a higher percentage of new places in good and outstanding schools - 95% against the England average of 79%. In addition Southwark has created 49% of new places in above average schools, compared to the England average of 28%.
- Cost – Southwark's cost of expansions in permanent buildings is 34% less than the England average, which is therefore also a good score.

## KEY ISSUES FOR CONSIDERATION

### Primary schools

*Previously reported*

18. The primary investment strategy was agreed by cabinet in July 2013 and updated by the cabinet member for children's services in January 2014. Table 1 below summarises the approved primary schools programme which will provide 21.5 additional forms of entry (FE) to meet forecast demand by September 2016. One form of entry is equivalent to 30 additional places in a year group or 210 places across a primary school. The highlighted items are being managed and funded directly by the council.

*Table 1: Approved primary schools programme.*

School	Ofsted Rating	Type	Planning Area	Additional FE by September 2016 (forecast demand shown in brackets)
Keyworth	Outstanding	Expansion	Borough, Bankside and Walworth	0 <sup>1</sup>
Charles Dickens	Outstanding	Expansion	Borough, Bankside and Walworth	0.5
Robert Browning	Good	Expansion	Borough, Bankside and Walworth	0.5
Cherry Garden - SEN	Outstanding	New provision	Bermondsey and Rotherhithe	0
			<b>Subtotal</b>	<b>1 (2 to 3.5)</b>
Southwark Free School	N/A	Free School	Bermondsey and Rotherhithe	2
Albion	Outstanding	Expansion	Bermondsey and Rotherhithe	1

School	Ofsted Rating	Type	Planning Area	Additional FE by September 2016 (forecast demand shown in brackets)
Grange	Good	Expansion	Bermondsey and Rotherhithe	0.5
Galleywall	N/A	New provision	Bermondsey and Rotherhithe	2
Redriff	Outstanding	Expansion	Bermondsey and Rotherhithe	1
			<b>Subtotal</b>	<b>6.5 (7.5 to 9)</b>
Belham (Old Bellenden School)	N/A	New Free School	Camberwell	2
Bessemer Grange	Good	Expansion	Camberwell	1
Crawford	Outstanding	Expansion	Camberwell	1
			<b>Subtotal</b>	<b>4 (2 to 3)</b>
Gloucester	Good	Expansion	Peckham and Nunhead	1
Bellenden	Good	Expansion	Peckham and Nunhead	1
Harris Primary Free School Nunhead		New Free School	Peckham and Nunhead	2
Ivydale	Good	Expansion	Peckham and Nunhead	2
			<b>Subtotal</b>	<b>6 (4.5 to 5.5)</b>
Judith Kerr Free School	N/A	Free School	Dulwich	1 <sup>2</sup>
Harris Primary Free School East Dulwich	N/A	Free School	Dulwich	2
Dulwich Wood	Good	Expansion	Dulwich	1
			<b>Subtotal</b>	<b>4 (1.5 to 2)</b>
			<b>Total</b>	<b>21.5 (17.5 to 23)</b>

*Notes:*

1 – No net increase as a result of Keyworth's increase by half FE offsetting historic reduction of Townsend by half FE.

2 – Two form entry school but assuming one form of entry for planning purposes.

3 – The higher figure in the forecast demand range incorporates a 5% planning margin.

19. Implementation of the council-managed permanent expansion programme is underway. Design team consultants were appointed in May 2014 and are actively working with each school to develop detailed bespoke proposals to expand schools' capacities. A separate gateway report to cabinet seeks agreement to the procurement strategy for appointing contractors to deliver the works.

20. Galleywall will be required as temporary accommodation for Southwark Park School until the end of the autumn term. A separate procurement exercise to appoint a design team for this scheme will therefore be completed later in the year.

21. Arrangements for the provision of temporary classrooms where needed are in hand to meet demand in September 2014.

*Primary places update*

22. Table 2 gives the updated forecast of primary school reception places expressed as forms of entry (FE), after taking into account the planned expansion programme given in Table 1 of paragraph 18. These figures anticipate slippage in the programme to bring Galleywall back into permanent primary school use from September 2016 to 2017, for reasons given in paragraph 20.

*Table 2: Updated forecast of primary places, July 2014*

		Sep-14	Sep-15	Sep-16	Sep-17
<b>Borough Bankside and Walworth</b>	North West	+2	+1	-2	-4
<b>Bermondsey and Rotherhithe</b>	North East	0	-3	-2	-2
<b>Peckham and Nunhead</b>	Central West	0	0	+ 2	+2
<b>Camberwell</b>	Central East	+2	0	+3	+3
<b>Dulwich</b>	South	+2	+ 3	+4	+4

23. The latest forecast shows that the gap is widening in the north of the borough and supports the previously identified need for new permanent primary provision in the region of 3FE each for the two planning areas. A strategy for providing further permanent places in the north beyond 2017 also needs to be developed. The forecast also indicates an increase in oversupply of places in the south of the borough compared to the previously reported position. This will be of some concern to local headteachers, and officers will work with headteachers and governors to monitor impact closely.

*New primary places in the north*

24. Following the March 2014 cabinet meeting, a review of sites in the north of the borough by officers from Regeneration and Children's Services identified Phoenix School annex site (in the north east) and Keyworth School (in the north west) as locations with strong potential for creating new primary places.
25. Phoenix is a popular and improving school with a 'good' Ofsted rating. The Phoenix School annex site in Marlborough Grove is an underutilised site comprising an indoor swimming pool (used also by visiting schools), sports hall, an attractive two-storey Edwardian school building currently occupied by guardians, generous play areas and an ecological habitat. The existing school occupies a 1960's listed building of exemplary design located on the opposite side of the road. Recent discussions between Phoenix School and the Director of Education have explored the possibility of expanding the school by one or two forms of entry using the annex site. A recent capacity study indicates that a 2FE expansion on the annex site, incorporating the existing facilities and bringing the Edwardian building back into educational use, can fit comfortably on the site and consultation with planners on early design proposals have been well received. Temporary classrooms could be accommodated within the site from September 2015 to help address the surge in demand pending completion of the permanent accommodation for September 2016.

26. The Phoenix School expansion proposals fulfil all of the key principles that underpin investment decisions for permanent expansion. Cabinet is, therefore, requested to approve the inclusion of Phoenix School in the primary schools expansion programme. The next step would be to seek gateway 1 approval to procure a design team to develop the proposals and secure planning consent.
27. Keyworth School has an 'outstanding' Ofsted rating and a permanent expansion from 1.5FE to 2FE is already included in the primary schools programme. The school site, which is relatively large and underutilised, has capacity to comfortably accommodate a further 1FE expansion. Initial discussions have taken place with the head teacher, who supports the proposal, and these are now being extended to the governing body. Subject to a favourable response from school governors, approval is sought to expand the school from 1.5FE to 3FE in lieu of 2FE.
28. Redriff School, which also has an 'outstanding' Ofsted rating, has indicated an interest in a further expansion by an additional form of entry from 2FE to 4FE in lieu of 3FE. The architect has been asked to develop a masterplan for the site to test this proposition.
29. Discussions are taking place between officers and diocesan board representatives about the possibility of expanding voluntary aided schools in the north of the borough. So far, St Pauls CE primary school (in the north-west) and St Joseph's George Row RC primary school (in the north-east) have been put forward as potential schools, each for a 0.5FE expansion. The next step is to hold exploratory discussions with the schools and to consult within children's services.
30. A strategy for permanent primary places to meet demand beyond 2017 in the north of the borough will be prepared by officers over the coming months, drawing on updated place projections in the autumn. This will include further review of existing schools' capacity studies and a search for new development opportunities with scope for schools provision.

*Primary free schools in the south*

31. Judith Kerr Primary School is a bi-lingual free school located in the Dulwich planning area that opened in 2013. Sponsored by the CfBT Schools Trust, children are taught in English and German. This is a 2FE school with 25 places in each class. So far, the school has established two classes for each year group up to and including year 3. Only 1FE is allowed for planning purposes, however, due to the specialist provision.
32. Harris Primary Academy East Dulwich is a 2FE free school in the Dulwich planning area opening in September 2014. It offers 60 reception places in its first year based initially in a temporary location at Harris Girls' Academy East Dulwich pending completion of its permanent home on the site of the former police station in East Dulwich.
33. In January 2014, the DfE announced approval to a further 2FE Harris Federation free school to be based in the Nunhead area, opening in September 2015. A site has yet to be secured for the new school, but the EFA has identified the Dulwich Hospital site as a potential option. Release of the Dulwich Hospital site, however, is likely to take a considerable time and is an ideal location for a much needed new secondary school in the south of the borough. Further details of new secondary school initiatives and the status of the Dulwich Hospital site are given in paragraphs

49 to 51, below. Discussions are taking place between officers, the EFA and the Harris Federation to explore the opportunities for more suitably located sites.

34. The Belham free school was approved by the DfE in June 2014. This provides for a new 2FE school on the site of Bellenden Old School located in the Camberwell planning area, sponsored by the Dulwich Hamlet Education Trust (DHET) and opening in September 2015. Southwark has supported the school in the development of its application and delivery of the new school and will lease the site to the DHET on a peppercorn for 125 years. The refurbishment is included in the expansion programme. Officers are continuing to assist in establishing the new school and discussions are taking place with the new school trust on the legal and contractual provisions to be put in place to enable the Trust to drive the delivery of the new building.

#### *Bellenden Primary School site options*

35. Bellenden Primary School will expand from 1 to 2 forms of entry in September 2016. Officers have appraised options for a temporary decant or permanent move to another site in close proximity to the existing school. This has identified the site of Wilkinson House in Dewar Street, a decommissioned residential home, as the only suitable location. A permanent move to this site is preferred to a temporary decant for educational as well as financial reasons. Officers are mindful of community interest in the future use of the Wilkinson House site and if agreed would need to consult fully with local people on any proposals.
36. More recently, architects appointed to develop design proposals for the school expansion programme have looked further at the possibility of constructing a new 2FE school on the existing school site whilst the school is in operation. Whilst this is not impossible and could produce a successful design outcome, school operations would be significantly disrupted and there would be severely restricted outdoor play space for the duration of the building works, which the head teacher and school governors consider unacceptable.
37. It is recommended therefore that the new 2FE school for Bellenden be constructed on the Wilkinson House site subject to consultation with local people on the proposals and business case approval by the director of regeneration.
38. Options for the future use of the current Bellenden site once vacated by Bellenden School will be carefully considered against competing demands, including the further expansion of successful schools subject to findings from the ongoing review of demand for places.

#### **Secondary**

##### *Previously reported*

39. Southwark is the most improved London borough at secondary level. In 2013, 65.2% of pupils gained 5 or more GCSEs including English and maths, placing our schools above London and national levels of performance.
40. At the March 2014 meeting, cabinet was advised that overall there is sufficient capacity within Southwark schools to meet the demand for year 7 places until 2016, but that a shortage of places is forecast from September 2017, rising steeply in subsequent years. Table 3 sets out the forecast demand for secondary places advised at that time.



Table 3: Secondary place demand

		Sept 2013	Sept 2014	Sept 2015	Sept 2016	Sept 2017	Sept 2018	Sept 2019	Sept 2020
Year 7	Pupil Place Demand	2444	2567	2653	2899	2940	3140	3403	3280
Year 7	Available Places	2636	2876	2876	2876	2876	2876	2876	2876
	Difference (Pupil number/FE)	192/ +7.3	309/ +10.7	223/ +7.8	<b>-23/ -0.8</b>	<b>-64/ -2.2</b>	<b>-264/ -9.2</b>	<b>-527/ -18.3</b>	<b>-404/ -14</b>

41. This forecast was presented with the proviso that demand for secondary places is less predictable than for primary places from factors, such as, the pattern of house moves among families, the state of the housing market and fluctuations in the popularity of schools both within and outside the borough.
42. It was noted that despite an overall improvement in educational performance and an increasing proportion of families gaining one of their preferences, a significant variation in the popularity of schools exists among parents, which indicates that the balance between demand and the availability of places is not evenly distributed across the borough.
43. The lack of direct transport links between home and school, particularly in the south of the borough, was also cited as a barrier to families' access to places in their preferred schools. This was evidenced by emerging proposals for a parent promoted secondary free schools in East Dulwich, an update on which is given together with details of another new free school initiative, later in this report.
44. For these reasons, the actual demand year on year is closely monitored by officers to inform the scale and timing, and to ensure a positive impact of any response.
45. Cabinet was informed in March 2014 that the future demand for secondary places could be met partly through the expansion of existing schools and partly through the construction of a new school. As the council no longer has any directly managed secondary schools in the borough and as there is a presumption that new schools will be free schools/academies, the role of the council is to assist and facilitate individual schools in developing proposals, applying for funds and implementation, rather than as direct provider.
46. In autumn 2012, all secondary schools were invited to take part in an architectural study to ascertain their capacity to expand. Four popular and oversubscribed schools took part in the study – St Michaels Catholic College, City of London Academy, Bacon's College and Kingsdale School – all of which were found to have capacity to expand. Given the latest demand forecast, officers proposed to go back to all Southwark's secondary schools to ascertain their appetite and capacity for expansion. An update on progress is given later in this report.

#### *Secondary places update*

47. Table 4 gives the updated forecast of secondary school year 7 places expressed as forms of entry (FE).

Table 4: Updated forecast of secondary places, July 2014

	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20
<b>Southwark</b>	+9	+7	-1	-3	-11	-19	-17

**Notes:**

*The lightly shaded cells will probably not require action but are highlighted due to being close to requiring extra capacity so should be noted*

*\* indicates potential significant over provision to be noted*

*Where a range is given it is to cover for different potential outcomes based on all data available.*

48. This table shows that overall there is significant capacity within Southwark schools to meet the forecast demand for year 7 places until 2016 and a modest increase in demand starting in September 2017 rising swiftly in the two subsequent years. It should be noted that for September 2014 and 2015 the data shows an overall surplus of places, although this starts to reverse by September 2016.
49. The latest data indicates that the delivery of a programme of permanent expansion needs to start coming through by September 2018, probably with a new school coming into operation. The need for another new secondary school for September 2019 needs to be kept under review and decision made in a year's time with the benefit of further updated secondary school place projections. This would still leave a four year planning period, if required, and allow the decision to be more robust.

*Expansion of existing secondary schools*

50. All secondary schools were invited in autumn 2012 to participate in a study to assess the capacity to expand. St Michael's Catholic College, City of London Academy, Bacon's College and Kingsdale School elected to take part and all were found to have capacity to expand with appropriate investment.
51. St Michael's Catholic College subsequently made an unsuccessful bid to the EFA for funds to expand and is now preparing a second bid for a 1FE expansion for submission in January 2015. Officers are assisting the school in developing their proposals and facilitating town planning and other regulatory advice in support of their application.
52. Since the March cabinet meeting and in light of the shortfall of secondary places now forecast, a further invitation was been extended to all secondary schools. This resulted in the original four schools reaffirming their interest and a further three schools, Harris Girls' Academy East Dulwich, Harris Academy Bermondsey and Charter School expressing interest. Exploratory discussions are now taking place with these schools on possible next steps.
53. Based on responses so far from secondary schools, an estimated additional 6FE to 8FE might reasonably be expected from the existing estate.

*New secondary school initiatives*

54. Two initiatives have emerged over recent months for a new secondary free school in the south of the borough, both with their sights set on the Dulwich Hospital site.

55. The Haberdashers' Aske's Federation is seeking to establish a clutch of schools in the Southwark/Lewisham area. Their preference is for an all through school, but would be interested also in a secondary school, preferably at 6FE. Working in harmony with the council would be prerequisite to developing their application. They aim to make a submission to the DfE (in Wave 8) for the new school in October this year.
56. The Charter School Educational Trust (which runs Charter School) also plans to make an application to the DfE to open a new 6FE secondary school on the Dulwich Hospital site. The close proximity of the hospital site to the existing school is a critical consideration, as it allows them to build on serving a diverse community in that specific locality. Charter also aims to make a Wave 8 application in October.
57. Ongoing discussions with both Haberdashers' and Charter representatives are taking place. Officers are providing help and assistance wherever possible, whilst maintaining an even-handed approach to both parties. Officers also continue to investigate other suitable sites in the borough.
58. In addition, John Donne Primary School, which became an academy in January 2014, has recently submitted a free school application to the DfE for an all through school with three primary and two secondary forms of entry to be located on the former Tuke School site in Woods Road, Peckham. The school has stated that there is strong support from local parents for more diverse provision in the immediate area. Cabinet authorised the sale of the site in July 2013 following the directive from the Secretary of State for Education that there was no longer a need for a school on the site and a sale is being progressed with developers who have submitted a planning application for a housing development on the site. Further developments with this free school application are being closely monitored by officers and assistance to secure a site will be offered once the result of the application is known.

*Dulwich Hospital site*

59. NHS Property Services is responsible for site appraisal and any disposal of part of the Dulwich Hospital site on behalf of NHS England and local Clinical Commissioning Group (CCG). They have already conducted soft market testing and identified the preferred size and footprint for future health provision on the site. Officers are advised that there are a number of internal processes to be completed with the NHS before part of the site can be released for sale. Currently, the overall aim is to complete the new health campus in 2017, with the need for existing health services to continue until that date prior to relocation into the new provision. NHS Property Services advise that these timescales are to be treated tentatively in view of the complicated nature of the process.
60. Public bodies have first option on the surplus land released for sale by the NHS, at market rates. Officers are promoting the council's view that the EFA/DfE should be pursuing the site to deliver local preference and local place planning needs, a secondary school.
61. As stated in paragraph 43, officers are engaging with the EFA and Harris Federation to look at the alternative site options for a primary school, as well as help and assist NHS Property Services wherever possible in the lead up to disposal.

### **Statutory proposals**

62. Any proposal by the local authority of an enlargement of the capacity of a non-academy school which results in an increase of 30 pupils and an increase of more than 25% or 200 pupils (whichever is the lesser) would require the publication of statutory proposals. In Southwark all non-Academy schools are voluntary aided and the necessary consultation would be managed by these schools directly. Academies (and, since January 2014, the governing bodies of mainstream schools) are not required to follow a statutory consultation process in regard to their expansion.
63. At the meeting in March 2014, cabinet approved the proposed enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools following statutory consultation with stakeholders.
64. A similar statutory process to underpin the expansion of Robert Browning, Redriff, Cherry Garden, Gloucester, Ivydale and Bellenden primary schools will be undertaken and reported to a future cabinet meeting for approval. Subject to cabinet's approval of the recommendations in this report, Phoenix Primary School and updated details for Keyworth Primary School will also be included in this round of consultation.

### **Financial implications of expansion programme**

65. The costs associated with an expansion of the secondary estate in line with the demand identified in Tables 3 and 4 will be significant and would be exacerbated further should sites need to be acquired for these purposes.
66. Liabilities to the Authority will depend on how any new places are to be delivered and the approach to delivery. The council is working with the secondary academies to enable them to make co-ordinated bids for funding to the EFA.
67. Currently all funding identified for new places in the education estate is being targeted on primary expansion in order to meet that present challenge. A further £16m council resources was agreed to fund the primary strategy for places in the March 2014 refreshed capital programme. Funding will need to be identified over the next 2-3 years and beyond to enable the delivery of new places within the secondary estate should insufficient funding for places be provided by the EFA.

### **Consultation**

68. Consultation with stakeholders is ongoing. Meetings with primary headteachers affected by the changes included in this report have taken place to discuss the proposed programme and its development.
69. Parents, pupils and school staff will be fully consulted through the consultation on statutory proposals and the design development process for the new schools.

### **Community impact statement**

70. The impact on communities of the issues and recommendations within this report has been considered in line with Southwark's Approach to Equality. Generally the recommendations will have a positive impact on communities with increased provision of places in areas where they are needed enhancing community cohesion. The proposals are consistent with promoting the safeguarding and well being of all

local children and young people by providing sufficient school places to meet forecast need.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

71. This report is providing an update to Cabinet on the school places strategy, and seeks Cabinet approval to approve the inclusion of Phoenix Primary School in the programme for permanent expansion previously agreed by Cabinet and to approve the further expansion of Keyworth Primary School. These are decisions the Cabinet is able to make under the Council's Constitution.
72. Section 13 Education Act 1996 places a duty on local authorities to use what powers they have to contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary education and secondary education is available to meet the needs of the population of their area.
73. Section 14 Education Act 1996 places a further duty on local authorities to secure that there are sufficient primary and secondary school places in their area. Local authorities must ensure there are enough school places to meet needs as well as working to secure diversity of provision and increasing opportunities for parental choice. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.
74. Cabinet will note that the Education Act 2011 removed the legal power for local authorities to establish community schools to address the issue of increased demand for places. Local authorities may look to expand existing provision or to free schools and academies to meet demand.
75. Cabinet is reminded of the duty to have due regard to the public sector equality duty under s.149 Equality Act 2010, and should note the Community Impact Statement in the body of the report.

### **Director of Finance and Corporate Services (FC14/015)**

76. The strategic director of finance and corporate services notes the recommendations in this report which update the forecast for year 7 secondary school places and seeks approval for various expansion and relocation of schools.
77. The financial implications are outlined in the body of the report and highlight that funding will need to be identified over the next 2-3 years and beyond to enable the delivery of new places within the secondary estate should insufficient funding for places be provided by the EFA.
78. Further information on the extent of the works, the contract price, and the funding will be provided as part of subsequent approval reports, and the contracts for works should not be awarded until funding is confirmed.

## **BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
None		

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Victoria Mills, Children and Schools	
<b>Lead Officer</b>	Kerry Crichlow, Director of Strategy and Commissioning Children's and Adults' Services	
<b>Report Author</b>	Andy Brown, Head of Regeneration, Capital Projects	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Head of Procurement	No	No
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Home Ownership and Tenant Management Initiatives	No	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		11 July 2014

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Non-Domestic Rates - Discretionary Rate Relief Policy for Retail Relief, Reoccupation Relief and New Build Empty Property Relief	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

**FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

The council is responsible for the billing and collection of non-domestic rates totalling £210m for the 2014/15 financial year. Following changes to local government funding and the introduction of the rate retention scheme with effect from 1 April 2013, the council retains 30% of this income.

The council currently grants discretionary rate relief to charities and other non profit making organisations using powers contained in Section 47 of the Local Government Finance Act 1988.

The council has been given additional powers to offer support to business through the provision of the following reliefs:

- Retail relief – to provide support to retailers as they look to adapt to changing consumer preferences with effect from 1 April 2014
- Reoccupation relief - to encourage thriving and diverse town centres by reducing the number of vacant shops with effect from 1 April 2014
- New build empty property relief – to help stimulate construction with effect from 1 October 2013.

Since these reliefs are a temporary measure for specified periods of time, the government has not introduced legislation to provide for these reliefs. It has instead stated that where local authorities use their powers contained in Section 47 of the Local Government Finance Act 1988 to grant these discretionary rate reliefs, the government will fully fund the reliefs granted through a central government grant and there is no cost to the council.

In line with our planning policies to deter the proliferation of betting shops, payday lenders and hot food takeaways on our high streets, these types of retail businesses will not be eligible for relief.

**RECOMMENDATION**

1. That cabinet approve the discretionary rate relief policy attached as Appendix A for retail relief, reoccupation relief and new build empty property relief.

## **BACKGROUND INFORMATION**

2. The council has recently been granted powers to grant rate reliefs to encourage thriving and diverse town centres by reducing the number of empty shops, to support retailers as they look to adapt to changing consumer preferences and provide support to the construction industry.
3. Since these are temporary reliefs, the government is not changing legislation but will reimburse local authorities that use their discretionary powers under Section 47 of the Local Government Finance Act 1988 (which were introduced by the Localism Act 2011) to grant relief.
4. The government expects local authorities to grant relief to qualifying ratepayers.
5. The government has specified the criteria for each of the reliefs as outlined below and in the discretionary rate relief policy attached in Appendix A.

### **Retail relief**

6. The government will fund relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014/15 and 2015/16.
7. To qualify for the relief, the property must be wholly or mainly used as a shop, restaurant, cafe or drinking establishment.
8. Details of the types of businesses that would qualify for the relief and those that would not qualify are listed in Appendix A.
9. Ratepayers who occupy more than one property will be entitled to relief for each of their eligible properties.
10. The amount of relief that can be awarded to ratepayers over a 3 year period is restricted however, it is very unlikely the threshold will be reached given the values involved.

### **Reoccupation relief**

11. Properties that will qualify for the relief are occupied properties that:
  - were previously used for retail use
  - were empty for a period of twelve months or more immediately before their reoccupation
  - become reoccupied between 1 April 2014 and 31 March 2016.
12. In relation to a premises previous retail use, details of these are listed in Appendix A.
13. The new use of the reoccupied property can be for any use (not just for retail use) except for betting shops, payday loan shops and pawn brokers.
14. The relief will be available for 18 months from the first day of reoccupation where this is between 1 April 2014 and 31 March 2016, subject to the property being occupied continuously.



15. The relief available is 50% of the business rate liability after any mandatory or other discretionary reliefs (other than retail relief) have been granted, subject to the overall limit as outlined in line 10 above.

### **New build empty property relief**

16. Properties that will qualify for this relief will be unoccupied properties that are wholly or mainly comprised of qualifying new structures.
17. The definition of 'new' is those properties completed less than 18 months previously and completed after 1 October 2013 and before 30 September 2016.
18. The definition of 'structures' is foundations, permanent walls and permanent roofs.
19. New structures are to be considered completed when the building or part of the building of which they form part is ready for occupation for the purpose it was constructed, unless a completion notice has been served, in which case it would be the date specified in the notice.
20. Where a property is created as a result of a split or merger of other properties, or where an existing property is altered (eg by adding an extension) the same test will apply, in that the new property must be wholly or mainly comprised of new structures.
21. The relief is for the property and it will continue to qualify on a change of owner.
22. The relief will apply for a period of 18 months from the date on which the property was completed, where a property is completed after 1 October 2013 and before 30 September 2016.
23. Where, during this 18 month period, a property is occupied and then becomes empty, the ratepayer would qualify for the relief for any relevant period in the 18 months, after the initial rate free period applicable to all empty properties has been applied.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

24. The government funding for the new reliefs applies where the circumstances that attract the relief occur during specific periods:
- Retail relief – 1 April 2014 to 31 March 2016
  - Reoccupation relief - 1 April 2014 to 31 March 2016
  - New build empty relief – 1 October 2013 to 29 September 2016
25. Therefore the discretionary rate relief policy provides for the reliefs to be granted where the government will be fully funding the granting of reliefs through a central government grant and there is no cost to the council.

### Resource implications

26. The cost of rate relief is met from a central government grant. The estimated amount of relief for the financial year 2014/15 are estimated in the table below:

Type	No. of properties	Value of relief	Total value
Retail rate relief	3,261	£1,000	£3,261,000
Reoccupation rate relief	86	50%	£284,820
New build empty property rate relief	1	100%	£25,064
<b>Total</b>	<b>3,348</b>	-	<b>£3,570,884</b>

### Community impact statement

27. This policy provides equality of access to discretionary relief, due to clear criteria for the award of relief and consideration of all applications in the same timescales.

### Consultation

28. The policy gives effect to central government initiatives to grant rate reliefs to encourage thriving and diverse town centres by reducing the number of empty shops, to support retailers as they look to adapt to changing consumer preferences and provide support to the construction industry. The cost of the reliefs will be reimbursed by central government and consultation has not been undertaken.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

29. As identified above, Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.
30. Statutory guidance states that any discretionary rate relief or local discount scheme must be in the interests of the wider council taxpayer.
31. It is the responsibility of the billing authority to agree and set the duration of the award of such relief, at which time due regard will be had to the Public Sector Equality Duty.

### Strategic Director of Finance and Corporate Services (FC14/007)

32. This report seeks cabinet approval to the discretionary rate relief policy, attached as Appendix A, for retail relief, reoccupation relief and new build empty property relief. The financial implications are contained in the body of this report

33. The strategic director of finance and corporate services notes that this policy is fully funded by a central government grant and that there is no cost to the council for granting the reliefs. The officer time to enact this policy can be contained within existing staff resources.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix A	Non Domestic Rates Discretionary Rate Relief Policy - Retail relief, Reoccupation Relief and New build empty property relief

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Strategy & Performance	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report Author</b>	Norman Lockie, Operations Manager (Revenues)	
<b>Version</b>	Final	
<b>Dated</b>	11 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	11 July 2014

**Discretionary rate relief policy**

**Southwark Council**  
**Non-domestic rates**  
**Discretionary**  
**rate relief policy**  
**for**  
**Retail relief,**  
**Reoccupation relief**  
**&**  
**New build empty property relief**

## 1.0 Introduction

- 1.1 This policy relates to retail, reoccupation and new build empty property rate relief that the Council has a discretionary power to award under Section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011 and is effective from 1 April 2014.

## 2.0 Discretionary rate relief – retail relief

- 2.1 To qualify for retail relief, a property must be occupied, have a rateable value of £50,000 or less and be wholly or mainly used as a shop, restaurant, cafe or drinking establishment
- 2.2 The amount of relief that will be granted is up to £1,000 per year in respect of the periods 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 March 2016
- 2.3 The eligibility for the relief and the amount of relief to be granted will be assessed and calculated on a daily basis. The calculation of the amount of relief that will be granted for a property will be calculated using the formula:

$$\text{Amount of relief to be granted} = £1000 \times \frac{A}{B}$$

Where:

A is the number of days in the financial year that the property is eligible for relief; and

B is the number of days in the financial year

The relief will be applied against the net bill after all other reliefs

Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day

Where a new property is created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day

- 2.4 The following types of occupation are considered as retail use and will therefore qualify for this relief:

Properties that are being used for the sale of goods to visiting members of the public:

- Shops (such as florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)

- Car/caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Properties that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops etc.)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- DVD/video rentals
- Tool hire
- Car hire

Properties that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways (excluding Town and Country Planning (Use Classes) Order 1987 (as amended) **A5 Hot food takeaways** - For the sale of hot food for consumption off the premises)
- Sandwich shops
- Coffee shops
- Pubs
- Bars

2.5 The following types of occupation are not considered to be retail use for the purpose of this relief, and will therefore not qualify for relief:

Properties that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents, financial advisors, tutors)
- Post office sorting office

- 2.6 Properties that are not reasonably accessible to visiting members of the public are also not considered to be retail use for the purposes of this relief.
- 2.7 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.
- 2.8 The applicant or their authorised representative must complete an application form which includes a declaration regarding state aid. An inspection of the property may be made as part of the decision making process.
- 2.9 This relief will only be available between 1 April 2014 and 31 March 2016

### **3.0 Discretionary rate relief – reoccupation relief**

- 3.1 To qualify for relief, the following circumstances must apply to a property:
- when last occupied, it must have been used for retail use
  - it has been empty for a period of twelve months or more immediately before the reoccupation
  - it has been reoccupied between 1<sup>st</sup> April 2014 and 31<sup>st</sup> March 2016
- 3.2 The previous usage of a property that is considered retail use is:

Properties that were previously used for the sale of goods to visiting members of the public:

- Shops (such as florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Properties that were being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops etc.)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors

- Photo processing
- DVD/video rentals
- Tool hire
- Car hire

Properties that were being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)

Properties that were being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways(excluding Town and Country Planning (Use Classes) Order 1987 (as amended) **A5 Hot food takeaways** - For the sale of hot food for consumption off the premises)
- Sandwich shops
- Coffee shops
- Pubs
- Bars

- 3.3 The new use of the reoccupied property can be for any use (not just for retail use), except for betting shops, payday loan shops and pawn brokers.
- 3.4 The relief will be available for 18 months from the first day of reoccupation where this is between 1<sup>st</sup> April 2014 and 31<sup>st</sup> March 2016, subject to the property being occupied continuously.
- 3.5 The relief available is 50% of the business rate liability after any mandatory or other discretionary reliefs (other than retail relief) have been granted, subject to State Aid de minimis limits.
- 3.6 Where a new property has been created by a split or merger of properties, the new property will qualify for reoccupation relief where at least half of the floor area of the new property is made up of retail properties that have been empty for 12 months or more (subject to meeting the other criteria outlined in 3.1, 3.2 and 3.3 above).
- 3.7 Where a property in receipt of reoccupation relief becomes unoccupied for any period of time less than 12 months it will not be eligible for any further reoccupation relief on occupation.
- 3.8 A property that has previously received reoccupation relief and becomes empty for 12 months or more will be eligible for an additional 18 months reoccupation relief if the criteria outlined in 3.1, 3.2 and 3.3 are met.
- 3.9 The relief runs with the property rather than the ratepayer. Where there is a change of ratepayer, the new ratepayer can benefit from the remaining term of the relief, subject to the new ratepayers State Aid de minimis limits.



3.10 The applicant or their authorised representative must complete an application form which includes a declaration regarding state aid. An inspection of the property may be made as part of the decision making process.

3.11 This relief will only be available between 1 April 2014 and 31 March 2016

#### **4.0 Discretionary rate relief –new build empty property relief**

4.1 Properties that will qualify for this relief are all unoccupied properties that are wholly or mainly comprised of qualifying new structures.

4.2 In order to qualify for the relief, the premises must be wholly or mainly comprised of qualifying new structures. Structures are defined as:

- a) Foundations; and/or
- b) Permanent walls; and/or
- c) Permanent roofs

New is defined as;

- a) Completed less than 18 months previously; and
- b) Completed after 1<sup>st</sup> October 2013 and before 30<sup>th</sup> September 2016

4.3 New structures are to be considered completed when the building or part of the building of which they form part is ready for occupation for the purpose it was constructed, unless a completion notice has been served, in which case it would be the date specified in the notice.

4.4 Where a property is created as a result of a split or merger of other properties, or where an existing property is altered (eg by adding an extension) the same test will apply, in that the new property must be wholly or mainly comprised of new structures.

4.5 The relief is for the property and it will continue to qualify on a change of owner, subject to State Aid de minimis limits

4.6 The relief will apply for a period of 18 months from the date on which the property was completed, where a property is completed after 1<sup>st</sup> October 2013 and before 30<sup>th</sup> September 2016.

4.7 Where, during this 18 month period, a property is occupied and then becomes empty, the ratepayer would qualify for the relief for any relevant period in the 18 months, after the initial rate free period applicable to all empty properties has been applied.

4.8 The relief is granted to the property rather than the ratepayer, therefore subsequent owners may also qualify

4.9 The applicant or their authorised representative must complete an application form which includes a declaration regarding state aid.

#### **5.0 Appeals**

- 5.1 Where an application for discretionary rate relief is refused, any appeal against this decision must be made in writing, together with evidence to support the reasons for the appeal
- 5.2 The appeal will be considered by a manager who has not previously considered the application. The decision reached will be notified in writing within 14 days
- 5.3 If an appeal is unsuccessful, then judicial review is the means by which a decision of a billing authority under its power to grant discretionary rate relief may be challenged. Independent legal advice must be sought if this course of action is taken.

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Elephant and Castle Regeneration Progress	
<b>Ward:</b>		East Walworth, Newington, Cathedrals and Chaucer	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration Planning and Transport	

## **FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION PLANNING AND TRANSPORT**

The regeneration of the Elephant and Castle is now gathering pace, anyone travelling on the 343 or 136 bus through the area can see the scale and speed of change for themselves. The former Heygate Estate has nearly gone; One The Elephant is rising from the ground – along with the borough’s newest leisure centre and the Elephant Road development is now under construction. To maintain the development of the area and in line with the Regeneration Agreement signed with Lend Lease, the cabinet is recommended to transfer the council's land holdings to Lend Lease so construction of Elephant Park on the former Heygate site can begin.

To this end, the cabinet is recommended to approve the transfer of land held for housing purposes to planning purposes as set out below. Whilst maintaining the pace of regeneration, the council will honour its commitments to the Crossways Church. Therefore the transfer of the current Crossways Church site is delayed until their new site is completed or by 30 September 2016 - whichever is soonest. The council will work closely with the church to ensure they have a new building to move into in good time.

We are also keen to ensure the new Elephant Park contributes to Southwark reducing its CO<sub>2</sub> emissions, saving residents money on their energy bills and reducing harm to our environment. The original plan was for the council to identify a utility partner to establish a MUSCO which would provide, heat, power and water to the redeveloped area. However, this approach ultimately proved to be commercially undeliverable and it relied on large lorries to deliver fuel on a daily basis, which would have been detrimental to the quality of life for residents. This proposal has now been revised in favour of a more sustainable Combined Heat and Power energy centre. This will provide a low carbon heat source for all development within Elephant Park and will also have the capacity to serve developments in the wider area. Lend Lease's new approach is set out in a climate positive road map which has been endorsed by the C40 Cities Climate Leadership Group.

## **RECOMMENDATIONS**

That Cabinet:

1. agrees to amend the Regeneration Agreement dated 23 July 2010 between the London Borough of Southwark and Lend Lease (Elephant & Castle) Limited as follows:

- (a) the transfer of the Crossways Church site is delayed until the earlier of the completion of the replacement Crossways Church at Hampton Street or 30 September 2016.
  - (b) to revise MUSCO provisions with the sustainable energy provisions provided within the Planning Committee approval (minute 6) on 15 January 2013.
2. confirms that the land edged black on the plan at Appendix B that is currently held for housing and leisure purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972
  3. confirms that the land edged black on the plan at Appendix D that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972

#### **BACKGROUND INFORMATION**

4. The regeneration of the Elephant and Castle area has for many years been an aspiration of the council. It is fair to say it has been a slow burner. However, the Regeneration Agreement signed four years ago by the council and Lend Lease has acted as a catalyst to the radical transformation currently taking place.
5. The projects currently under way have created employment and provision has been made for local people to benefit from these jobs. They also make for an impressive and exciting future worthy of listing here:
  - New leisure centre on former leisure centre site
  - Residential tower (One The Elephant) on former leisure centre site
  - Trafalgar Place on former Wingrave block of the Heygate Estate
  - New housing on Stead Street carpark site (with 85 dwellings for target social rent, including 28 family units)
  - Market Square forming part of 50 New Kent Road scheme
  - The Signal Building Newington Causeway
  - St Marys Churchyard; first phase of public realm improvements
  - Eileen House Newington Causeway demolished
  - Majority of properties on former Heygate Estate now demolished
6. The above is only part of the story the following projects are being progressed and will further change and enhance the locality:
  - Main Heygate regeneration starting later this year from Wansey Street
  - New tower on former Eileen House
  - 360 Tower on site of former London Park Hotel
  - Newington Triangle a comprehensive mixed use scheme that may include the relocation of the Ministry of Sound
  - A new tower by Neobrand adjacent their Signal Building
  - New United Reform Church in Hampton Street

- Transformation of the northern roundabout removing the subways; enhancing the public realm, improving safety for cyclists and better access for users of the Underground Northern Line Station
  - Regeneration of the existing shopping centre - a planning application is anticipated in the new year
7. The improved property market in the past two years has undoubtedly contributed to the rate of development but so has market perception. The Estates Gazette of 14 June 2014 observes *“the reason for the momentum is the really strong record of delivery at Elephant and Castle. Permitted schemes are being built and the policy principles are there to encourage new applications”*.

## **KEY ISSUES FOR CONSIDERATION**

### **Regeneration agreement**

8. This impetus needs to be maintained and the next key milestone of the council’s partnership with Lend Lease is the transfer of the main former Heygate Estate to enable it to be regenerated. This is scheduled for September and following that its redevelopment will proceed starting in Wansey Street. The Regeneration Agreement sets out the conditions to be met by the parties and the terms for the 999 year lease that will be granted to effect the transfer. There is, however, one condition that cannot at this time be met by the council and that is providing vacant possession of Crossways Church in New Kent Road, this can only be met when the proposed replacement church in Hampton Street is completed. However, the partners agree this cannot be allowed to delay the overall regeneration and the Regeneration Agreement will be amended to enable the transfer of the main site, excluding the church site, to proceed. The extent of land to be transferred to Lend Lease at this time is set out at Appendix A. Crossways Church is shown hatched thereon and cabinet is recommended to agree to its temporary exclusion until the replacement Crossways Church is constructed or 30 September 2016 (whichever is the sooner) when it will be subsequently transferred to Lend Lease.
9. On the transfer of the main site the council will receive consideration from Lend Lease in accordance with the terms of the Regeneration Agreement.
10. The Regeneration Agreement contains a number of provisions relating to a multi utility service company (MUSCO) that was envisaged to provide energy and other utilities to the regeneration area. An alternative solution that meets both the council’s and the C40 Cities Climate Leadership Group sustainability aspirations was approved by the Planning Committee on 15 January 2013 and is being implemented. The cabinet is therefore recommended to agree to the revision of the MUSCO provisions in the Regeneration Agreement. Further provisions around this issue will be dealt with as part of the planning applications for individual phases.

### **Appropriations**

11. The Regeneration Agreement has provisions whereby Lend Lease can request that the council appropriates its land from housing to planning purposes; such a request has been made in respect of the land shown at Appendix B. For the reasons set out below, the use of appropriation powers is considered to be justified in the circumstances.

12. The appropriation of land and buildings refer to the process whereby a council alters the purpose for which it holds land and/or buildings. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This gives developers of land certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on brownfield sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. Developers can either insure against such compensation claims or quantify them whereas the grant or even risk of an injunction may be fatal to development or result in perhaps significant unquantifiable costs.
13. The Regeneration Agreement provides that if there are any compensation claims following on from the appropriation Lend Lease will reimburse the council's costs of dealing with such claims and paying compensation.
14. The rationale for appropriating the land shown at Appendix B is set out at Appendix C and cabinet is recommended to approve the appropriation.

#### **Replacement Crossways Church**

15. The council has undertaken to relocate Crossways Church from its present site on New Kent Road to a new building to be provided on the site of the former Castle Day Centre in Hampton Street (shown edged black at Appendix D). This is pursuant to the council's statutory compensation obligations. A planning application for the proposed new church has been made. Clearly until the new church is available for occupation it is not reasonable to seek the existing one to close, hence the temporary exclusion of the current church from the land being transferred to Lend Lease referred to in paragraph 6.
16. The new Church is to be built within a locality that has been built on a number of times over the centuries and third party rights may exist that could adversely affect the construction of the new church. It is therefore prudent, in order to mitigate against the risk of the new construction being frustrated or delayed, to appropriate that land for planning purposes.
17. The rationale for appropriating the land shown at Appendix D is set out at Appendix E and cabinet is recommended to approve the appropriation.

#### **Community impact statement**

18. The Elephant and Castle regeneration has been the subject of extensive consultation. A full Equalities Impact Assessment for the overall regeneration was submitted as part of the outline planning application determined by the council's Planning Committee on 15 January 2013.

#### **Financial implications**

19. The temporary exclusion of the Crossways church from the land being transferred reduces the risk of any penalties that the council may have incurred for delayed transfer of land under the original development agreement. It also prevents delays in land receipts paid to the council.

20. It is expected that alternative provisions for the provision of energy and utilities instead of the MUSCO will be delivered at or below the original forecast cost. Therefore, there are no new costs or receipts arising from this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

#### *Variations*

20. The report recommends the variation of the Regeneration Agreement (“RA”) to provide that the lease of the Heygate Site will exclude the Crossways Church land. The variations will provide a mechanism where that land can be included in the main lease once vacant possession of that area has been obtained.
21. The RA envisages that it may need to be varied during its lifetime. The proposed variations will set out a mechanism to enable the lease to be granted notwithstanding the continued occupation of Crossways Church thereby enabling construction to commence earlier than would otherwise have been the case.

#### *Appropriations*

22. A council holds property for a variety of statutory purposes in order to perform its functions. A council is authorised, by virtue of section 122 of the Local Government Act 1972 (“the 1972 Act”) to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where it is no longer required for the purpose for which it is held immediately before the appropriation.
23. The land must already belong to the council – the report confirms at paragraph 2 and elsewhere that the land being appropriated is in the council’s ownership.
24. The land must be no longer required for the purpose for which it is currently held. In respect of the Heygate site the report confirms at Appendix C paragraph 6 that the land has been held for housing purposes. The land is no longer required to be held for that purpose as the housing on that site was beyond economic repair and no longer fit for use, and has been, or is in the process of being, demolished.
25. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 227 of the Town and Country Planning Act 1990 (“TCPA 1990”) provides that a council may acquire land by agreement for any purpose for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
26. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated”. S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land”.

27. Similarly the Castle Day Centre Site is no longer required for its prior purpose as a day centre and garages held for housing purposes, and it is required to be held for planning purposes to enable the construction on it of a new church.
28. As indicated above, where land has been appropriated for planning purposes then under section 237 of the Town and Country Planning Act 1990 (power to override easements and other rights) the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. As a consequence of the amendments made by the Planning Act 2008 Schedule 9, paragraph 4(1), the power to override easements and other rights now also applies where the use of the land which has been appropriated would otherwise involve interference with a third party right, such as a restrictive covenant. The effect of triggering section 237 is that private rights are effectively overridden and converted into a claim for compensation. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 237 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.

#### **Strategic Director of Finance and Corporate Services (FC14/006)**

29. This report seeks cabinet approval to amend the Regeneration Agreement dated 23 July 2010 between the London Borough of Southwark and Lend Lease (Elephant & Castle) Limited. In addition, it seeks approval to the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area.
30. The financial implications are set out in the body of this report. The strategic director for finance and corporate services notes that there are no new financial implications arising from this decision.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet report and minute of 7 July 2010	Council offices, 160 Tooley Street, SE1 2QH	Patrick McGreal 0207 5255626
<b>Link:</b> <a href="http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MID=3330#A18874">http://moderngov.southwarksites.com/ieListDocuments.aspx?CId=302&amp;MID=3330#A18874</a>		
Planning Committee reports and minute 15 January 2013	Council offices, 160 Tooley Street, SE1 2QH	Patrick McGreal 0207 5255626
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=119&amp;MId=4301&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=119&amp;MId=4301&amp;Ver=4</a>		
C40 Cities Climate Leadership Group		
<b>Link:</b> <a href="http://www.clintonfoundation.org/our-work/clinton-climate-initiative/programs/c40-cci-cities">http://www.clintonfoundation.org/our-work/clinton-climate-initiative/programs/c40-cci-cities</a>		



**APPENDICES**

<b>Appendix</b>	<b>Title</b>
Appendix A	Plan of land to transfer to Lend Lease imminently
Appendix B	Plan of Heygate land to be appropriated
Appendix C	Rationale for appropriation of Heygate land
Appendix D	Plan of land for replacement Crossways Church
Appendix E	Rationale for appropriation of land for replacement Crossways Church

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration, Planning and Transport	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Patrick McGreal, Property Services	
<b>Version</b>	Final	
<b>Dated</b>	5 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 July 2014	

TITLE.

Land to Transfer to LEND LEASE.



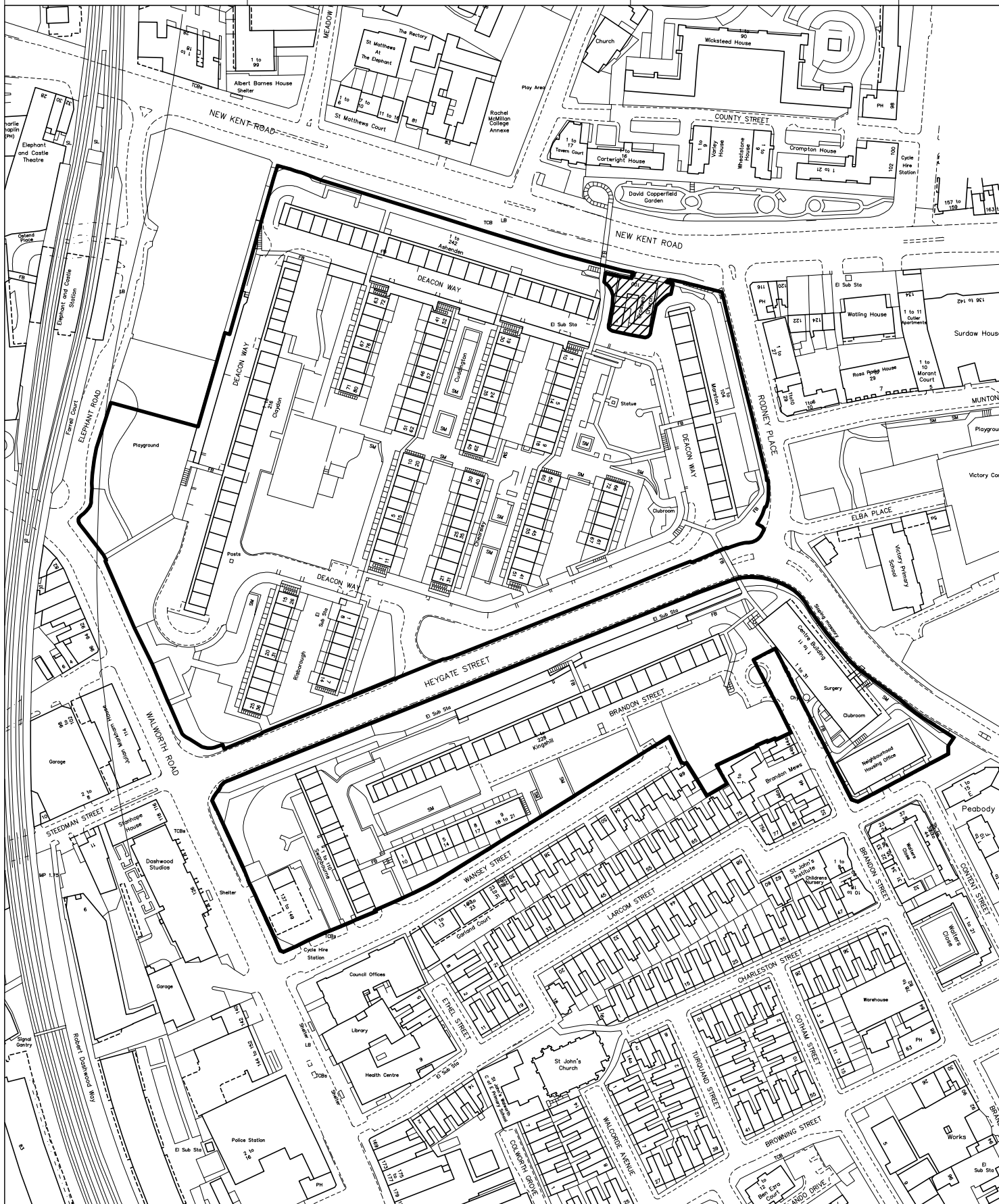
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Property Division

DATE. 19/6/2014

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TITLE. Land to be Appropriated for Planning Purposes.

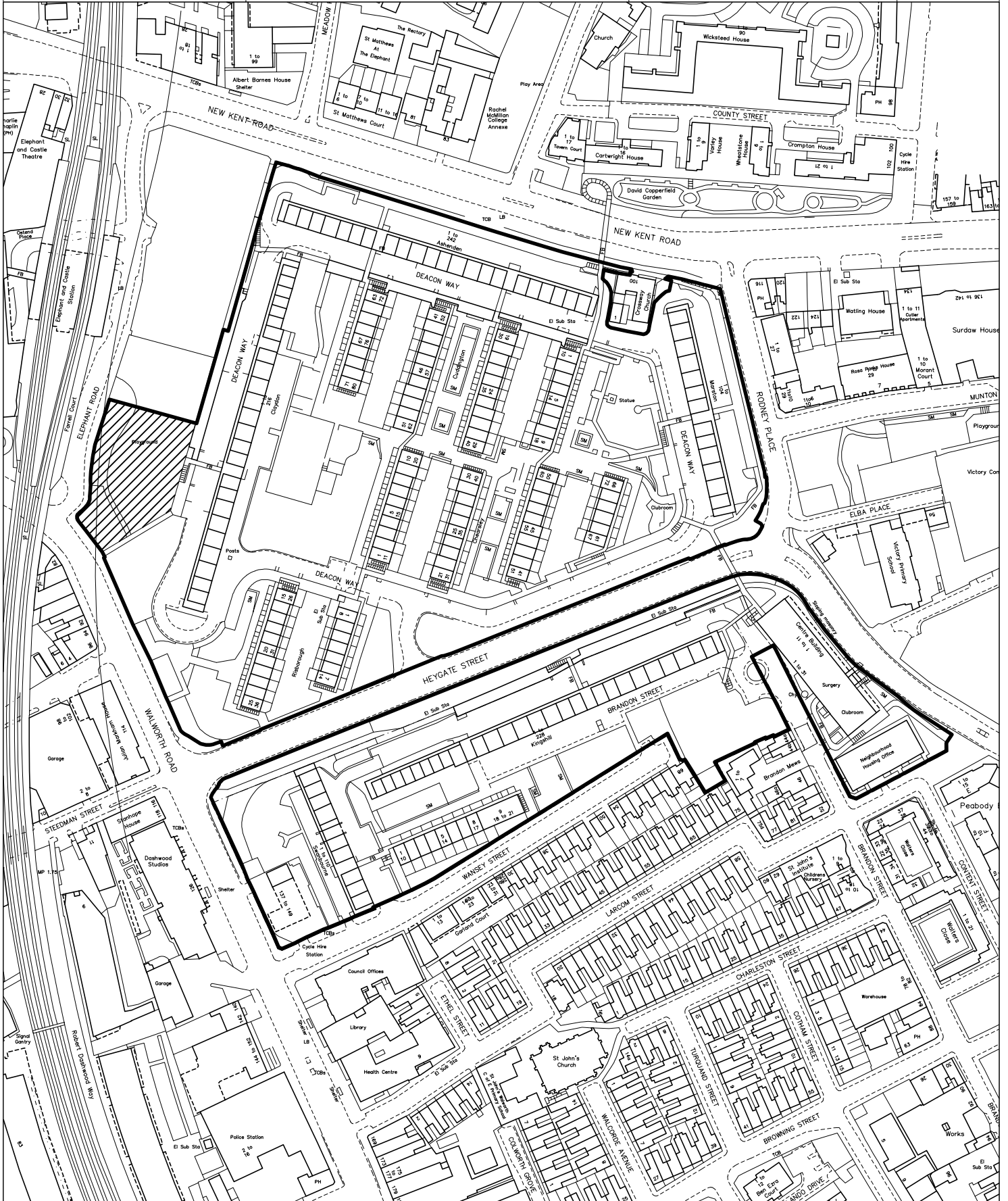
DRAWING No. LBS\_3110(Layout2)

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## APPENDIX C

### **Appropriation of the land (shown edged black on the plan) at Appendix B for purposes set out in s226 of the Town and Country Planning Act 1990**

#### **Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of Elephant and Castle. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the delivery of the regeneration proposals for Elephant and Castle referred to in the main Report. These will transform the economic and social prospects for the area as well as resulting in considerable environmental improvements. Accordingly the council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix B is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Elephant and Castle development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes section 237 of the Town and Country Planning Act 1990 (power to override easements and other rights) the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. As a consequence of the amendments made by the Planning Act 2008 Schedule 9, paragraph 4(1), the power to override easements and other rights now also applies where the use of the land which has been appropriated would otherwise involve interference with a third party right, such as a restrictive covenant. The effect of triggering section 237 is that private rights are effectively overridden and converted into a claim for compensation. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 237 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.

4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s237 therefore mitigates this risk.
5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land but if that owner does not meet this obligation then the compensation claim can be enforced against the local authority.

### **Rationale for appropriating the subject site**

6. The majority of the subject site contains a former social housing estate that is currently held by the Council for housing purposes. As a result of the Estate coming to the end of its economic life, the dwellings have been demolished or are being demolished. The remainder of the land (shown hatched) towards the north-west corner is the former Elephant Park an area of open space that is currently held for leisure purposes. That use ceased some years ago; play equipment that was formerly on the land was relocated elsewhere and access to the land by the public at large has been stopped up for some time. In accordance with Section 122 (2A) of The Local Government Act 1972 the council has advertised its intention to appropriate the land for two successive weeks in January 2013 and no observations were received. The land therefore is longer required in the public interest to be held for leisure purposes.
7. The entire area of land shown at Appendix B is included within the Regeneration Agreement dated 23 July 2010 between the London Borough of Southwark and Lend Lease (Elephant & Castle) Limited. The purpose of this Agreement is to regenerate the area with new housing, commercial and community accommodation and public realm including an urban park. The council's Planning Committee on resolved on 15 January 2013 to grant consent to an outline planning application that provides for this and includes all the land within Appendix B.
8. The land identified at Appendix B is no longer required to be held for housing and leisure purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the outline planning permission.
9. The appropriation of the land for planning purposes will facilitate its regeneration as the risk of persons with the benefit of third party rights being able to obtain injunctions to stop the regeneration will be negated. The existence of such potential rights provide a real risk to the ability of the proposed regeneration proceeding. However, as set out above, the beneficiaries of such rights will be entitled to claim compensation based on the diminution in the value of their land as a result of their rights being overridden.
10. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.



TITLE. Land to be Appropriated for Planning Purposes.

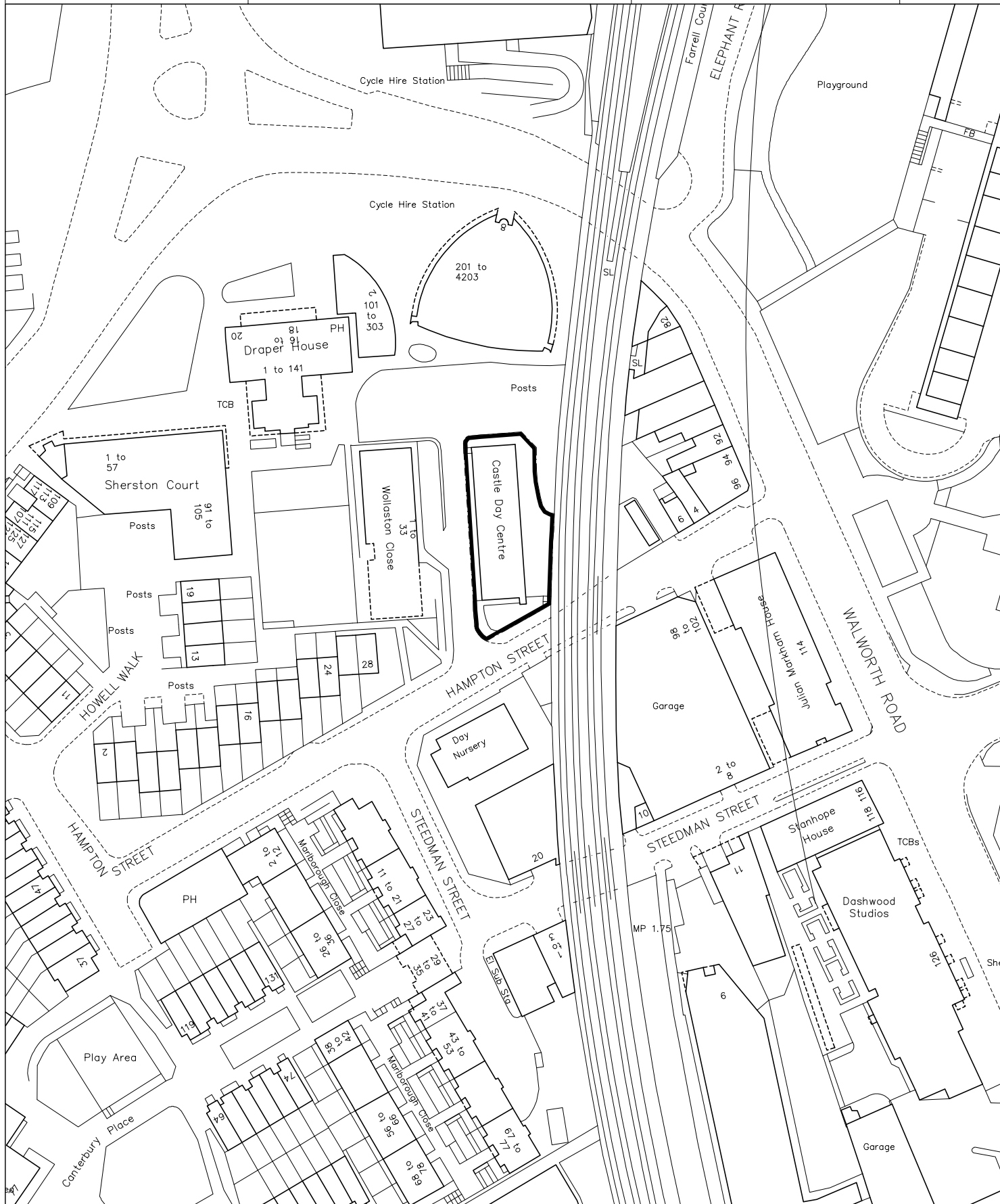
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## APPENDIX E

### **Appropriation of the land (shown edged black on the plan) at Appendix D for purposes set out in s226 of the Town and Country Planning Act 1990**

#### **Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of Elephant and Castle. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the delivery of the regeneration proposals for Elephant and Castle referred to in the main Report. These will transform the economic and social prospects for the area as well as resulting in considerable environmental improvements. Accordingly the council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix B is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Elephant and Castle development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes section 237 of the Town and Country Planning Act 1990 (power to override easements and other rights) the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. As a consequence of the amendments made by the Planning Act 2008 Schedule 9, paragraph 4(1), the power to override easements and other rights now also applies where the use of the land which has been appropriated would otherwise involve interference with a third party right, such as a restrictive covenant. The effect of triggering section 237 is that private rights are effectively overridden and converted into a claim for compensation. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 237 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there

are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s237 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land but if that owner does not meet this obligation then the compensation claim can be enforced against the local authority.

#### **Rationale for appropriating the subject site**

6. The subject contains the former Castle Day Centre a property that has been vacant for a number of years following cessation of the former use. It is currently held by the council for housing purposes.
7. The council has contractually committed to the United Reform Church the owner of the Crossways Church in New Kent Road to use this site to provide a replacement church pursuant to its obligations under section 2 of the Land Compensation Act 1961 and the Regeneration Agreement with Lend Lease to regenerate the area on which the existing church stands. The council has lodged a planning application for the construction of a new church on the land.
8. The land identified at Appendix D is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the construction of the new church as part of the regeneration proposals for the wider area.
9. The appropriation of the land for planning purposes will facilitate its redevelopment as the risk of persons with the benefit of third party rights being able to obtain injunctions to stop the redevelopment will be negated. The existence of such potential rights represents a real risk to the ability of the proposed redevelopment proceeding. However, as set out above, beneficiaries of such rights will be entitled to claim compensation based on the diminution in the value of their land as a result of their rights being overridden.



<b>Item No.</b> 20.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 Abbeyfield Estate HINE (Maydew House) Works	
<b>Ward(s) or groups affected:</b>		Rotherhithe	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

### **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

The 2010-2014 cabinet considered a number of reports concerning the high level of investment needed for Maydew House, culminating in the approval of enhanced refurbishment works in March 2012. This report develops the vision for these works and considers the procurement strategy required to start work next March to ensure that Maydew House is a building that we, and more importantly the returning and new tenants and residents, can be proud of.

Officers have worked with tenants and residents of the estate to develop this vision, which is set out in detail in paragraph 11. This includes building additional floors on top of the block to help finance the extensive work needed, the provision of a new home for the Bede Centre and building new housing on the site of the current Bede Centre. The safety of residents will be much improved through the state of the art security measures to be put in place, removal of asbestos and new arrangements to enhance fire safety.

### **RECOMMENDATIONS**

#### **Recommendations for the Cabinet**

1. That cabinet approves the procurement strategy outlined in this report for the Abbeyfield Estate HINE (Maydew House) works contract at an estimated value of £22m for an estimated period of 208 weeks.
2. That cabinet notes that there are estimated internal and external fees of £2.2m making a total estimated scheme cost of £24.2m.

#### **Recommendation for the Leader**

3. That the leader of the council delegates authority to the cabinet member for housing to award the contract for the reasons set out in paragraph 17 below, subject to an update being provided to cabinet on progress with this procurement in December 2014.

### **BACKGROUND INFORMATION**

4. Cabinet approved the enhanced refurbishment works to Abbeyfield Estate on 20 March 2012 following an extensive options appraisal consultation process managed by regeneration on the future of the estate with key stakeholders and a

deputation from residents on the Estate to cabinet. The options appraisal process included a desktop review of officer held information on the blocks, external and internal surveys by MACE, production of relevant options for the blocks and the subsequent pricing of these options by Potter Raper Partnership and regeneration conducting a series of events and open days to obtain and gauge feedback from residents.

5. The options appraisal followed on from previously shelved contracts for asbestos removal which identified the need for Maydew House to be decanted due to the levels of asbestos contained within the block and for the fact that the communal heating and hot water infrastructure needed full replacement. As such Maydew House has required a large amount of investment for a number of years and the building fabric has been in decline whilst the council decided the future of the block.
6. Abbeyfield Estate falls within Area 2 for major works and it was intended that all major refurbishment works in the Bermondsey and Rotherhithe areas be allocated to the council's Major Works partnering contract for Lot 2 - Wates Construction Ltd (WCL) during the anticipated initial 5 year duration of that contract running to 2015.
7. Unfortunately, the Major Works partnering contract for Lot 2 with WCL was ended by mutual agreement on 18 June 2012. Temporary arrangements (approved on 11 May 2012) were put in place with the reserve contractor, Keepmoat Regeneration (Apollo) Ltd, to deliver urgent works pending the tendering of future projects in Area 2. The refurbishment of Damory and Thaxted Houses will be delivered by Keepmoat Regeneration (Apollo) Ltd in order to mitigate delays for the residents in these 2 blocks.
8. Following meetings with residents, local Tenants and Residents Associations (TRAs) and council officers, extensive major improvements to the fabric of Maydew House and the surrounding areas have been identified as possible- with the potential to build additional floors on top of the block and to potentially re-provide the Bede (local learning and disability centre) facility within the curtilage of Maydew House and redevelop the area currently occupied by Bede for new council housing.
9. Discussion with the cabinet member for housing led to the major works team being granted approval to explore the options set out above and the design team are currently evaluating these options and in depth structural surveys are under way to ensure the existing structure can accommodate the extra storeys. The ongoing consultation, survey and design work will continue up to the issue of tenders at which point the project board will require approval from the cabinet member for housing for the inclusion in the tender documentation of any works over and above those approved by cabinet in March 2012 as indicated in paragraph 14.
10. The additional works to Maydew House are to be self funded by sale of a proportion of the newly created flats in line with the funding arrangement agreed by cabinet for the Aylesbury Estate project. The new build on the land freed up by relocating the Bede is to form part of the first tranche of 1000 new council homes the council are committed to deliver and will be funded accordingly.
11. The specific works proposed are as follows:

- a. extensively strip out the interior of the entire 23 floor tower block and take it back to the core concrete frame
  - b. remove all asbestos materials from all aspects of the building in a safe and controlled fashion by qualified asbestos removal contractors
  - c. fit 2 new lifts and component parts to high current standards of manufacture to the existing lift shafts with the ability to be extended upwards
  - d. fit a new state of the art goods lift, if applicable, to the opposite end of Maydew House to service the entire block
  - e. build possibly up to 6 new floors on top of the existing structure of Maydew House to accommodate additional residential units built to a very high standard of workmanship and high level of materials
  - f. all works and all aspects thereof, to be designed to a very high standard using modern compliant guidelines and regulations
  - g. to demolish the current Bede Centre and relocate it within the boundaries of the newly designed Maydew House possibly nearest to Southwark Park
  - h. to demolish the current concrete slabbed very large podium area, and the garages beneath it
  - i. to design and construct a new build block of flats for residential purpose, size has yet to be determined, subject to planning permission, and funding streams, on and around the site of the existing Bede Centre and podium areas
  - j. to create adequate car parking and cycle facilities which will be commensurate with the refurbished modernisation of Maydew House and the new build block
  - k. subject to planning and parks regulations to create an access directly into Southwark Park
  - l. to fully and extensively design and create a state of the art cladding design for the exterior of Maydew House, to provide an "eye catching" visual land mark project
  - m. to provide sympathetic hard and soft landscape areas to be in-keeping with the newly refurbished and new build Maydew House, new build block and surrounding areas
  - n. the implementation of state of the art door entry systems for the entire block and new build block
  - o. the implementation of a state of the art security CCTV system covering both internally and externally all areas
  - p. comply with all current fire regulations as part of the design
  - q. new waste disposal system to incorporate environmentally friendly factors
  - r. Refurbish the concierge area and facilities to facilitate an enhanced concierge service to the block on completion.
12. The works to Maydew House requires the block to be vacated and the re-housing of all tenants of this block has been ongoing since cabinet's approval on 20 March 2012 and the current re-housing programme will see the block being empty by January 2015.
  13. The estimated length of this contract is 208 working weeks.
  14. The additional works over and above the cabinet approval on 20 March 2012 are subject to ongoing design and will require approval by both planners in terms of general design and aesthetics and officers within housing in terms of the facilities to be provided, room sizes and the like as well as building control in respect of fire safety issues and the application of the building regulations. As the overall project progresses and prior to award of the contract the aforementioned issues will be addressed and resolved and at each stage the cabinet member for

housing will be appraised by the project board in order that he can authorise progression of the project.

15. The internal and external fees are estimated at £2.2m (based on 10% of the total estimated initial works costs).
16. The appointment of Calfordseaden LLP (Calfordseaden) was the subject of an order from the council's Long Term Agreement. Calfordseaden have extensive experience of estate and area regeneration and have recently project managed the Bermondsey Spa Regeneration for Hyde Housing within Southwark. This report covers the procurement strategy for the works contract only.
17. As set out in paragraph 12 above, Maydew House will be empty in January 2015. In order to ensure a prompt commencement to works and not to leave the council in a position of having a large block of flats empty with no works ongoing and security costs being incurred, it is recommended that the leader delegates the award of the contract to the cabinet member for housing which will ensure a streamlined and prompt award of the contract thus facilitating a prompt commencement on site.

#### **Summary of the business case/justification for the procurement**

18. As set out in paragraph 6 above, these works were programmed for delivery under the Major Works partnering contract for Lot 2 with WCL but due to this contract being ended by mutual agreement on 18 June 2012, a competitive procurement route needs to be undertaken for these works.

#### **Market considerations**

19. Calfordseaden have advised that in their professional opinion and experience there are sufficient contractors in the market place to tender and the current market is very competitive.

#### **KEY ISSUES FOR CONSIDERATION**

##### **Options for procurement route including procurement approach**

20. The council's major works team considered the following options before determining the procurement strategy set out in this report:
  - **The council does nothing** – this is not an option for the council as works are required as set out in paragraphs 4 and 5 above.
  - **Use of the Major Works Partnering contract** – as explained in paragraph 6 of this report, there is no longer the provision to deliver work under this contract for the Bermondsey and Rotherhithe areas.
  - **Provide the works in-house** - there is no resource or expertise that exists within the council to undertake this type of works.
21. As none of the above options are viable, it is recommended that an EU restricted tender process is carried out to procure these works.

### Proposed procurement route

22. This procurement will be carried out in accordance with an EU restricted procedure. In response to the OJEU notice, companies interested in tendering will be required to formally express an interest in order to receive a Pre-Qualification Questionnaire (PQQ).

### Identified risks for the procurement

23. The table below identifies a number of risks associated with this procurement, the likelihood of occurrence and the control in place to mitigate the risks:

R/N	Risk Identification	Likelihood	Risk Control
R1	Challenges to procurement outcome	Low	Ensure robust procurement in line with EU procurement regulations.
R2	Tenderer is not financially secure.	Low	Ensure PQQ document is drafted to ensure only financially sound companies are shortlisted for tender. Ensure further external financial risk analysis is obtained during the tender analysis period.
R3	Procurement process is delayed.	Low	Effective procurement project management.
R4	Poor performance or poor quality workmanship of successful contractor when awarded.	Low	Regular meetings to review performance schedule from the outset of the work with successful contractor.  Establish processes of quality control and works inspections before sign off.  The contract will include a 12 month defects liability period for all works undertaken and the new build elements will be subject to an extended warranty such as that provided by the National House Building Council (NHBC)  The contractor will be managed by an experienced team led by Calfordseaden whose recent experience includes the Bermondsey Spa Regeneration project for Hyde Housing

24. A Performance Bond is required for this scheme and retention will be held as the works progress.

25. A Parent Company Guarantee will be required if the successful contractor has a parent company.

**Key/non-key decisions**

26. This deals with a strategic procurement and this report is therefore a key decision.

**Policy implications**

27. Planning approval is required for these works and outline planning approval will be sought prior to the invitation to tender (ITT) being issued.
28. Building control approval will be sought from the council's building control department at relevant stages as the design and work proceeds. The successful contractor will not be allowed to seek building control authority from anyone other than the council's building control department.

<b>Activity</b>	<b>Complete by:</b>
Forward Plan	
DCRB Review Gateway 1 CCRB Review Gateway 1	16 June 2014 19 June 2014
Notification of forthcoming decision–despatch of cabinet agenda papers	10 July 2014
Approval of Gateway 1: Procurement strategy report	22 July 2014
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	1 Aug 2014
Issue Notice of Intention	N/A
Completion of tender documentation	1 Aug 2014
Advertise the contract	4 Aug 2014
Closing date for expressions of interest	4 Sept 2014
Completion of short-listing of applicants	30 Sept 2014
Invitation to tender	6 Oct 2014
Closing date for return of tenders	19 Nov 2014
Completion of any interviews	26 Nov 2014
Completion of evaluation of tenders	5 Dec 2014
Issue Notice of Proposal	N/A
Forward Plan	23 July 2014
DCRB Review Gateway 2 CCRB Review Gateway 2	7 Dec 2014 19 Dec 2014
Notification of forthcoming decision – despatch of cabinet agenda papers	
Approval of Gateway 2: Contract Award Report	31 Dec 2014
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	19 Jan 2014

### Procurement Project Plan (Key Decisions)

Alcatel Standstill Period (if applicable)	3 Feb 2015
Contract award	20 Feb 2015
TUPE Consultation period	N/A
Place award notice in Official Journal of European (OJEU)	27 Feb 2015
Contract start	2 Mar 2015
Contract completion date	25 Feb 2019
Contract completion date – (if extension(s) exercised)	N/A

### TUPE/Pensions implications

29. TUPE should not apply to the appointment of a contractor to deliver these refurbishment works to Abbeyfield Estate. This is a new contract for single specific works and there is currently no existing contractor nor are there any council staff delivering the work which is the being tendered. TUPE should not apply on the expiry of the contract as the works will have been completed. TUPE implications would need to be reviewed should there be a change of contractor during the project term.

### Development of the tender documentation

30. Calfordseaden will be responsible for developing a full specification and outline design for the works and producing a bill of quantities to supplement the full design in order to enable the works to be tendered.
31. The form of contract to be used is JCT Design and Build 2011, which will be subject to amendments as directed by the council's legal services department and will be executed under seal.
32. The finalised tender documentation will be signed off by the project board detailed in paragraph 53 and 54 before the ITT is sent out.

### Advertising the contract

33. The contract will be advertised by way of an official notice that will be published in the official Journal of the European Union (OJEU).
34. After publication of the OJEU notice, an advert will also be placed on the council's website.

### Evaluation

35. The PQQs returned will be evaluated by a panel comprising the council's area project manager, the council's investment manager and representatives from Calfordseaden. The selection process will be an evaluation of each contractor's economic and financial standing and their technical knowledge, accreditation, experience and ability and capacity to do the work.
36. The council's standard evaluation criterion is based on 70% price and 30% quality and the tenders when received, will be evaluated on this basis. The

methodology of the evaluation and the criterion to be evaluated will be agreed with the procurement and legal services sections to ensure the legality and robustness of the tender process.

37. Price evaluation will be undertaken by Calfordseaden's quantity surveyor (QS) and quality will be evaluated by a panel comprising the council's project contract manager, the council's area project manager, a representative from Calfordseaden and the council's investment manager for major works.
38. As detailed in paragraphs 53 and 54, a project board will be established and this board will approve all documentation prior to its issue to prospective tenderers and will ratify all of the evaluations completed by officers or agents of the council on this scheme.

### **Community impact statement**

39. The level of disturbance or disruption to the general public is considered to be considerable. However, the site is to be vacant and will be hoarded off to prevent the public gaining access to the works.
40. The construction of new homes for rent and the refurbishment of Maydew House which is currently largely empty and where a decant programme is underway will have a positive impact on the local community and the council's housing waiting list.
41. The proposed environmental works will not adversely affect any one particular group and the relocation of the Bede centre will enable the management of the Bede to actively participate in the design in order to increase the benefit to the local community of the Bede.
42. The successful contractor will be encouraged to utilise local labour markets to deliver the works.

### **Economic considerations**

43. It is envisaged that expressions of interest will be submitted by interested parties within the EU in response to the published OJEU advertisement.
44. As the contract will also be advertised on the council's website, it is anticipated that this will also attract the interest of more local companies.
45. The estimated cost of this contract excluding the risk pot (including fees) is £24.2m; the estimated contract period is 208 working weeks.

### **Social considerations**

46. Contractors will be required to demonstrate that they operate an Equal Opportunities Policy.
47. In November 2012, the council became an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include a high



calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet the LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

48. Contractors will be encouraged to register with and seek to secure accreditation through the TfL Fleet Operator Recognition Scheme (FORS).
49. The contract will require the successful contractor to provide apprenticeships and school work placements.

### **Environmental considerations**

50. The proposed works includes the removal of asbestos from all areas, totally gutting out the existing internals of all 23 storeys back to the brickwork, potentially adding up to 6 new floors on top of the existing structure, 2 new lifts for residents, plus a new goods lift, demolition of the Bede Centre and it's relocation, new build on the Bede site, car parking, external cladding to Maydew House, new door entry system, new CCTV security system, and considerate soft and hard external landscaping of areas.
51. The new build properties will be connected to the council's communal heating and hot water infrastructure in order to benefit from the energy provision from SELCHIP.

### **Plans for the monitoring and management of the contract**

52. The contract will be managed on a day to day basis by a team within Calfordseaden including building surveyors, clerk of works, structural and mechanical engineers, a fire engineer, valuers and quantity surveyors. Finances will be managed by Calfordseaden's QS albeit that the design and build nature of the proposed contract will mitigate financial pressure on the council.
53. In addition to the professional staff provided by Calfordseaden, there will be a full time dedicated contract manager, a customer relationship officer and a project manager from the council's major works team allocated to this scheme who will monitor both the external and internal professional staff and the successful contractor's performance and arrange regular meetings with the residents' project team at which contractor performance will be discussed.
54. The officer team detailed above will report on a monthly basis to a project board comprising the head of major works, the investment manager, the investment delivery manager and a representative from regeneration. Throughout the procurement period the project team will be supplemented by additional members from legal services and the procurement team.
55. This project board will ensure the procurement process is robust and scrutinise contract performance against; programme, spend forecast, income levels, resident satisfaction and completions as well as ratify decisions made by the site team within the previous period to ensure the project as a whole remains within identified acceptable parameters.

56. Resident involvement in the monitoring of the project will be via the project team which has been established and meets regularly in the evening and incorporates residents who have expressed an interest in returning to the refurbished block and as well as residents from the neighbouring blocks.

### Staffing/procurement implications

57. The letting of this contract will have no staffing implications. The existing delivery team in major works has already been supplemented by a dedicated contract manager on a fixed term contract to assist with this scheme and will undertake the roles described in the paragraph above.

### Financial implications

58. The anticipated profile of expenditure is set out below:

	Previous years	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Works	0	0	6,000,000	6,000,000	6,000,000	4,000,000	22,000,000
Fees		350,000	550,000	550,000	450,000	300,000	2,200,000
Total		350,000	6,550,000	6,550,000	6,450,000	4,300,000	24,200,000

59. The cost of these works will be met from the budget allocated to the Abbeyfield Estate by cabinet on 20 March 2012 with the additional units on Maydew House being self funded by sales of a proportion of the new units and the new build on the land mass currently occupied by Bede being funded from the regeneration budget for the delivery on new build council homes.

60. The estimated costs are made up as follows:

Maydew refurbishment	£ 13,850,000
Additional floors/units Maydew	£ 2,950,000
<u>Re-provision Bede and new build</u>	<u>£ 5,200,000</u>
Total	£ 22,000,000

### Investment implications

61. Following approval of the earlier report to cabinet in March 2012, provision has been built into the housing investment programme (HIP) for the proposed expenditure by the re-profiling of the existing approved resources for the acquisition of leasehold properties at Maydew House and refurbishment to the estate, together with additional resources to cover the full scheme costs as identified in that report. This was for £11,000,000 Warm, Dry and Safe funding and £4,197,767 High Investment Needs Estate (HINE) Funding.
62. The additional flats created by extending Maydew House vertically will be self funding via proportional sale on the open market of void properties. This new-build part of the structure will provide additional resources for general needs housing as well as for sale which, in turn, will result in a lower proportion of the block as a whole being sold than envisaged by cabinet on 20 March 2012.

63. The new build on adjacent land that will be made available by the re-siting of the Bede Centre within the curtilage of Maydew House will be funded from the yet to be identified resources for the new build council housing project.

#### **Legal implications**

64. Please see comments from the director of legal services.

#### **Consultation**

65. All residents (tenants and leaseholders) in Maydew House and absent leaseholders have been consulted regarding the proposed total refurbishment works. All residents including temporary accommodation tenants will have been moved out by January 2015 - prior to the commencement of any works on this project. Maydew House will be entirely vacated.
66. Formal consultation with leaseholders on these proposals took place within the options appraisal process and since the cabinet approval, financial settlements have been agreed with all leaseholders to buy back the leases in order that Maydew House will be empty for the commencement of works in March 2015.
67. A project team incorporating tenants who wishes to return upon the completion of the contract will be formed to meet on a regular basis and act as a conduit for information flow between the residents in general and officers.

#### **Other implications or issues**

68. Not applicable.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Head of Procurement**

69. This report is seeking approval of the procurement strategy for improvement works to Abbeyfield Estate. The report confirms the reasons for the improvement works and explains that if possible the works will include expanding the Maydew House block by building additional floors. These additional works are currently being explored and will need to meet certain criteria. Final decisions regarding their inclusion in the works contract will be made by the project board following approval from the cabinet member.
70. The procurement options considered and discounted for this procurement are contained in paragraphs 20 to 21. Paragraph 23 confirms that there are no major risks identified for this procurement.
71. The procurement timeline is reasonable and achievable provided adequate and appropriate resources are available as and when required.
72. Evaluation will be based upon a weighted model, 70/30 in favour of price which is in line with the council's current recommended approach. The detailed methodology and criteria will be agreed at project board level.
73. Corporate procurement will continue to support this procurement project with representation on both the project team and project board.

### **Director of Legal Services**

74. This report seeks the approval of cabinet to the procurement strategy for a works contract for Abbeyfield Estate HINE (Maydew House) at an estimated value of £22m for an estimated period of 208 weeks as outlined in this report.
75. Contract Standing Orders (CSO) 5.4 requires all reasonable steps to be taken to obtain at least 5 tenders following a publicly advertised competitive tendering process for non-construction works and services over £75,000 and construction works and services over the EU threshold.
76. It is considered that these works fall under the Public Contracts Regulations 2006. As the estimated value of this contract exceeds the relevant EU threshold it must also be tendered in accordance with those Regulations.
77. Paragraphs 21 and 22 of this report confirm that a restricted two stage tendering procedure is proposed which will comply with EU regulations and CSO tendering requirements.
78. As this contract is classified as a strategic procurement, CSO 4.4.2 a) reserves the decision to the cabinet or cabinet committee to authorise the proposed procurement process, after consideration by the corporate contracts review board (CCRB) of the report.
79. The leader is asked to delegate authority to the cabinet member for housing for the later award of the contract, for the reasons noted in paragraph 17. The leader can agree to vary the delegation of executive functions in a number of ways, one being in a report to cabinet by agreeing a separate recommendation to this effect.

### **Strategic Director of Finance and Corporate Services (FC14/004)**

80. The Strategic Director of Finance and Corporate Services notes the recommendations in this report for the procurement of a works contract for the Abbeyfield Estate High Investment Needs Estate (Maydew House). The report identifies that there will be a subsequent decision on the extent of the works prior to the issue of tender documentation.
81. The financial and investment implications confirm that £13.85m of the cost of these works will be met from the budget allocated to the Abbeyfield Estate by cabinet on 20 March 2012. If pursued, sale proceeds of £2.95m are required for the proposed additional units on Maydew House to be self funded, and £5.2m would be required for the new build on the land currently occupied by the Bede House charity which is to be funded from the regeneration budget for the delivery on new build council homes.
82. Based on the current procurement timeline, the contract is anticipated to be covered by four consecutive financial years, commencing with 2014/15, and expenditure, receipts and project progress must be carefully monitored throughout to ensure there are sufficient resources to meet the estimated contract price.
83. Further information on the extent of the works and the contract price obtained will be provided as part of a subsequent report when the contract is recommended for award.

### Head of Specialist Housing Services (For Housing contracts only)

84. All sold properties within Maydew House have now been bought back, so there are no statutory consultation or service charge implications for this scheme.
85. Specialist Housing Services (SHS) are responsible for the garage portfolio and liaison will be required between the project team and the garage team to ensure that all garages under the block are vacant prior to work starting, and are able to be let immediately once the work completes.
86. It is recognised that the precise number of flats to be sold outright and on shared ownership terms has yet to be decided. Again, SHS although not directly involved in the marketing of void units for sale, will need to ensure that the leases granted allow for the straightforward construction and collection of service and rent charges in the future. For ease of future financial as well as building management it is crucial that the terms of the precedent leases broadly match those used for sales under the statutory Right to Buy Scheme and Social Homebuy Scheme.
87. Those newly refurbished flats that are to be let on secure tenancies will be subject to the statutory Right to Buy. The potentially high future value of the refurbished flats when compared to the costs of carrying out the refurbishment works means it is probable that the cost-floor determination under section 131 of Housing Act 1985 will not reduce the discount attributable to the purchase price.

### BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Cabinet report 20 March 2012	Major Works, 160 Tooley Street	Winston McLeod 020 7525 5215
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3821&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3821&amp;Ver=4</a>		

### APPENDICES

No	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	David Markham, Head of Major Works	
<b>Report Author</b>	Kevin Orford, Project Manager, Bermondsey & Rotherhithe	
<b>Version</b>	Final	
<b>Dated</b>	9 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	9 July 2014	

<b>Item No.</b> 21.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Review of Void Disposal Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

## **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

In March 2009, the then executive of the council established a strategy and criteria for selling certain council void properties to help fund the housing investment programme. These criteria were reviewed and refined in 2011 to better meet the objectives of the strategy.

With the significant increase in London house prices, this is a sensible time to review the strategy and, in particular, the property value threshold in the criteria. This report recommends that this threshold is increased from £300,000 to £500,000 to reflect that change in property values and the requirements of the housing investment programme. The new criteria set out in paragraph 51 also make clear that the £500,000 valuation criterion on its own would not be sufficient to trigger a disposal – disposal would only follow if another of the criteria was also met.

## **RECOMMENDATIONS**

That the cabinet:

1. Notes the progress of disposals of void housing properties since the last report to cabinet in May 2011.
2. Notes the continuing requirement to raise capital receipts for the housing investment programme, and the role of void disposals in providing a proportion of those receipts.
3. Notes the general increase in property values in Southwark since the review of 2011.
4. Agrees to revise the criteria for disposals in the void disposal strategy from those agreed by cabinet in May 2011, to those set out in paragraph 52 of this report, and specifically to increase the threshold for disposal of void properties valued at £300,000 to £500,000 with the additional proviso that such properties be backed by one further category.
5. Agrees a change in focus from the setting of an annual target for void disposals to an ongoing assessment of the resource requirements of the housing investment programme to be provided by void disposals.
6. Continues to delegate all disposal decisions in respect of the implementation of the policy to the head of property for disposals, but to increase this threshold from

£500,000 to £750,000 estimated value (subject to the constitutional changes that this will require), and agrees that the cabinet member for housing shall continue to monitor the process.

7. Notes the change in the strategy for delivering the Hidden Homes programme in January 2013.

## **BACKGROUND INFORMATION**

8. In March 2009 executive approved the following categories of properties for disposal to provide funding for the housing investment programme (HIP) and the delivery of Hidden Homes:
  - Bedsits, 1 and 2 bedroom properties located above the third floor if based within a block
  - Properties valued in excess of £400,000, irrespective of bed size
  - Leasehold units in blocks with a high percentage of leasehold properties, where additional sales can mean that the freehold can potentially be considered for disposal, either by leaseholder enfranchisement or direct sale
  - Listed residential properties, irrespective of bed size
  - Properties which are difficult to let
  - Prefabricated homes – due to their high level investment need
  - Properties that are uneconomical to repair.
9. The decision extended the disposal programme to include general void properties requiring repair costs of less than £10,000.
10. Following a review of the void disposal strategy in May 2011, cabinet agreed to amend the criteria to that outlined below:
  - Bedsit, 1 & 2 bed, A & B, converted street flats above the ground floor, with a view to being able to sell the freehold interest of the house
  - Bedsit, 1 & 2 bed, estate properties in a block above the third floor
  - Void properties valued over £300,000
  - Listed residential properties
  - Properties deemed uneconomic to repair
  - Flats in blocks or a house with an already high level of leaseholders, and where sale would potentially allow the disposal of the freehold
  - Prefabricated homes.
11. The decision agreed a maximum target of void disposals per year to be increased from 100 to 140 to help achieve a capital receipts target of £20m per year.
12. Cabinet agreed the May 2011 report noting that the strategy also provided for the retention of selected void 3 bed plus properties to meet the need for larger family homes based on individual merit and following review, alongside ground floor properties that meet medical needs or may be suitable for adaptation.
13. It was also agreed that that a monitoring report be provided on a quarterly basis for the then deputy leader and cabinet member for housing.
14. This report seeks to review the current void disposal strategy in light of the experience of the last 3 years and the general changes in circumstances including



the housing market in London and Southwark specifically.

15. From inception, the Hidden Homes programme has been funded from the HIP and in part capital receipts obtained from the sale of void properties. In January 2013 a decision was taken by the deputy leader and cabinet member for housing to merge the Hidden Homes programme into the Direct Delivery Programme, thus breaking the funding link between the Hidden Home programme and the sale of voids.

#### **KEY ISSUES FOR CONSIDERATION**

16. The council is committed to improving the condition of its housing stock to meet the decent homes standard and the “warm, dry, safe” policy. The purpose of the voids disposal strategy is to generate capital to assist the council in meeting its commitments and reduce the council’s long term liability.
17. A review of the council’s base position in delivery of the decent homes programme was completed in 2008 and identified the scale of the investment gap. This prompted the council to identify and consider further options to generate additional capital resources to help bridge this gap. Various options were considered and approved including the ad hoc disposal of empty homes (voids) alongside a more pro-active disposal of under-utilised land and other non residential buildings.
18. The ten year HIP from 2013/14 has a budget of £1,551m and expected available resources of £923m and therefore there remains a funding gap, which largely falls in 2016/17 and beyond. Further details are contained in the quarterly capital monitoring outturn report for 2013/14 and capital programme refresh for 2013/14-2023/24 being reported separately to this cabinet meeting.
19. The HIP has traditionally been composed of a proportion of capital receipts over a number of years, including void disposals and land disposals (generally from regeneration schemes). As noted in paragraph 15 above, the Hidden Homes programme was until recently linked to the sale of voids, but with officers exploring options for self financing a decision was taken to merge Hidden Homes with the Direct Delivery Programme for new council homes.
20. Receipts are not generally earmarked to specific schemes or projects and instead contribute to the delivery of the whole HIP; however any increase in resources would assist the current funding gap.
21. The Hidden Homes programme is currently funded through HIP, including a contribution of S106 in-lieu payments, Right to Buy (RTB) receipts and GLA ‘Building the Pipeline’ grant funding.
22. The review of the voids disposal strategy in May 2011 agreed the widening of the disposal categories to include more street properties to help increase receipts as an alternative to selling a larger amount of estate based stock. Over the previous 2 years, street properties had achieved higher values per property at auction than estate based stock. Since 2010/11 and 2013/14 only 8 properties sold have been on estates, equating to 8.5% of all void sales.
23. Whilst it is accepted that street properties generally attain a higher level of receipt than estate based properties and widening the disposal criteria in respect of street

properties would increase the pool of void properties for disposal, it was acknowledged that this would also result in the sale of more desirable larger family homes.

24. Over the two years, 2009/10 and 2010/11, the average council void disposal achieved £153,274 (based on 91 sales), however by the end of the last financial year 2013/14 this had risen to £540,219. The Market Trends Bulletin records a rise in property prices in Southwark of 27% since the last quarter of 2010/11 and the Right Move house price index shows a 36% increase for the borough over the same period.
25. As a way of increasing the number of disposals and therefore income stream, the May 2011 review of the void disposal strategy set a maximum target of 140 units per annum aimed to generate £20m a year. The figure of 140 disposals was considered the maximum that could be processed for sale per year without having an effect of reducing the overall value of Southwark voids at auction.
26. Despite being useful as an upper limit for the number of voids that could be sold, it was anticipated that the actual throughput of voids would need to build up gradually, and the May 2011 review of the void disposal strategy modelled this to show a more realistic increase in sales; increasing from 55 per disposals in 2011/12 to 75 in 2015/16. This is set out in Table 1 below.
27. As noted above, street properties have historically attracted a higher sale receipt than voids based on estates. Estate based voids tend to attract less interest from potential buyers, can be on higher floor levels and will attract service charges and S20 liabilities arising from planned investment; there is also the possibility that leasehold interests may have to be bought out in future estate regeneration schemes. This would suggest that the disposal strategy should focus solely on the disposal of void street properties since this would maximise receipts for the loss of fewer homes.
28. Due to the increase in property values in Southwark over the past 2 to 3 years, the previous criterion for inclusion in the disposal strategy - void properties valued over £300,000 - now covers most street properties of 2 bedrooms or more. It is therefore proposed to increase this to £500,000. This would lower the pool of void properties available for disposal but help focus on properties that maximise receipts, therefore requiring fewer properties to be sold overall. It is further proposed that the value criterion is used in conjunction with one of the other criteria when properties are considered for disposal.
29. In helping to ensure that the disposal of council homes remains a measure to provide additional capital receipts for the HIP, whilst at the same time minimising the general loss of council homes especially larger 3 bed plus family homes, it is proposed that the annual target for sales of void properties is tailored to the needs of the HIP at any given time. Capital receipts for the HIP are generated by a range of housing disposals including void sales. Changing the emphasis from disposing of empty homes to maximise receipts, to a more flexible approach, enables the HIP to benefit from void disposals as circumstances dictate.
30. The council's letting stock at the end of 2013/14 stood at 38,248 properties. Of this approximately 3,800 are street properties. The number of properties sold under Right to Buy (RTB) rules rose from 24 in 2011/12 to 94 in 2012/13. However, this was followed by a larger increase in 2013/14 when there were 250 RTB

completions; summarised in Table 2 below. The increase was largely due to the change in RTB rules introduced by the government in April 2012, when the maximum RTB discounts for London was raised to £100,000.

### Review of progress to date

31. Housing properties becoming void are initially assessed for re-letting. In certain circumstances, they are considered for disposal under the agreed criteria. A property needs to be assessed and declared surplus to the council's requirements before a disposal process can start. The strategic director of housing approves a recommendation to dispose, once consideration has been given to the various relevant factors including leasehold implications and freeholder repairing obligations. The director of regeneration or the chief executive make the formal surplus declaration. The disposal process is administered by the head of property for all properties with an estimated disposal value of £500,000 or below. For properties valued above £500,000 cabinet approval is currently required to proceed with disposal.
32. As noted in paragraphs 25 & 26, whilst setting a target of 140 void sales per annum, the May 2011 Review of the Void Disposal Strategy modelled a more realistic increase in void sales, ranging from 55 in 2011/12 to 75 in 2015/16. Using an average sale value of £153,274, it was anticipated that £8,430,109 could be generated from 55 disposals in 2011/12, rising to £11,495,550 from 75 disposals in 2015/16.
33. As can be seen from Table 1, whilst 55 disposals were completed in 2011/12, the numbers dropped significantly over the following two years. Over the 3 year period to the end of 2013/14 only 86 voids were sold compared to the anticipated 180, but the total receipt over the 3 year period was close to that anticipated; so, less than half the anticipated numbers of voids were sold to achieve roughly the same receipt.

**Table 1 – Comparison of actual sales against target**

May 2011 target sales	2011/12	2012/13	2013/14	Total
55	£8,430,109			
60		£9,196,440		
65			£9,962,810	
Total	180			£27,589,359

Actual sales	2011/12	2012/13	2013/14	Total
55	£14,050,450			
15		£4,501,000		
16			£8,962,810	
Total	86			£27,194,950

34. The average sale value achieved per void property has improved significantly since the May 2011 review. The average receipt per sale of £153,274, used in the May 2011 report, increased to £540,219 in 2013/14.
35. At the end of 2013/14 the council's total housing stock stood at 38,248, down 2.08% since 2010/11.

36. Table 2 below shows that in 2010/11 the number of void re-lets stood at 2050, amounting to 5.25% of the total letting stock at the end of the year. In 2013/14 the turnover was 1,509, representing 3.95% of the total council stock at the end of that year. This shows a fall in turnover since 2010/11.

**Table 2 – Re-Lets & RTB sales compared to stock**

Year	Council stock	Re-lets	Re-lets as %age of stock	RTB sales
2010/11	39,062	2050	5.25%	23
2011/12	38,990	1774	4.55%	24
2012/13	38,787	1844	4.75%	94
2013/14	38,248	1509	3.95%	250

37. The May 2011 review acknowledged that widening the disposal criteria would also result in the sale of more desirable larger family homes. Cabinet recommended the retention of selected void 3 bed plus properties to meet the need for larger family homes based on individual merit.
38. Some larger family homes, alongside properties deemed to be beneficial to retain due to demand for properties with either specific location or property characteristics, are repaired and re-let using the Major Voids budget. This budget has been set at £1m per annum and used to repair voids requiring works in excess of £10,000. All properties repaired under this programme are repaired to Decent Homes (WDS) standard, and most require new bathrooms and kitchens. In 2013/14 a small number of larger street properties considered for disposal were subsequently retained and refurbished.
39. In 2011/12, 8 properties were refurbished under the Major Voids contract, dropping to 7 properties in 2012/13. However, in 2013/14 there were 16 properties refurbished at an average cost of £34,000 per property.

### Analysis of sales

40. The void disposal strategy has been in place since 2009. Table 3 below shows the overall number of referrals, sales and receipts accrued from 2010/11 to the end of 2013/14 financial year.

**Table 3 – Referrals, Sales & Receipts per annum**

	2010/11	2011/12	2012/13	2013/14
No of referrals	71	39	14	7
No of sales	58	55	15	16
Total receipts	£11,157,700	£14,050,542	£4,501,000	£8,643,500
Average receipt per sale	£192,322	£255,463	£300,067	£540,219

- Note: properties referred are not necessarily sold in the same financial year.
- 2010/11 figures shown are slightly different from the May 2011 review as all void sales for that year have been included here for consistency with the following years. In the May 2011 report, sales of major void street properties, those requiring more than £10,000 to repair, were not included.

41. A total number of 144 properties have been sold to date since 2010/11, generating a total capital receipt of £38,349,652.

42. Table 3 shows that both the number of referrals and the number of sales has decreased each year to well below the 140 per year maximum target. It also shows that receipts have fallen short of the target £20m per year, however average sales receipts have risen significantly from an average receipt per property of £192,322 in 2010/11 to an average of £540,219 in 2013/14.

43. Table 4 below shows a detailed breakdown of referrals, sales and receipts by disposal criteria.

**Table 4 – Breakdown of referrals, sales and receipts per criterion**

Disposal Criteria	Number of referrals	Number of sales	Total receipt £	Number of referrals	Number of sales	Total receipt £	Number of referrals	Number of sales	Total receipt £
	2011/12			2012/13			2013/14		
Bedsit, 1 & 2 bed, A & B, street flats above the ground floor, with a view to being able to sell the freehold interest.	7	13	2,516,000	4	3	728,000	1	4	1,178,500
Bedsit, 1 & 2 bed, estate properties in a block above the third floor.		1	182,000						
Void properties valued over £300,000.	18	13	5,700,732	7	6	2,507,000	3	11	7,120,000
Listed residential properties.	1	1	404,000						
Properties deemed uneconomic to repair.	3	11	1,898,000	3	2	450,000	1		
Flats in blocks or a house with a high level of leaseholders, where sale would potentially allow the disposal of the freehold.	9	16	3,349,720		4	816,000	1	1	345,000
Pre fabs – as per the pre fab strategy.	1						1		
<b>Total</b>	<b>39</b>	<b>55</b>	<b>14,050,452</b>	<b>14</b>	<b>15</b>	<b>4,501,000</b>	<b>7</b>	<b>16</b>	<b>8,643,500</b>

44. Analysis of the information in Table 4 indicates the following:

- The greatest volume of sales over the three financial years 2011/12 to

2013/14 has been of properties valued at over £300,000, and the sale of these properties has resulted in over 50% of all void disposal receipts.

- These properties tend to be street properties with gardens and sold with the freehold. It should be noted however that more and more properties across all disposal categories are being valued at this level, with 1 and 2 bed flats now achieving close to £300,000.
- The 11 properties valued at over £300,000, and sold in 2013/14, achieved an average £647,000 per property; however it should be noted that 2 of those properties, 21 & 23 Park Street were sold at auction as one lot for £2.9m.
- No estate based properties above the third floor were either referred or sold in 2012/13 and 2013/14. This compares to 2009/10 when the disposal strategy began and the majority of referrals and subsequent sales (70%) were small estate based flats, and no properties that year were valued at £400,000.

45. Table 5 below represents sales since 2010/11 by bedsize. It should be noted that converted street flats where sold as a single house have been counted here as the combined bedsize, i.e. 2 x 2 bed flats sold as a single house is shown as 1 x 4 bed.

**Table 5 - Average Values**

Year	bedsit	1 bed	2 bed	3 bed	4 bed	5+ bed
2010/11	3	34	10	9	2	
2011/12	2	25	10	6	1	4
2012/13		6	1	6	1	
2013/14		2	5	3		6

46. In 2010/11 the average receipt for a 1 bed disposal was £157,022. This increased to £189,322 in 2011/12, £211,500 in 2012/13 and £262,000 in 2013/14. 2 beds increased in a similarly incremental way from £225,625 in 2010/11 to £334,100 in 2013/14, and 3 beds from £326,444 in 2010/11 to £495,000 in 2013/14. Larger 4 bed plus properties achieved between £575,000 and 1m last year.
47. The Market Trends Bulletin records average sale values in Southwark in 2013/14 as follows:
- 1 beds £296,518
  - 2 bed flats £398,146
  - 2 bed houses £497,402
  - 3 bed houses £617,684
  - 4 beds £811,049.
48. As can be seen above average receipts for void sales have been below the market average.
49. The majority of general void disposals are sold through two auction houses, each holding around seven auctions per year each.
50. Leaseholders in occupation of street properties including a flat being earmarked for disposal used to be offered first refusal with the aim that the void flat would be sold along with the freehold. This is no longer the case due to the experience of protracted negotiations that ended with no sale and ultimately lengthy overall void periods.

51. The analysis of sales since 2011/12 to date shows that:

- Property values in Southwark have risen significantly since the review of the voids disposal strategy in May 2011.
- Less than half the anticipated numbers of voids were sold to achieve roughly the same receipt.
- The average receipt per void in 2012/13 exceeded the over £300,000 value limit criterion.
- Since 2011/12 more voids have been sold under the £300,000 criterion than any other category and generated the greatest receipt.

### Way forward

52. Taking this and other factors noted in this report into account it is proposed that the categories included in the disposal criteria be changed from the existing, as agreed by cabinet in May 2011 and as laid out below:

- Bedsit, 1 & 2 bed, A & B, converted street flats above the ground floor, with a view to being able to sell the freehold interest of the house
- Bedsit, 1 & 2 bed, estate properties in a block above the third floor
- Void properties valued over £300,000
- Listed residential properties
- Properties deemed uneconomic to repair
- Flats in blocks or a house with an already high level of leaseholders, and where sale would potentially allow the disposal of the freehold
- Prefabricated homes.

To the following:

- Bedsit, 1 & 2 bed, converted street flats above the ground floor, with a view to being able to sell the freehold interest of the house
- Void properties valued over £500,000\*
- Listed residential properties
- Properties deemed uneconomic to repair, following consideration of its value as a long term asset to the council and in parallel with available resources in the annual major voids repair budget
- Properties with inappropriate layouts eg, where a bathroom is off a bedroom and where changes to the layout are restricted or uneconomic
- Flats in a house with an already high level of leaseholders, and where sale would potentially allow the disposal of the freehold
- Prefabricated bungalows

\* Where properties are identified for disposal under the £500,000 value criterion, at least one of the other criteria should also apply.

53. It is anticipated that the majority of disposals will continue be of non-estate properties, and that estate properties will only be considered for disposal on an exceptional basis.

54. The number of disposals will be based on the requirements of the HIP and will therefore be subject to monitoring and review.

## Monitoring

55. The capital receipts achieved for the HIP are monitored and reported to the regular Investment Programme Group meetings, including a breakdown by type of disposal, including voids sales, and incorporated into the level of anticipated resources for planning the longer term programme. It is proposed that a monitoring report continues to be provided on a quarterly basis for the cabinet Member for Housing.

## Impact on housing need

56. The disposal of any property irrespective of size or type will have an impact on the council's ability to meet its housing need in some way. As of May 2014 there were 19,582 households registered on the council's Homesearch general register. A breakdown by band is as follows:

- Band 1 – 853 (decants, statutory overcrowded, under occupiers, complex social service)
- Band 2 – 860 (overcrowded and urgent medical, homeless and urgent medical, single young vulnerable, management transfer, care leavers, risk to life)
- Band 3 – 6,481 (overcrowded by 1 bedroom, accepted homeless, urgent medical, tenant relationship breakdown, insanitary conditions)
- Band 4 – 9,445 (waiting list non priority; tenants, HA tenants and non-tenants)
- Other, all bands – 1943 (including wheelchair accessible units and sheltered accommodation).

57. When looking at demand on the basis of bedsize, roughly 70% of registered applicants, across bands 1 to 4 require 1 and 2 bedroom properties, with 30% requiring 3 bed or larger. This has changed from the position at the May 2011 review which noted 80% of households on the register requiring 1 & 2 bedroom properties with the remaining 20% waiting for 3 bed or larger.

58. It is known that waiting times increase based on banding, band 1 being the highest, and bedsize; the higher the band priority, the shorter the wait, but waiting times increase for larger properties. Table 6 below shows average waiting times across the top 3 bands.

**Table 6 – Waiting times in months**

<b>Band</b>	<b>bedsit</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>
1	1	6-14	6-18	5-11	6-12
2	2	2-8	2-10	4-19	7-23
3	14	21-24	34-37	40-55	37-69

## Policy implications

59. Additional capital resources generated through the council's voids disposal strategy will contribute to the improvement of housing stock borough wide thus working towards the wider corporate objective of making homes warm, dry and safe.



### **Community impact statement**

60. The sale of council housing will have a negative impact in terms of the number of properties available for re letting borough wide and may adversely affect applicants on the council's housing register. However, this will be partly offset by increased investment in existing stock, thus extending its life. Impact will also be mitigated by the development of new affordable housing supply, both by Registered Providers' programmes, and the council's direct delivery schemes.

### **Investment implications**

61. The Housing Investment Programme includes a provision for fees and internal charges incurred in connection with the disposal of housing properties, pending the receipt from sale being available.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

62. The report highlights the changes that have taken place in recent years in relation to property disposals as the council tries to balance the requirement to achieve additional capital receipts against the need to meet the demands for council housing and in particular the larger three bedroom plus family homes.
63. The position has become further complicated by the dramatic rise both in the average receipt per property and the number of properties being sold under Right to Buy.
64. There are no legal issues arising at this stage from any of the recommendations contained within this report.
65. It is emphasised that if a disposal of an individual property is for an amount in excess of £500,000 (excluding Right to Buy and Leasehold Reform Act cases) then the decision currently needs to be taken by cabinet. Property prices have increased dramatically within the Borough over the past few years and it is therefore suggested at paragraph 6 of this report that this threshold is increased to £750,000 but this amendment will need to be confirmed.

### **Strategic Director of Finance and Corporate Services (FC14/010)**

66. This report seeks cabinet approval to revise the criteria for disposals in the void disposal strategy. It also notes progress and agrees a change in focus from the setting of an annual target for void disposals to an ongoing assessment of the resource requirements. The financial implications are outlined in the body of the report.
67. It is expected that close monitoring of the receipts will continue to ensure that these funds are available to support the Housing Investment Programme. The new approach to linking receipts to resource requirements will be reported quarterly to cabinet as part of the capital budget monitoring report.

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	Stephen Platts, Director of Regeneration	
<b>Report Author</b>	Stephen Read, Project Coordinator Housing Regeneration and Delivery	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS/ DIRECTORATES/ CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comment Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to constitutional team</b>		10 July 2014

<b>Item No.</b> 22.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Quarterly Capital Monitoring Outturn Report for 2013/14 and Capital Programme Refresh for 2013/14-2023/24	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

## **FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

Southwark Council’s ten year capital programme is an immense £2billion plan for investment in our borough. These capital plans include:

- making all our council homes warm, dry and safe and ensuring every tenant has a quality kitchen and bathroom
- building new council homes
- a new leisure centre at the Elephant & Castle, refurbishments to the Peckham Pulse and Seven Islands
- bringing Southwark Park Athletics Track back into use and upgrading play and sports facilities in Peckham Rye Park
- a new library, improvements to the Green, pocket spaces and public realm improvements in Camberwell
- refurbishments and expansions of our secondary and primary schools needed to ensure every child has a local school place
- the Centre of Excellence for residents with dementia and new extra care council housing
- investment in maintaining our roads, improving pedestrian crossings and upgrading our cycling infrastructure
- doubling the estates receiving green energy
- upgrading CCTV and street lighting making our borough safer
- investing our shopping parades such as Evelina Road
- regeneration programmes like the Gateway to Peckham and a new world class civic centre at the Walworth Town Hall
- investing in council buildings and IT infrastructure.

These programmes are financed by a combination of:

- capital receipts from disposal of property
- grants
- external contributions
- section 106 contributions
- housing major repair reserve

- contributions from revenue
- contribution from reserves
- internal borrowing
- external borrowing.

So with the capital programme at the heart of so many of our fairer future promises and plans it is critical that we monitor performance in delivering these plans and in raising the capital to finance them. This report covers progress in 2013-14 and includes updates from every department. During the year we have invested £182m in the borough, the largest component of which is £82.5m invested in making council homes warm, dry and safe.

## **RECOMMENDATIONS**

That cabinet:

1. Notes the outturn position for 2013/14 for the general fund capital programme including the overall position of the programme for the period 2013/14 to 2023/24 as detailed in appendix A and D.
2. Notes the outturn position for 2013/14 for the housing investment programme, including the overall position of the programme for the period 2013/14 to 2021/22, as detailed in Appendix B.
3. Approves the virements and funded variations to the general fund and housing investment capital programme as detailed in Appendix C.
4. Approves the re-profiling of the forecast expenditure and resources in the new financial year 2014/15 and future years in light of the 2013/14 outturn position for both the general fund and housing investment programmes as detailed in Appendices A, B and D and note further re-profiling will be required during 2014/15 based on more up to date information available at that time.

## **BACKGROUND INFORMATION**

5. On 16 July 2013, the 2012/13 capital outturn report was presented to the cabinet. This reported the capital outturn position at the end of 2012/13 and approved the continued expenditure and resources, including new bids up the period 2021/22. At that time, the total value of the general fund programme, including the cost of the council building at 160 Tooley Street and Southwark Schools for the Future programme stood at £582.5m and the housing investment programme stood at £403.7m
6. On 18 March 2014, cabinet agreed the refreshed general fund capital programme of £498.3m for the period 2013/14 to 2023/24 including the agreed new capital bids of £158.7m. Cabinet also noted the housing investment programme of £1,544.6m for the period 2013/14 to 2021/22 including the agreed new bids of £1,042m.
7. The scale of the capital programme is immense and with a total forecast spend of over £2billion; the capital programme represents a major element of the council's financial activities. It has a significant and very visible impact on the

borough and hence on the lives of those who live, learn, visit and or do business in the borough.

8. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Historically the capital programme has been over programmed in year to compensate for these variations, whilst retaining a balanced programme overall.
9. This report sets out the outturn position for 2013/14 for the General Fund and the Housing Investment Programme (HIP).

## KEY ISSUES FOR CONSIDERATION

### 2013/14 Outturn Position

10. The table below shows the 2013/14 outturn for the General Fund and the Housing Investment Programme against the budgeted expenditure. There was a variation of £36.9m against the General Fund programme and a variation of £8.5m on the Housing Investment Programme. These variations are largely explained by the re-profiling of budgets across a range of several schemes on departmental programme activities as a result of the complexities of procuring contracts and works across a programme of this magnitude and the practicalities of contract management and monitoring.

<b>Department</b>	<b>2013/14 Budget £m</b>	<b>2013/14 Outturn £m</b>	<b>2013/14 Variance £m</b>
Childrens and Adults Care Services	21.0	11.4	9.7
Southwark Schools for the Future	13.5	9.7	3.8
Finance and Corporate Services	8.7	5.7	3.0
Environment	29.1	17.0	12.1
Housing General Fund	2.1	1.3	0.8
Chief Executive	26.0	18.4	7.5
<b>Total General Fund</b>	<b>100.4</b>	<b>63.5</b>	<b>36.9</b>
<b>Housing Investment Programme</b>	<b>126.7</b>	<b>118.2</b>	<b>8.5</b>

11. The total General Fund departmental expenditure for 2013/14 was 63.5m against a revised budget of £100.4m and this final outturn is lower than 2012/13 outturn figure of £80.9m (excluding the one off acquisition of cost of 160 Tooley Street)..
12. The variation of expenditure to budget in 2012/13 was 44% and this has reduced to 36% in 2013/14 indicating that there is better profiling of budgets on the expected expenditure for 2013/14 compared to the previous year. However, better forecasts could be achieved through project managers ensuring that the

projection for each project is based on all evidence available and financial commitments made, with forecasts reviewed by the appropriate level of management and challenged where appropriate to ensure the correct positions are reflected.

13. The total Housing Investment Programme expenditure for 2013/14 was £118.2m against a budget of £126.7m and this is a 38% increase in the expenditure figure of £85.6m for 2012/13. The variation of expenditure to budget in 2012/13 was 7% and this has reduced slightly to just over 6% in 2013/14. This illustrates the increased and accelerated investments being made on the Warm, Dry and Safe programmes within the Housing Investment Capital Programme and the benefits of accurate programming and profiling of budgets being achieved despite the increased spend.

#### **GENERAL FUND (APPENDIX A)**

14. The sections below provide commentary on the outturn position by departments for 2013/14.

#### **Children's and Adults' Services**

15. In summary, the capital programme across Children's and Adults' Services for the period 2013/14 to 2023/24 is £124.1m which includes £28m of new capital bids agreed at Quarter 3. The annual budget for 2013/14 was £21.0m and the final expenditure incurred was £11.4m, resulting in a variance of £9.7m.

#### **Children's Services**

16. The revised capital programme for 2013/14 to 2023/24 is £104.0m including £16m of new capital bid agreed at Quarter 3 and the annual budget for 2013/14 is £16.7m. The final expenditure incurred for 2013/14 was £10.3m resulting in a variance of £6.4m budget and future spend being re-profiled into future years.
17. The main expenditure has been £4.2m for Southwark Park Primary School new build school opening in 2014/15 and £2.3m on the major permanent expansion at Lyndhurst School that started in 2013/14.
18. The key reasons for the budget re-profile are:
  - The temporary expansion that took place at 9 schools benefited from competitive tenders, positive value engineering and under utilisation of contingency resulting in a favourable variance of £1.2m;
  - The £750k 2013/14 budget works at Cherry Garden School has been re-profiled to 2014/15 as a result of ongoing consultation;
  - A further £1.8m has been re-profiled for the Primary Expansion and Condition Programme as a result of ongoing negotiations with schools and statutory consultation;
  - Re-profiling of Southwark Park Primary School milestone payments of £800k;
  - Reprogramming £300k of works on the low carbon schools scheme to 2014/15.

### **Adults' Services**

19. The capital programme for the period 2013/14 to 2023/24 is £20.1m including £12m of new capital bid agreed at Quarter 3. The annual budget for 2013/14 is £4.3m and the final expenditure incurred for 2013/14 was £1.1m resulting in £3.2m being re-profiled to 2014/15. The three main areas for re-profiling are Brandon Trust properties, Orient Street refurbishment and the Centre of Excellence.
20. The main expenditure during 2013/14 was £0.9m on the Tower Bridge Nursing home for the improvement of dementia care facilities funded by the successful grant bid "Improving the environment of care for people with dementia programme" received from the DoH.

### **Southwark Schools for the Future**

21. The capital programme for the period 2013/14 to 2023/24 is £47.0m and the annual budget for 2013/14 was £13.5m. The total expenditure incurred for 2013/14 was £9.7m resulting in a favourable variance of £3.8m which will be re-profiled to 2014/15.
22. The largest area of spend totalling £8.5m in 2013/14 was incurred on the schools at St Michael's and All Angels (SMAA) site which incorporates the new Highshore Special School. The completion of the school was deferred from September 2013 and now the final landscaping and demolition works will take place in 2014/15 resulting in the re-profiling of £1.9m expenditure.
23. The remaining significant variances are due to a favourable variance of £229k VAT rebate on voluntary aided schools ICT equipment; delayed ICT payments of £400k; and £1m under utilisation of planned contingencies.

### **Finance and Corporate Services**

24. The capital programme of this department focuses on two key areas: Information Technology infrastructure projects and premises-related improvements to council buildings. The total departmental capital programme for the period 2013/14-2023/24 stands at £62.2m including £37.5m of new capital bids approved at Quarter 3.
25. The total capital spend for the department in 2013/14 was £5.7m against a budget of £8.7m. This compares to forecast spend of £3.8m as at the end of quarter 3 against a budget of £7m. There is a favourable variance of £3m which is made up of £1.0m on the children's and adults social care case management software (previously referred to as the Upgrade to Care First) programme; £230k on the work to council buildings DDA programme, £170k on the property works programme and £1.6m on the upgrade of IT infrastructure and core enabling projects. These budgets will be re-profiled into future years to meet the revised plans for expenditure.
26. The primary corporate facilities management (CFM) services contract has successfully entered year 2 of a 5 year plus 2 year contract period and the procurement of the second and final major CFM services contract commenced in

2013/14. A budget of £10.25m is currently profiled within the departmental capital programme to address future facilities management capital requirements in respect of compliance and compliance related planned preventative maintenance. This reflects the anticipated cost of undertaking a comprehensive compliance and associated planned preventative maintenance programme to the council's operational estate from 2014/15. The work follows an earlier phase where the council undertook work to its front-line premises to ensure compliance with the Disability Discrimination Act.

27. The budget variation during the year of £1.7m relates to costs incurred as a result of the Walworth Road Town Hall fire and is to be financed from revenue following agreement for an interim settlement with the council's insurers. The costs include those for securing the building and protecting it from the elements which has been necessary for the council to move forward and reinstate the building to provide services. The total budget variation on this project relating to the fire and insurance claim is £2.7m which is reflected in Appendix C for approval.

## **Environment & Leisure**

### Summary

28. The total value of the departmental capital programme for the period 2013/14 to 2023/24 is £167.1m including £53.8m of new capital bids agreed at Quarter 3. The department carried out a detailed review of the capital programme at end of each quarter. This included scrutinising the projections and profiling of spend for the year. . The latest capital outturn for 2013/14 is £17m against the final agreed budget of £29m giving a variance of £12m, which will be re-profiled into 2014/15. The progress of major schemes are outlined below.

### Public Realm

29. The implementation of the cemetery strategy continues to create further burial spaces and make associated infrastructure improvements. The cemeteries capital programme has been re-profiled for 2014/15 to allow for completion of detailed site investigations and further consultations on new burial areas.
30. The non-principal road programme delivered its entire planned major resurfacing works and achieved spend against budget of 79%. The slippage in expenditure was mainly due to late decisions on local resurfacing projects by the community councils and reduced fees been claimed against the programme.
31. The Southbank accessibility project completed in 2013/14 cost £136k less than the budget. This amount will not be drawn down from GLA grant.
32. During the year 2013/14, the Cleaner Greener Safer team has completed 211 projects and has been commissioned by the community councils to deliver a further 201 projects. This year's spend has been £2.5m compared with £1.9m in 2012/13 (151 projects)

### Culture, Libraries, Learning & Leisure



33. Olympic Legacy Fund - A new bid of £1.5m for legacy funding was approved at Quarter 3 and included in the capital programme to enable further improvements at Homestall Road, Southwark Sports Ground grass pitches and the velodrome.
34. Works to bring Southwark Park Athletic Track back into use will commence in the near future. Officers have secured an additional £600k external funding to contribute towards this project, giving a total budget of £3m for the project. Designs for the track have been finalised and reports required for the procurement of works have been prepared. Additional community consultations will be carried out ahead of the submission of the planning application.
35. A phased approach was taken to investing £2.3m in Peckham Pulse. Phase one works costing £600k will be completed in June 2014 and includes new air conditioning systems for the gym. Phase two will include works on the spa suite, café and reception areas, all of which need upgrading or replacing, and these will be delivered in 2014/15.
36. Investment in self service technology is a key component of the libraries modernisation programme and installation of such equipment is key in supporting the savings agreed in the libraries review. Implementation of RFID equipment (Radio Frequency Identification) at Dulwich and Peckham was completed in 2012/13. RFID funding for Blue Anchor Library has been allocated and the library reopened on 12 May 2014. RFID for Newington was budgeted for 2014/15 and will now be implemented at the temporary library at Elephant and Castle.
37. The Thomas Calton Centre refurbishment of £632k was delayed due to planning application issues but the project team has now been assembled and works will commence during summer 2014. The works are to address longstanding maintenance issues to the roof and fabric of the building.
38. It is anticipated that work at Pynners sports ground costing £620k will be completed and handed over during first quarter of 2014/15.

#### Community Safety & Enforcement

39. The Housing CCTV refresh programme has involved the repair, replacement or installation of new CCTV systems on 19 housing estates that fell within the priority crime areas identified by crime analysis data prepared in August 2012. It has been almost fully completed (spend of £1.25m against a budget for the year of £1.32m); however, two estates (Gloucester Grove and Tustin Estate) need further works due to significant damage to the CCTV infrastructure including the concealed cabling and containment units. The damage was identified through site specific technical surveys and would not have been possible to detect through the original estate surveys. To ensure that there is an operational CCTV presence on these estates, re-deployable cameras have been installed.
40. Quality assurance testing (Site Assessment Tests) of the CCTV systems are currently underway and are due to be completed by the end of May 2014. Payments to the contractor will only be made on successful completion of these tests.

## Housing Renewal

41. The total budget for Housing Renewals was £3.9m, of which only £1.8m was spent. £400k was earmarked for the set up costs of the landlord licensing scheme, leaving £1.7m slippage to be carried forward. The reasons for the slippage are mainly due to the protracted completion of external stock condition surveys for the shortlisted roads and to staff shortages following the divisional re-organisation, meaning there were less surveyors available to process renewal and disabled facilities grants. There was also a reduction in the activity within the East Peckham and Nunhead renewal area as officers moved to the final stage of the project which had to be justified, approved and tendered for.
42. Total spend on Empty Home projects was £276k. £216k (78%) of this was paid to Heritage of London Trust (HOLT) in respect of the special interest project - 549 Lordship Lane. The restoration work and conversion of the building into 5 flats is now complete. Hexagon Housing Association has acquired the building and all five flats have now been sold on a shared ownership basis to southwark residents. External funding is always sought wherever possible, to reduce the call on corporate capital resources for empty homes projects.

## Environmental Services

43. The division's opening balance for 2013/14 was £2.3m. £334k has been spent finalising the SELCHP project. The remaining £2m is a contingency fund. £1.5m of this is needed in case TfL request road infrastructure improvement works due to an increase in traffic resulting from the new waste facility just off Old Kent Road (Red Route). They have this ability as part of the planning conditions placed on the development. The remaining £0.5m is needed in case Southwark's highways team request similar improvement works in the area for the same reasons as set out above - increased traffic.
44. As it is now over two years since the facility became operational, both potential demands are unlikely to materialise but TfL and Southwark's highways team have until end of 2019 to call upon Southwark to carry out improvement works depending when the road survey is carried out.
45. This report is also requesting cabinet approval for an additional capital allocation of £612k for 2014/15 under the Invest to Save initiative. The capital will be used to install two photovoltaic (PV) arrays on the roof of the Council's integrated waste management facility to generate electricity (thereby reducing energy bills) and attract Central Government financial incentives. Non financial benefits include carbon footprint reductions. The annual revenue savings will be around £62k per annum initially and increasing up to £74k per annum in 20 years time.
46. Details of budget virements and variations including the above request for additional capital allocation are reflected in Appendix C for approval.

## Chief Executive's Department

47. Following the Quarter 3 capital refresh report approved by Cabinet in March

2014, the capital budget for Chief Executive's department over the period 2013/14-2023/24 has increased from £60m to £106.5m. The budget increase of £46.5m is due mainly to capital bids of £39.3m approved as part of Quarter 3 capital refresh report, additional £4.3m Local Implementation Plan (LiP) grant from Transport for London, £1.6m S106 allocations and £1.3m from Regeneration & Development reserve.

48. This budget increase will support the delivery of various projects from transformation of parks and open spaces in Elephant & Castle as part of the wider regeneration programme; rebuilding and refurbishment of Walworth Town hall following fire damage; rejuvenation of the southern end of Walworth Road to create a vibrant and sustainable high street; other regeneration initiatives such as Revitalise Camberwell and the rebuilding of the Peckham Rye playroom as part of Revitalise Peckham Rye programme. Most of these projects will commence in 2014/15 and further update will be provided to cabinet in subsequent quarterly reports throughout the year.
49. In 2013/14, the department incurred expenditure of £18.4m against a budget of £26.0m and a Quarter 3 forecast of £19.8m. This outturn figure of £18.4m represents 93% of projected expenditure at Quarter 3 and reflects a rigorous and robust monitoring regime embarked upon by the department.
50. Details of divisional expenditure and key achievements in project delivery are outlined in the following paragraphs.
51. The planning projects team in the planning division has a budget of £11.5m including £4.9m of new capital bids approved at Quarter 3 and £1.6m of S106 allocations. In 2013/14, a total sum of £936k was expended to deliver various public realm and open spaces improvement projects across the borough.
52. The Nunhead programme is moving towards the final phases of delivery, with the key elements of the programme delivered on site, most notably the improvements to the shop fronts and facades and various public realm improvements, a programme of festivals, business support and the ongoing management of the pop up shop. The Green improvements are on site and will be completed in the early part of 2014/15 to draw to conclusion the outer London Fund programme.
53. Abbey Street arch was opened following its extensive refurbishment; and a number of projects including Barons Place phase 2, Hatfield's, All Hallows started on site towards the end of the financial year. Improvement works to Ewer Street Bridge are complete and works continue at Great Guildford Street tunnel. The Tooley Street triangle site by Restaurant Story has been awarded to DP4UK and consultation with stakeholders has commenced. Funding packages for Tate Environs, Great Guildford Street and Lavington Street continue to be developed.
54. Going forward from 2014/15, projects are being developed for Meeting House Lane and Brayards Road to continue the work undertaken in Nunhead and Queens Road. The team will be focussing on the new ILRE programme around key regeneration programmes and the Walworth Road South scheme in conjunction with the transport team.

55. Transport planning, also in planning division, has a budget of £22.4m which is an increase of £5m from Quarter 3. This budget increase is largely funded by Transport for London to deliver various transport improvement projects as contained within the borough's transport plan. In 2013/14, the business unit spent £3.9m on various transport and environmental improvement projects.
56. Transport modelling on the Revitalise5 Camberwell project has been assessed by Transport for London who are due to begin associated Network management trials.. Datchelor Place Pocket Spaces project has progressed through detailed design stage. Transport for London has been consulted and positive feedback received. The detailed design will be communicated with local stakeholders.
57. Works to improve the accessibility of the boroughs bus stops and bring all Southwark bus stops up to standard are taking place over two financial years (2013/14 and 2014/15). The programme for the 2013/14 bus stops is nearing completion as is the Greenways cycling project.
58. Implementation is well underway on a number of schemes including East Dulwich Grove and Rotherhithe New Road and is nearing completion on Paxton Green. The Network Rail lift works are complete at Queens Road Peckham station and the complimentary works to improve the plaza are currently being implemented.
59. Consultation on Gateway to Peckham, a project to redevelop the area immediately in front of Peckham Rye Station, was undertaken from November 2013 to January 2014. This identified a number of issues and it has been agreed that the project timeline will be extended to allow for further community engagement throughout the summer.
60. The Regeneration division has a budget of £72.6 including £35m of new capital bids agreed at Quarter 3. In 2013/14, the division spent £13.6m on key regeneration projects such as the construction of a new leisure centre in Elephant and Castle; a new ultra modern library in Camberwell and the on-going provision of new office accommodation for council staff.
61. The council's office accommodation programme progressed in 2013/14 with the completion of new Customer Service Centre at Queens Road 3 in April 2013 and the generic office building of Queens Road 2 in December 2013. Both sites are now fully occupied and overall provide 206 workstations, extending modern ways of working to an additional 350 staff.
62. The decommissioning of Southwark Town Hall is complete and revised disposal arrangements are now in place and scheduled to complete by summer 2014
63. The construction work for the new leisure centre at the Elephant & Castle started on site in late April 2013 via our local education partnership, 4futures. The contractor, Balfour Beatty, is largely on programme to complete the building for the end of 2014 with opening to the public scheduled for the early part of 2015. There is a good working relationship between Lend Lease who are building the residential tower and Balfour Beatty as the two sites are adjacent to one another.

64. Following consultation, the new leisure facility has been named the Castle Centre and this has been well received by the public. The two swimming pools were tested for water tightness earlier this year and the building was 'topped out' in April 2014, a significant construction milestone.
65. The contract for the construction of the new library and plaza in Camberwell was awarded to the LEP (Local Education Partnership) in March 2014. The site has now been set up and pile probing completed. Excavations will continue through May with above ground construction planned to start in June 2014. The construction is due to complete in Feb 2015, with the library expected to open to public in spring 2015.

### **Housing General Fund**

66. The total revised budget for the Housing General Fund capital programme was £2.1m including a budget variation of £661k for the telephony system supporting the customer call centre. The total budget of £2.1m was profiled to spend in 2013/14 but the total expenditure incurred was £1.3m resulting in a favourable variance of £800k which will be re-profiled into 2014/15. Commentary on the schemes within the Housing General Fund capital programme are provided below
67. The Family Mosaic scheme at 122-148 Ivydale Road, comprising 7 social rented dwellings, 2 shared ownership houses and 5 houses for private sale completed in February this year. The social rented units delivered through this scheme were part funded from the Affordable Housing Fund. Split into two tranches, the final payment of grant was made in March 2014.
68. Springtide Close traveller site is the last of Southwark's four managed traveller sites to be refurbished with the help of the CLG's 2004 Gypsy and Traveller site grant funding. The scheme has been delayed due to issues with the site but is now on course with the first two phases complete and an expected completion of the final phase by the end of June 2014.
69. In 2013/14, the Council incurred specific telephony costs as part of the overall project to bring the customer services centre back in house. The expenditure relates to the introduction of the Avaya telephony system supporting the new in house customer call centre. This project is now completed and the related budgets are reflected in Appendix C for cabinet approval.

### **Housing Investment Programme (APPENDIX B)**

70. The total value of the Housing Investment Capital Programme for the period 2013/14 to 2021/22 is £1,544.6m including £1,042m of new capital bids agreed at Quarter 3. The final outturn for 2013/14 was £118.2m against a budget of £126.7m indicating a favourable variance of £8.5m which will be re-profiled into 2014/15. The section below provides a detailed commentary on the major areas of activity across the various capital projects within the Housing Investment Programme.

### **Warm Dry and Safe (WDS)**

71. The spend target of £80m set for 2013/14 has been achieved with spend of £82.5m. The programme continues to accelerate and the WDS spend will continue to rise in 2014/15. Some schemes expected to start in 2013/14 have been delayed due to delayed S20s and delays in the tendering process and therefore, will be starting in 2014/15. However, additional schemes started in 2013/14 as our partner contractors were able to accelerate some works on a number of schemes in Quarter 4 which led to the overall spend target being met. Accurate long term forecasting has proved challenging as the extent of works required in meeting the WDS standard is generally higher than the provision made in the programme.
72. The WDS 2 year programme is mostly complete except for 3 schemes which are due to complete in early 2014/15. The 2 year programme is currently behind schedule mainly due to the delayed decision by Lands Tribunal in December 2011 and replacing of Wates and Breyer (partnering contractors) following the mutual conclusion of those contracts and the recent replacement of Breyer on the Rockingham scheme. The replacement of the contractors has led to delays and the overall additional costs being met from the WDS contingency fund. A total provision of £76m was previously made available for the two year programme, carry over schemes and the original FRA works within the original WDS budget. The final outturn on the previous allocation of £76m is expected to be around £82m for delivering these schemes.
73. All the WDS 2012 major works schemes are completed or on site, with the exception of Sunray due to the change in specification. The agreed costs for the schemes are higher than estimated in the initial stock condition survey and the WDS contingency fund is being used to meet the budget shortfall. £35.9m has so far been committed against an original WDS allocation of £13.6m for these committed schemes (the overall original WDS 2012 major works schemes allocation was £14.6m excluding contingency).
74. Four of the WDS 2013 major works schemes are committed and a further three schemes expected to be committed in the first half of 2014/15 following delays in the tendering process. Due to the phasing of the regeneration programme, the WDS works at Aylesbury will start in 2014/15. Acorn will follow on from completion of regeneration heating works. Tustin will also be delayed to 2014/15 due the level of work required to meet the WDS standard. £12.1m has so far been committed against an original WDS allocation of £4.2m for these committed schemes (the overall original WDS 2013 major schemes allocation was £30.8m including some brought forward blocks being delivered with these schemes but excluding contingency).
75. Some WDS 2014 major works schemes works were brought forward using the Decent Homes Backlog funding. In 2013/14, £25m was committed against an original WDS allocation of £9m for these committed schemes. The remaining WDS 2014 major works schemes are expected to be committed in 2014/15 along with WDS 2015 major works schemes in half the borough.
76. The trend of schemes requiring more resources than the stock condition survey estimate has continued, meaning that there will not be enough contingency within the WDS budget to commit the remaining programme. There is £15m WDS contingency and in excess of £70m of the original estates and streets

budgets still to be committed. A report is being prepared for cabinet to request additional resources in July 2014.

77. Both the Four Squares and Hawkstone WDS/HINE schemes have started on site, with the internals completing at Four Squares. The external packages for Four Squares and Hawkstone are now due to start in quarter 1 of 2014/15. £1m has now been spent from the High Investment Needs Estates (HINE) budget in 2013/14. Abbeyfield is due to start on site in 2014/15 subject to vacant possession. The HINE allocation for Four Squares was increased by £10.8m following structural issues and the scope of works required to complete the scheme.
78. £3.5m of the £4m individual heating budget was spent as some money was held back for future years. All the remaining WDS district heating schemes programmed up to 2013/14 were on site by the end of the year, except for Gilesmead which is starting early in 2014/15. The 2015/16 WDS district heating schemes are being brought forward to start in 2014/15.
79. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. The majority of the higher moderate risk high rise blocks are also complete except for works being completed to coincide with the WDS programme. FRA works to Gloucester Grove and Netley have also been completed. £2.3m has been allocated to complete substantial medium rise FRA works and these are also being completed in 2014/15 alongside planned WDS works. Sidmouth has also been added to the programme.
80. 1,451 homes fell into non-decency at the start of 2013/14 meaning the Decency level fell from 60.31% to 56.49% at 2012/13 year end. During 2013/14 the decency level increased from 56.49% to 61.84% with over 2000 homes becoming decent.

#### Aylesbury PPM

81. £3m was spent in 2013/14 from the Aylesbury PPM budget, which was down on previous forecasts as there were contract issues on the primary mains that have now been resolved and works are progressing well. Further works are being programmed for the remaining uncommitted Aylesbury PPM budget.

#### Regeneration Schemes

82. The total budget for East Dulwich Estate regeneration programme is £7.5m and comprises of four elements:
83. Drying Room Conversions - This consists of the conversion of 18 drying rooms in two phases for private sale. Phase 1 was completed in January with nine units now on the market. Phase 2 commenced in Feb 2014 and is due to complete in July 2014.
84. Badminton House - Refurbishment of an 11 unit block with a drying room conversion making a total of 12 units of which 3 will be for private sale and the remaining 9 for social rent.

85. New Build - A development of 2 blocks Gatebeck (9 units) and Southdown (18 units) being delivered as part of the council's Direct Delivery programme.
86. Environmental Works – An environmental works programme including health and safety works.
87. The latter three work streams are scheduled to start throughout 2014. The Elmington Estate Regeneration comprises of refurbishment works; rehousing of tenants to achieve vacant possession for new build; the restoration of a mural and existing nature garden. A total budget of £5m is allocated to the completion of this scheme.
88. The revitalisation of the Benhill Nature Garden, which forms part of the Elmington Estate Regeneration scheme, is well underway with the installation of the dipping platform and the pond. This element was funded by Cleaner Greener Safer funding. A landscape contractor will be appointed shortly to complete the gardening works. The new garden aims to be a natural green space with a variety of habitats including a meadow, woodland, pond, composting and mini beast area.
89. The restoration of the Pied Piper Mural is now complete; arising from a need to fulfil a planning condition attached to the development of new housing built on the estate in previous years. The mural has been relocated on Brunswick Park Primary School sports hall so that it is visible from the nature garden for the community to enjoy.
90. Seven new Hidden Homes ranging from 1, 2 and 4 bedroom were completed and let on the Glebe and East Dulwich Estates in January. An additional 11 units of varying sizes are currently on site throughout the borough. These are scheduled to complete by late autumn 2014. The programme is being funded through a mix of S106 funding of approx £700k and GLA "Building the Pipeline" grant of £228k.
91. A capital resource of £26.7m to forward fund the council's Direct Delivery Programme was approved by Cabinet in March 2014. Phase 1 comprising of 9 sites is currently in various stages of development. Construction work to Willow Walk which will deliver 21 general needs housing and a 54 short stay accommodation unit started on site in February with a scheduled completion date in early 2015. Planning consent has been obtained for four of the remaining sites and is currently being progressed for the remainder. The Direct Delivery programme will be funded from various other sources including RTB retained receipts, S106 affordable housing funding and GLA Building the Pipeline grant of £6m.
92. The total Housing Investment Capital Programme budget has increased by £6.6m and £5.3m of this increase relates to S106 funding agreed at Planning Committee in March 2014 which will part fund the delivery of the general needs housing at Willow Walk. Details of the budget variation are reflected in Appendix C for cabinet approval.

### **Resource implications**



93. The council's capital resources are comprised of the following:
- capital receipts from disposal of property
  - grants
  - external contributions
  - section 106 contributions
  - housing major repair reserve
  - contributions from revenue
  - contribution from reserves
  - internal borrowing
  - external borrowing
94. After financing the capital expenditure for 2013/14, the council had accumulated cash balances of £183.5m, as reflected in the draft statement of accounts which will be used towards the funding of the capital programme. The balance consists of:
- capital receipts reserve balance of £70.2m
  - capital grants unapplied balance of £113.3m (of which £91.6m relates to S106 funds and Affordable Housing Funds used to fund both capital and revenue programmes)
95. In relation to the balance of unapplied capital grants (£113.3m), £47.9m consists of HRA funds and the remaining balance of £65.3m relates to General Fund grants.
96. These balances are committed against existing capital projects but were unapplied as at 31 March 2014 and could be subject to minor adjustments as part of the finalisation of the 2013/14 accounts.

### **Housing Services HRA Resources**

97. The total spend on the Housing Investment Programme was £118.2m, which was largely funded from the Major Repairs Reserve, Revenue Contribution and grants. Further small contribution came from capital receipts, Section 106 and External contribution.
98. £64.3m of funding came from the Major Repairs Reserve. This comprises £46.1m from annual depreciation charge and £18.2m from the reserve balance unused in previous years.
99. The capital grant funding at £32.8m was the second tranche of three years funding grant given by GLA for Decent Homes backlog works.
100. The revenue contribution toward the capital spend was £15.2m and included an element of funding from external decorations cost code.
101. The external contribution of £3m related to the insurance claim for Summer Road.
102. The increase grant funding reduced the level of capital receipts used to fund the

capital program to £2.5m, which included £0.2m to support the “New Build” program at Willow Walk.

103. Further contributions of £0.4m were received under S106 developer contribution to support the New Build program at Willow Walk and other areas.

### **Resource Re-profiling**

104. Due to the significant size of the capital programme and the number of projects involved, it is inevitable that unforeseen delays can occur leading to some variation against planned expenditure. As noted in the preceding paragraphs, the 2013/14 outturn position has resulted in a general favourable variance across the programme which it is recommended be re-profiled in the new financial year 2014/15, in light of the outturn position. Detail of this is shown at Appendix B and D.
105. Some of the forecasts will require further re-profiling when the programme is subject to a more detailed review by service managers during 2014/15 in terms of expected spend for the year based on the latest information available on procurement and contract management issues.
106. During 2013/14 there have been a number of funded and agreed variations to the capital programme budgets. These have been included in the total budgets against which the outturn expenditure is set, in order to provide an up-to-date position of the budgets available as at 1 April 2014. Details of this are shown at Appendix C.

### **Risks**

107. A number of risks have been identified which can affect the successful delivery of capital projects and which have been described below.
- Programme slippage resulting in slower than anticipated use of resources is mitigated through use of realistic timelines and supporting programme assumptions and documentation. Resource allocations are made to specific schemes so that resources use can be tracked against specific programmes.
  - Lack of management and/or departmental capacity which could result in poor quality financial management is mitigated through use of dedicated finance teams and management of departmental programmes by appropriately qualified departmental finance managers, who are responsible for the outturn positions of each department.
  - Lack of certainty over the timing, amount and origin of funding sources is mitigated through monthly financial monitoring with re-profiling and reallocation of resources where needed. Suitable controls are in place to govern the approval of new items, and virement/reallocation of resources. The programme is subject to regular refresh through cabinet.
  - Changes to funding regimes due to legislation or central government requirements resulting in negative impacts on the programme are mitigated where possible through contact with departments, use of a range of funding sources, development and retention of reserves and robust forward planning. A clear, regularly updated disposals programme allows the council to forecast its receipts profile with reasonable accuracy and supports a level of flexibility in the programme.

### **Community impact statement**

108. This Outturn report is considered to have no or a very limited direct impact on local people and communities, although of course the capital programme itself will deliver significant enhancements to the amenities and infrastructure of the borough.

### **Legal implications**

109. The legal implications of this report are identified in the concurrent report of the Director of Legal Services.

### **Financial implications**

110. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at the end of 2013/14.

### **Consultation**

111. Consultation on the overall programme has not taken place. However, each of the individual projects is subject to such consultation as may be required or desirable when developed. Some projects may require more extensive consultation than others, for example projects with an impact on the public realm. Projects funded by grant or s106 may require consultation as a condition of funding.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

112. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
113. The Capital Programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	General fund summary monitoring position
Appendix B	Housing investment programme summary monitoring position
Appendix C	Budget virements and variations at quarter 4 2013/14
Appendix D	General fund programme detail

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Strategy and Performance	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report Author</b>	Jay Nair, Senior Finance Manger	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Legal Services	Yes
	Strategic Director for Finance and Corporate Services.	N/a
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	10 July 2014

Department	2013/14			2014/15			2015/16			2016/17+			Total Programme 2013/14-23/24		
	Budget	Outturn	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Total Budget @ 01/04/2013	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	21,031	11,380	(9,651)	70,824	17,268	(53,556)	16,250	49,457	33,207	16,000	46,000	30,000	124,105	124,105	0
Southwark Schools for the Future	13,492	9,669	(3,823)	10,511	14,205	3,694	3,389	3,518	129	19,622	19,622	0	47,014	47,014	0
Finance and Corporate Services	8,672	5,676	(2,996)	7,438	10,434	2,996	6,705	6,705	0	39,544	39,544	0	62,359	62,359	0
Environment	29,072	16,973	(12,099)	28,275	40,374	12,099	21,480	21,480	0	88,861	88,861	0	167,688	167,688	0
Housing General Fund	2,134	1,308	(826)	0	826	826	0	0	0	0	0	0	2,134	2,134	0
Chief Executive	25,954	18,449	(7,505)	40,988	48,450	7,462	15,333	15,372	39	24,250	24,250	0	106,525	106,521	(4)
<b>TOTAL</b>	<b>100,355</b>	<b>63,455</b>	<b>(36,900)</b>	<b>158,036</b>	<b>131,557</b>	<b>(26,479)</b>	<b>63,157</b>	<b>96,532</b>	<b>33,375</b>	<b>188,277</b>	<b>218,277</b>	<b>30,000</b>	<b>509,825</b>	<b>509,821</b>	<b>(4)</b>
<b>FINANCED BY:</b>															
Corporate Resource Pool	21,446	14,937	(6,509)	56,358	63,973	7,615	48,125	48,518	393	171,508	173,896	2,388	297,437	301,324	3,887
Reserves	7,038	3,881	(3,157)	3,000	4,656	1,656	2,518	4,019	1,501	1,532	1,532	0	14,088	14,088	0
Revenue	2,082	2,078	(4)	1,050	1,054	4	0	0	0	0	0	0	3,132	3,132	0
Capital Grants	46,813	40,888	(5,925)	55,910	33,893	(22,017)	10,843	38,785	27,942	30,769	30,769	0	144,335	144,335	0
Section 106 Funds	4,678	1,541	(3,137)	6,527	8,380	1,853	62	1,346	1,284	0	0	0	11,267	11,267	0
External Contributions	1,103	130	(973)	78	1,047	969	50	50	0	0	0	0	1,231	1,227	(4)
<b>TOTAL RESOURCES</b>	<b>83,160</b>	<b>63,455</b>	<b>(19,705)</b>	<b>122,923</b>	<b>113,003</b>	<b>(9,920)</b>	<b>61,598</b>	<b>92,718</b>	<b>31,120</b>	<b>203,809</b>	<b>206,197</b>	<b>2,388</b>	<b>471,490</b>	<b>475,373</b>	<b>3,883</b>
<b>Forecast variation (under)/over</b>	17,195	0	(17,195)	35,113	18,554	(16,559)	1,559	3,814	2,255	(15,532)	12,080	27,612	38,335	34,448	(3,887)

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## 2013/14 HRA Capital Programme

Project description	2013/14			2014/15			2015/16		
	Agreed Budget	Outturn	Variance	Agreed Budget	Forecast	Variance	Agreed Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	1,234	1,482	248	254	7	(247)	0	0	0
WDS 2-year programme	22,744	20,792	(1,952)	3,648	5,600	1,952	0	0	0
WDS 2012 major works	13,428	9,506	(3,922)	16,097	20,019	3,922	227	227	0
WDS 2013 major works	5,277	9,747	4,470	27,973	23,503	(4,470)	4,738	4,738	0
WDS 2014 major works	4,525	8,349	3,824	45,329	41,506	(3,823)	15,827	15,827	0
WDS 2015 major works	125	64	(61)	7,999	8,059	60	19,940	19,940	0
FRA works	3,495	1,478	(2,017)	1,421	3,439	2,018	0	0	0
Additional FRA Works	1,768	1,513	(255)	4,132	4,387	255	0	0	0
M&E electrical	546	351	(195)	596	790	194	967	967	0
M&E heating	7,252	6,717	(535)	10,394	10,928	534	3,724	3,724	0
M&E lifts	1,963	2,154	191	2,530	2,339	(191)	773	773	0
WDS voids works	3,969	4,004	35	4,181	4,147	(34)	4,000	4,000	0
WDS Leathermarket JMB	1,090	1,444	354	1,100	746	(354)	1,100	1,100	0
WDS Unallocated Budget	4,627	2,990	(1,637)	6,549	8,187	1,638	3,956	3,956	0
Housing Stock - New Programme	0	0	0	0	0	0	0	0	0
HINE WDS works	13,315	13,450	135	14,437	14,301	(136)	568	568	0
HINE additional works	300	1,061	761	21,700	20,939	(761)	11,798	11,798	0
Aylesbury Estate PPM works	4,381	2,959	(1,422)	2,192	3,613	1,421	1,149	1,149	0
Aylesbury Estate regeneration	6,957	7,452	495	8,042	7,547	(495)	8,301	8,301	0
Bermondsey Spa refurbishment	86	130	44	914	870	(44)	0	0	0
East Dulwich Estate	1,944	1,212	(732)	5,363	6,094	731	225	225	0
Elmington Estate	2,581	1,292	(1,289)	2,000	3,290	1,290	446	446	0
Heygate Estate	6,548	10,186	3,638	11,714	8,077	(3,637)	1,017	1,017	0
Hidden Homes	861	341	(520)	35	555	520	0	0	0
Hostels new build	1,200	1,065	(135)	1,331	1,465	134	1,328	1,328	0
Local authority new build	612	369	(243)	2,507	2,750	243	1,100	1,100	0
Misc regen, acquisitions and home loss	673	175	(498)	150	648	498	150	150	0
Direct Delivery - New Council Homes	4,020	2,535	(1,485)	17,173	18,658	1,485	7,980	7,980	0
Adaptations	1,909	2,084	175	2,250	2,075	(175)	2,000	2,000	0
Affordable housing through commuted sums	139	19	(120)	584	704	120	0	0	0
Cash incentive & Home owner buy back scheme	197	178	(19)	811	831	20	232	232	0
Digital switchover	604	362	(242)	0	242	242	0	0	0
Disposals costs	454	90	(364)	500	864	364	500	500	0
Energy	0	0	0	200	200	0	200	200	0
Installation of Sprinkler & Smoke detectors	1,000	0	(1,000)	6,683	7,683	1,000	3,595	3,595	0
Fire damage reinstatement	81	51	(30)	1,027	1,056	29	200	200	0
FRA Works Street Properties	0	0	0	0	0	0	0	0	0
Group repairs	0	0	0	272	272	0	0	0	0
Hostels accommodation	1,464	1,012	(452)	650	1,102	452	737	737	0
Leasehold / freehold acquisitions	925	20	(905)	300	1,205	905	300	300	0
Major voids	1,000	337	(663)	1,000	1,663	663	1,000	1,000	0
Office accommodation	0	0	0	0	0	0	250	250	0
Scheme management costs	1,000	12	(988)	1,000	1,988	988	1,000	1,000	0
Security	0	0	0	0	0	0	300	300	0
Sheltered accommodation	206	212	6	400	394	(6)	306	306	0
T&RA halls	465	445	(20)	4,270	4,290	20	500	500	0
Heating Energy Efficiency Measures	1,729	549	(1,180)	8,471	9,651	1,180	100	100	0
	<b>126,694</b>	<b>118,189</b>	<b>(8,505)</b>	<b>248,179</b>	<b>256,684</b>	<b>8,505</b>	<b>100,534</b>	<b>100,534</b>	<b>0</b>
<b>FINANCED BY:</b>									
Receipts Brought forward	29,428	0	(29,428)			0			0
In year Receipts	27,600	2,511	(25,089)	20,500	26,400	5,900	26,500	27,000	500
RTB receipts - "New Build"	0	0	0	0	6,400	6,400	0	2,700	
Depreciation charge (MRA)	46,800	46,100	(700)	47,300	46,800	(500)	46,426	46,800	374
Major Repairs Reserve (MRR)	21,000	18,166	(2,834)	6,700	700	(6,000)	6,700	700	(6,000)
Revenue Contribution	14,900	15,211	311	14,900	20,400	5,500	12,900	19,800	6,900
New Homes Bonus	700	0	(700)	0	700	700	600	600	0
Grants (DH backlog funding)	14,100	32,704	18,604	50,700	32,126	(18,574)	0	0	0
Section 106 Funds & Grants	139	471	332	5,847	15,000	9,153	0	6,400	6,400
External Contributions	2,603	3,026	423	10,000	10,000	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>157,270</b>	<b>118,189</b>	<b>(39,081)</b>	<b>155,947</b>	<b>158,526</b>	<b>2,579</b>	<b>93,126</b>	<b>104,000</b>	<b>8,174</b>
<b>Forecast variation (under)/over</b>	<b>(30,576)</b>	<b>0</b>		<b>92,232</b>	<b>98,158</b>		<b>7,408</b>	<b>(3,466)</b>	

## 2013/14 HRA Capital Programme

Project description	2016/17 - Future Years			Total Programme 2013/14 - Future Years		
	Agreed Budget	Forecast	Variance	Agreed Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	1,488	1,489	1
WDS 2-year programme	0	0	0	26,392	26,392	0
WDS 2012 major works	0	0	0	29,752	29,752	0
WDS 2013 major works	0	0	0	37,988	37,988	0
WDS 2014 major works	0	0	0	65,681	65,682	1
WDS 2015 major works	0	0	0	28,064	28,063	(1)
FRA works	0	0	0	4,916	4,917	1
Additional FRA Works	0	0	0	5,900	5,900	0
M&E electrical	0	0	0	2,109	2,108	(1)
M&E heating	0	0	0	21,370	21,369	(1)
M&E lifts	0	0	0	5,266	5,266	0
WDS voids works	0	0	0	12,150	12,151	1
WDS Leathermarket JMB	0	0	0	3,290	3,290	0
WDS Unallocated Budget	0	0	0	15,132	15,133	1
Housing Stock - New Programme	985,089	985,089	0	985,089	985,089	0
HINE WDS works	0	0	0	28,320	28,319	(1)
HINE additional works	0	0	0	33,798	33,798	0
Aylesbury Estate PPM works	0	0	0	7,722	7,721	(1)
Aylesbury Estate regeneration	53,749	53,749	0	77,049	77,049	0
Bermondsey Spa refurbishment	0	0	0	1,000	1,000	0
East Dulwich Estate	0	0	0	7,532	7,531	(1)
Elmington Estate	0	0	0	5,027	5,028	1
Heygate Estate	0	0	0	19,279	19,280	1
Hidden Homes	0	0	0	896	896	0
Hostels new build	0	0	0	3,859	3,858	(1)
Local authority new build	1,000	1,000	0	5,219	5,219	0
Misc regen, acquisitions and home loss	0	0	0	973	973	0
Direct Delivery - New Council Homes	2,800	2,800	0	31,973	31,973	0
Adaptations	12,000	12,000	0	18,159	18,159	0
Affordable housing through commuted sums	0	0	0	723	723	0
Cash incentive & Home owner buy back scheme	0	0	0	1,240	1,241	1
Digital switchover	0	0	0	604	604	0
Disposals costs	0	0	0	1,454	1,454	0
Energy	0	0	0	400	400	0
Installation of Sprinkler & Smoke detectors	21,203	21,203	0	32,481	32,481	0
Fire damage reinstatement	0	0	0	1,308	1,307	(1)
FRA Works Street Properties	0	0	0	0	0	0
Group repairs	0	0	0	272	272	0
Hostels accommodation	0	0	0	2,851	2,851	0
Leasehold / freehold acquisitions	0	0	0	1,525	1,525	0
Major voids	0	0	0	3,000	3,000	0
Office accommodation	0	0	0	250	250	0
Scheme management costs	0	0	0	3,000	3,000	0
Security	0	0	0	300	300	0
Sheltered accommodation	0	0	0	912	912	0
T&RA halls	0	0	0	5,235	5,235	0
Heating Energy Efficiency Measures	0	0	0	10,300	10,300	0
	<b>1,075,841</b>	<b>1,075,841</b>	<b>0</b>	<b>1,551,248</b>	<b>1,551,248</b>	<b>0</b>
<b>FINANCED BY:</b>						
Receipts Brought forward			0	29,428	0	(29,428)
In year Receipts	147,800	150,500	2,700	222,400	206,411	(15,989)
RTB receipts - "New Build"	0	1,100		0	10,200	6,400
Depreciation charge (MRA)	278,600	280,800	2,200	419,126	420,500	1,374
Major Repars Reserve (MRR)	6,700	1,400	(5,300)	41,100	20,966	(20,134)
Revenue Contribution	77,300	108,700	31,400	120,000	164,111	44,111
New Homes Bonus	763	800	37	2,063	2,100	37
Grants (DH backlog funding)	0	0	0	64,800	64,830	30
Section 106 Funds & Grants	0	2,700	2,700	5,986	24,571	18,585
External Contributions	0	0	0	12,603	13,026	423
<b>TOTAL RESOURCES</b>	<b>511,163</b>	<b>546,000</b>	<b>33,737</b>	<b>917,506</b>	<b>926,715</b>	<b>5,409</b>
<b>Forecast variation (under)/over</b>	<b>564,678</b>	<b>529,841</b>		<b>633,742</b>	<b>624,533</b>	

FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL											APPENDIX C
	Children's Services	Adult Social Care	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme - up to 2015/16	Housing Investment Programme - 2016/17+	Total Programmed Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 3 report	88,029	8,085	47,014	21,959	113,057	1,473	60,005	339,622	448,627	53,749	841,998
<b>BUDGET AS AT 2013/14 Q3</b>	<b>88,029</b>	<b>8,085</b>	<b>47,014</b>	<b>21,959</b>	<b>113,057</b>	<b>1,473</b>	<b>60,005</b>	<b>339,622</b>	<b>448,627</b>	<b>53,749</b>	<b>841,998</b>
<b>New Bids approved at Q3/Capital Refresh</b>											
Children's Services	16,000							16,000			16,000
Finance and Corporate Services				37,500				37,500			37,500
Environment					53,845			53,845			53,845
Adult Social Care		12,000						12,000			12,000
Chief Executive							39,383	39,383			39,383
Housing								0	41,390	1,000,889	1,042,279
<b>BUDGET AS AT 2013/14</b>	<b>104,029</b>	<b>20,085</b>	<b>47,014</b>	<b>59,459</b>	<b>166,902</b>	<b>1,473</b>	<b>99,388</b>	<b>498,350</b>	<b>490,017</b>	<b>1,054,638</b>	<b>2,043,005</b>
<b>Restructure of departmental budgets</b>								0			0
<b>RESTRUCTURED BUDGETS</b>	<b>104,029</b>	<b>20,085</b>	<b>47,014</b>	<b>59,459</b>	<b>166,902</b>	<b>1,473</b>	<b>99,388</b>	<b>498,350</b>	<b>490,017</b>	<b>1,054,638</b>	<b>2,043,005</b>
<b>Outturn - Virements to be approved</b>											
Peckham Pulse Option 1 & 2					(16)			(16)			(16)
Pynners Sports Ground reinstatement works					16			16			16
OLF Homestall Road Sports Ground					(2)			(2)			(2)
OLF Bethwin Sports					2			2			2
Virement from Data security				(21)				(21)			(21)
Virement to Data centre move				21				21			21
Virement from Infrastructure capacity				(96)				(96)			(96)
Virement to Data centre move				96				96			96
Virement from Web rationalisation				(44)				(44)			(44)
Virement to Data centre move				44				44			44
Bessemer	3,000							3,000			3,000
DfE Basic Needs	(3,000)							(3,000)			(3,000)
Dulwich Wood (Langbourne)	3,000							3,000			3,000
DfE Basic Needs	(3,000)							(3,000)			(3,000)
M&E electrical								0	(569)		(569)
M&E heating								0	569		569
WDS 2013 major works								0	908		908
WDS 2014 major works								0	18,464		18,464
WDS Unallocated Budget								0	(19,372)		(19,372)
<b>Total virements to be approved at Outturn</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROGRAMME FUNDED VARIATIONS</b>											
<b>Outturn - Variations to be approved</b>											
Walworth Road Town Hall fire				2,700				2,700			2,700
Municipal Bond Agency				200				200			200
Avaya Telephony System						661		661			661



Springtide Close travellers si						0			0			0
105647 Dulwich park bins 2012					5				5			5
Lost Grand Stair at Peckham Rye Station					2				2			2
Nunhead & Peck (Benchley Gardens)					26				26			26
Southbank Accessibility Improvements					(136)				(136)			(136)
Home Improvement Age					(223)				(223)			(223)
Burgess Park Revitalisation Projects					(10)				(10)			(10)
OLF Trinity Col					30				30			30
Styles House Community Garden (Borough & Bankside CGS)					26				26			26
Camberwell LC - phase 2					(1)				(1)			(1)
Thomas Calton Centre refurbishment					(1)				(1)			(1)
Newington Ward Park Improvements					456				456			456
Upgrade and Refurbishment of Essential CCTV					0				0			0
Installation of photovoltaic arrays for renewable energy generation					612				612			612
Bankside Lighting Improvements								0	0			0
Winchester Palace Gardens								9	9			9
Bermondsey Spa and Grange Road Environs								(94)	(94)			(94)
Old Kent Road Fringes								(67)	(67)			(67)
Webber Street Improvements								16	16			16
Triangle Site								76	76			76
Grt Guilford North								360	360			360
Lavington & Great Guildford Streets South								347	347			347
Malborough Playground								100	100			100
Great Suffolk Street BUP Project								175	175			175
Nelson Square Play Area								390	390			390
Tourism Promotion & Interpretation								70	70			70
Hatfields Streetscape Improvements								216	216			216
Willowbrook Road Bridge								(252)	(252)			(252)
DulwichWood Park Retaining Wall								(257)	(257)			(257)
Better Pavements								(1)	(1)			(1)
Principal Road Renewal								545	545			545
Corridors, Neighbourhoods & Supporting measures								2,050	2,050			2,050
Major Schemes								2,000	2,000			2,000
Local Transport Funding								100	100			100
Borough Cycling Programme								50	50			50
Wilkinson House Acquisition								505	505			505
Camberwell Library (and resource centre)								800	800			800
Heymerle school contribution reduced by £2.660	(3)								(3)			(3)
DOH Dementia grant - Tower Bridge Nursing Homes (unspent)		(6)							(6)			(6)
Tenant & Resident Halls Refurbishment Works Phase 2									0	769		769
Hidden Homes Programme – Phase 1B, Work Package 2									0	563		563
Willow Walk - General Needs (S106)									0	5,263		5,263
									0			0
<b>Total to be approved at Outturn</b>	<b>(3)</b>	<b>(6)</b>	<b>0</b>	<b>2,900</b>	<b>786</b>	<b>661</b>	<b>7,138</b>	<b>11,476</b>	<b>6,595</b>	<b>0</b>	<b>18,071</b>	
<b>REVISED BUDGETS</b>	<b>104,026</b>	<b>20,079</b>	<b>47,014</b>	<b>62,359</b>	<b>167,688</b>	<b>2,134</b>	<b>106,526</b>	<b>509,826</b>	<b>496,612</b>	<b>1,054,638</b>	<b>2,061,076</b>	
<b>VARIATIONS REQUESTED TO BE APPROVED</b>												
<b>FINANCED BY:</b>												
Capital Receipt					612	300	9		921	769		1,690
Major Repairs Allowance									0			0
Reserves				200	1,210	305	1,305		3,020			3,020
Revenue				2,700	(1,184)	356			1,872			1,872
Capital Grant			(6)		(324)	(300)		4,235	3,605			3,605
Section 106 Funds					472			1,513	1,985	5,826		7,811
External Contribution	(3)							76	73			73
Internal Borrowing									0			0
									0			0
<b>TOTAL RESOURCES</b>	<b>(3)</b>	<b>(6)</b>	<b>0</b>	<b>2,900</b>	<b>786</b>	<b>661</b>	<b>7,138</b>	<b>11,476</b>	<b>6,595</b>	<b>0</b>	<b>18,071</b>	

<b>Capital Programme 2013/14 - 2023/24</b>	<b>Environment</b>				
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Kingswood House Refurbishment	0	0	250	0	250
Thomas Calton Centre refurbishment	520	0	0	0	520
Camberwell Leisure Centre Phase 2	51	0	0	0	51
Pynners Sports Ground reinstatement works	117	0	0	0	117
Seven Islands Leisure Centre Refurbishment	0	3,000	5,000	0	8,000
Southwark Park Sports Complex OLF allocation	210	2,290	500	0	3,000
Other OLF Projects	391	15	0	0	406
RFIDs	101	124	0	0	225
Grove Vale Library	0	360	0	0	360
Canada Water Public Art	72	0	0	0	72
Peckham Pulse Option 1 & 2	905	1,400	0	0	2,305
Leisure centres Lifecycle maintenance	120	295	150	1,200	1,765
Livesey Museum	204	0	0	0	204
Community Safety	1,317	0	0	0	1,317
SDM Essential H & S Requirements	771	0	500	500	1,771
Parking contract upfront capital costs	850	0	0	0	850
Walworth Road	47	0	0	0	47
Street care - Non Principal Roads Programme	7,201	5,250	4,200	33,600	50,251
Principal Road Programme	0	0	1,000	2,000	3,000
Street metal works - Lamp column replacement	485	500	500	4,000	5,485
Newington Park Improvements	13	433	10	0	456
Cemetery Burial Strategy	1,639	2,900	0	1,510	6,049
GMH Park accommodation refurbishment	120	0	0	0	120
Other parks projects	597	0	0	0	597
Parking Design Projects	105	0	0	0	105
Southbank accessibility improvements	318	0	0	0	318
Connect 2	367	0	0	0	367
Other public realm projects funded by S106	447	121	0	0	568
Cleaner Greener Safer programme	4,409	1,880	1,880	15,040	23,209
Integrated Waste Solutions Programme	2,151	0	0	0	2,151
Southwark Heat Network	150	0	0	0	150
Housing Renewal	3,949	4,025	2,095	12,251	22,320
Further implementation of RFID in libraries	0	100	0	0	100
Refurbishment at Peckham Library	0	200	350	0	550
Cuming Museum fit out of temporary premises	0	75	0	0	75
Olympic Legacy Phase 2	0	500	1,000	0	1,500
Modernisation of Adult Learning Services at Thomas Calton	0	150	0	0	150
Energy efficiency - operational estate	0	250	250	2,000	2,500
Flood prevention ( Highway drainage gulley replacement )	0	245	245	1,960	2,450
Burgess Park Revitalisation Project	1,445	0	0	6,000	7,445
Additional Replacement Tree Planting	0	100	100	400	600
Park Infrastructure Capital programme	0	1,500	1,500	7,000	10,000
Monuments & memorials in the Public Realm	0	250	250	400	900
20 mph Zone and safety cameras	0	1,000	200	0	1,200
Cycling Infrastructure Fund	0	500	500	1,000	2,000
Temporary library at Elephant and Castle	0	200	1,000	0	1,200
Installation of photovoltaic arrays for renewable energy generation	0	612	0	0	612
<b>Environment Total</b>	<b>29,072</b>	<b>28,275</b>	<b>21,480</b>	<b>88,861</b>	<b>167,688</b>
<b>Capital Programme 2013/14 - 2023/24</b>	<b>Finance and Corporate Services</b>				
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Information Services	361	266	124	795	1,546
Upgrade of IT infrastructure	5,000	0	0	0	5,000
Property Works Programme	328	0	450	0	778
Works to Council Buildings - DDA	283	422	662	218	1,585
Essential upgrade of Carefirst system	1,000	1,800	0	0	2,800
PPM & Compliance Programme	0	0	1,719	8,531	10,250
IT Planned Maintenance Programme	0	1,000	1,000	8,000	10,000
PPM	0	2,750	2,750	22,000	27,500
Walworth Road Fire	1,700	1,000	0	0	2,700
Municipal Bond Agency	0	200	0	0	200
<b>Finance and Corporate Services Total</b>	<b>8,672</b>	<b>7,438</b>	<b>6,705</b>	<b>39,544</b>	<b>62,359</b>

<b>Capital Programme 2013/14 - 2023/24</b>					
<b>Chief Executive</b>					
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Realm & Open Spaces Improvements	1,121	2,709	0	0	3,830
Borough & Bankside Streetscape Improvement	65	125	0	0	190
Bermondsey Streetscape Improvements	354	26	0	0	380
Improvements to Local Retail Environments	343	0	0	0	343
Tourism Infrastructure	202	35	35	0	272
Transport Infrastructure & Public Realm Improvements	4,899	4,302	980	10	10,191
Planning and Transport	41	0	0	0	41
Regeneration of Camberwell Town Centre & Surrounds	110	6,520	0	0	6,630
Major Schemes	267	1,200	800	0	2,267
Construction of a new ultra modern library & Civic Space	634	1,340	1,300	0	3,274
Canada Water Library	647	378	0	0	1,025
Bermondsey Spa Public Realm Improvements	654	238	0	0	892
Asset management strategies for Council's Voluntary &	0	1,031	0	0	1,031
Construction of a Community Centre	520	0	0	0	520
Refurbishment of Office Accomodation	81	0	0	0	81
Lease of New Office Accomodation	526	0	0	0	526
Costs associated with decommissioning of surplus assets	610	73	0	0	683
Acquisition of New Office Accomodation	3,100	421	0	0	3,521
Construction of Elephant & Castle Leisure Centre	9,366	9,570	0	0	18,936
Regeneration of Peckham Rye station and surrounds	1,747	4,281	3,922	0	9,950
Housing/Area Renewal	597	821	0	0	1,418
Elephant & Castle Open Spaces	0	1,160	1,480	3,320	5,960
Hatfields Streetscape Improvements	0	199	17	0	216
ILRE Phase 2	0	200	500	1,300	2,000
Mint Street Adventure	0	800	900	300	2,000
Pullens Yard Improvements	0	210	242	0	452
Revitalise Camberwell (Southern Ent, Burgess PK,	0	2,244	882	0	3,126
Revitalise Peckham Rye	70	955	800	95	1,920
Void Shops & Council Owned Parade	0	300	425	1,275	2,000
Walworth Road South(Missing bit of the Jigsaw)	0	350	1,550	950	2,850
Walworth Town Hall	0	1,500	1,500	17,000	20,000
<b>Chief Executive Total</b>	<b>25,954</b>	<b>40,988</b>	<b>15,333</b>	<b>24,250</b>	<b>106,525</b>
<b>Capital Programme 2013/14 - 2023/24</b>					
<b>Children's &amp; Adult Services-Children's Services</b>					
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Children's Centres	232	0	0	0	232
3 Primaries	5,231	3,500	679	0	9,410
Cherry Garden Special School	750	10,564	1,150	0	12,464
Lynhurst expansion and refurbishment	2,469	2,998	0	0	5,467
Rotherhithe (BSF)	0	0	0	10,000	10,000
Primary Temporary Expansion	2,550	0	0	0	2,550
Carbon Reduction in schools	376	500	0	0	876
Capital Works for Free Healthy School Meals	247	0	0	0	247
Other primary projects	1,002	0	0	0	1,002
Youth Services Projects	205	352	0	0	557
Troubled Families	100	300	0	0	400
Misc projects & primary strategy programme	5,101	27,500	8,421	0	41,022
DfE Basic Needs and Maintenance Grants	(8,203)	20,729	0	0	12,526
Other grant allocations	674	600	0	0	1,274
Bessemer	3,000	0	0	0	3,000
Dulwich Wood (Langbourne)	3,000	0	0	0	3,000
<b>Children's Services Total</b>	<b>16,734</b>	<b>67,043</b>	<b>10,250</b>	<b>10,000</b>	<b>104,027</b>
<b>Capital Programme 2013/14 - 2023/24</b>					
<b>Children's &amp; Adult Services-Adult Services</b>					
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Southwark Resource Centre	233	42	0	0	275
Adult PSS Capital Allocations	350	1,745	0	0	2,095
Transformation of Learning Disability Care	0	500	0	0	500
Centre of Excellence	1,500	1,000	0	0	2,500

Tower Bridge Nursing Home - Dementia Grant	915	(6)	0	0	909
Adult Autism Provision	0	0	6,000	6,000	12,000
Adult PSS Orient Street	700	400	0	0	1,100
Transformation of LD care - Brandon Trust	600	100	0	0	700
<b>Adult &amp; Social Care Total</b>	<b>4,298</b>	<b>3,781</b>	<b>6,000</b>	<b>6,000</b>	<b>20,079</b>
<b>Capital Programme 2013/14 - 2023/24</b>	<b>Southwark Schools for the Future</b>				
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Walworth Academy	414	100	0	0	514
St Michael's PFI	373	0	0	0	373
St Michaels and All Angels (SMAA) & Highshore	10,444	1,326	0	0	11,770
Spa school	1	0	0	0	1
New School Aylesbury	148	827	0	0	975
Rotherhithe (CW new school)	0	0	0	19,622	19,622
Notre Dame (VA)	430	0	0	0	430
Bredinghurst / KS3 SILS	101	6,668	0	0	6,769
ICT	934	1,816	70	0	2,820
Contingency & Retention payments	647	(226)	3,319	0	3,740
<b>Southwark Schools for the Future Total</b>	<b>13,492</b>	<b>10,511</b>	<b>3,389</b>	<b>19,622</b>	<b>47,014</b>
<b>Capital Programme 2013/14 - 2023/24</b>	<b>Housing General Fund</b>				
<b>Description of Programme / Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ilderton travellers site wall	300	0	0	0	300
Springtide travellers site	718	0	0	0	718
Affordable Housing Fund 122-148 Ivydale	455	0	0	0	455
Avaya Telephony System	661	0	0	0	661
<b>Housing General Fund Total</b>	<b>2,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,134</b>
<b>Capital Programme 2013/14 - 2023/24</b>	<b>Total General Fund Programme</b>				
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17+</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total Expenditure</b>	<b>100,356</b>	<b>158,036</b>	<b>63,157</b>	<b>188,277</b>	<b>509,826</b>
<b>Total Resources</b>	<b>83,160</b>	<b>122,923</b>	<b>61,598</b>	<b>203,809</b>	<b>471,490</b>
<b>Forecast variation (under)/over</b>	<b>17,196</b>	<b>35,113</b>	<b>1,559</b>	<b>(15,532)</b>	<b>38,336</b>
<b>Cumulative position</b>		<b>52,309</b>	<b>53,868</b>	<b>38,336</b>	

<b>Item No.</b> 23.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revenue Outturn Report 2013/14, including Treasury Management	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

**FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

This report sets out the full year outturn of the council’s revenue budget for 2013-14. In response to yet more cuts in government funding we set a budgets in February 2013 with savings targets of £25m for the general fund and £6m for the housing revenue account. I’m pleased to report that these savings have been achieved and our thanks must go to officers across the council for their hard work and careful management which has enabled us to continue to provide high quality services despite these reducing budgets. This achievement means that contingencies built into the budget were not required and will be rolled forward to help fund the £6.2m contribution from reserves we have factored into the current year’s budget.

The report also sets out in full the movements in reserves, the principle item of note being the £8.2m underspend in the Dedicated Schools Grant. The reasons for this are set out in full in paragraph 19. The allocation of this underspend will be discussed at the Schools Forum meeting this month.

There is good news on the collection of council tax, where we have achieved a surplus of £2.7m. This is due to a combination of better performance of our in house collection team and the growth in residential properties liable for council tax increasing beyond estimates made in January 2013. Collection of business rates is also performing well, however we have inherited from DCLG a significant risk in outstanding appeals against Valuation Office decisions, and we need to make provisions for this as set out in paragraphs 88 - 94 of the report

This report includes a treasury management update, the main news in this update is that over the year the council has been able to pay off £80m high rate housing debt and thus significantly reduce the interest we are paying to service that historic debt. It also flags our plans to support the LGA proposal to establish a Municipal Bond Agency as an attractive alternative source of borrowing to the existing Public Works Loan Board which will give the council the potential for lower interest rates on future borrowing.

**RECOMMENDATIONS**

1. That the cabinet:
  - notes the general fund outturn for 2013/14 and movement on reserves,
  - notes housing revenue account’s (HRA) outturn for 2013/14 and movement

- on reserves,
  - notes the schools budget outturn, which has been taken to the dedicated schools grant reserve,
  - notes the collection fund's year-end surplus,
  - notes the treasury management activity for the year
  - notes the investment of up to £200,000 in the Municipal Bond Agency (subject to council assembly approval on 16 July 2014)
2. That the cabinet notes the performance for the collection of council tax.
  3. That the cabinet notes the performance for the collection of business rates and the risks associated with the Business Rate Retention Scheme.
  4. The cabinet approves the general fund budget movements that exceed £250k, as shown in Appendix A.

### **BACKGROUND INFORMATION**

5. The purpose of this report is to present the council's financial position for the general fund, the HRA and planned use of reserves and balances for 2013/14.
6. The council agreed a balanced general fund budget of £327.8m on 27 February 2013 based on a nil council tax increase, and £6.3m use of reserves, giving a budget of £334.1m. This budget was set in the context of further significant overall cuts in government funding and the identification of some 25% savings proposals over the three years from 2011/12 to 2013/14 to mitigate against the reduction in resources and to continue to fund the council's commitments in terms of services provided.
7. The council also approved budget decisions including reductions of some £25m within general fund for 2013/14. Performance on achieving these savings is closely monitored and details are provided in paragraphs 63 to 65 below.
8. The Council Plan placed local needs and accountability as the drivers of performance improvement, and in an environment of significantly reduced funding, the council has to change in fundamental ways. There are a number of transformation projects underway, and work continues to identify further ways of transforming the delivery of services. These transformation or invest to save projects may be funded from on-going positive variances or previously created earmarked reserves which were established to pump prime initiatives.

### **Housing revenue account**

9. Cabinet set tenants' rents and service charges on 29 January 2013 in line with the government's prescribed formula. The budget included a £6m savings target for 2013/14. The starting point of this process was to listen to residents' concerns about the services they wish to protect, and identify the potential for better value for money and more efficient ways of working.

### **KEY ISSUES FOR CONSIDERATION**

#### **General fund overall position**

10. In February 2013, Council Assembly set a net budget for the year 2013/14 of

£327.8m. Table 1 below provides an outturn position of £327.7m net use of resources against budget.

11. Summaries for each department are included in paragraphs 15 to 44 below.

**Table 1: General fund outturn position for 2013/14 as at year end**

General fund	Original budget £'000	Budget movements £'000	Revised budget £'000	Spend in year £'000	Reserve movement £'000	Total use of resources £'000	Variance £'000
Children's and adults services	214,342	(9,454)	204,888	197,494	7,689	205,183	295
Environment and leisure	69,386	6,667	76,053	78,102	(2,063)	76,039	(14)
Housing and community services	39,524	(438)	39,086	40,133	(1,136)	38,997	(89)
Chief executive's department	20,566	(2,406)	18,160	15,835	2,107	17,942	(218)
Finance and corporate services	42,181	(768)	41,413	35,886	5,450	41,336	(77)
Support cost recharges	(57,956)	6,399	(51,557)	(51,557)	0	(51,557)	0
<b>Total general fund services</b>	<b>328,043</b>	<b>0</b>	<b>328,043</b>	<b>315,893</b>	<b>12,047</b>	<b>327,940</b>	<b>(103)</b>
Contingency	5,000	0	5,000	0	5,000	5,000	0
Planned contribution to Aylesbury reserve	1,000	0	1,000	0	1,000	1,000	0
Contribution from balances to underwrite base budget	(6,271)	0	(6,271)	0	(6,271)	(6,271)	0
<b>General fund total</b>	<b>327,772</b>	<b>0</b>	<b>327,772</b>	<b>315,893</b>	<b>11,776</b>	<b>327,669</b>	<b>(103)</b>

**Note:** Explanations of this quarter's budget movements are provided in Appendix A. Q1 Q2 and Q3 movements were reported in appendices to the previous revenue monitoring reports.

12. The outturn position includes the costs of one off re-organisation and redundancy costs that the council expects to incur as it continues to put into action plans necessary to deliver the ongoing savings identified within the budget.
13. As shown in Table 1, within services there is a favourable on the information available at outturn. This takes account of expected movements to and from reserves in relation to services.
14. Table 1 reflects budget movements for the full year, Appendix A details the quarter four movements only for cabinet to approve or note as is appropriate. Budget movements for quarters one, two and three were reported to cabinet on 17 September 2013, 19 November 2013 and 18 March respectively.

#### **Children's and adults services (narrative awaiting management clearance)**

15. Children's and adults' services outturn is £295k adverse variance; this equates to 0.1% of the total 2013/14 budget of £214.3m; previously a balanced position was forecast. This overspend includes the impact of reserve movements, if the impact of these is excluded, the position is £1.9m adverse variance.
16. Children's Social Care adverse variance totalled £2.6m increasing to £4.6m

when taking into account the need to set up a reserve to support anticipated 2014/15 budget pressures in Children's Social Care. Throughout 2013/14 budget pressures resulting from increased activity in residential placements earlier in the financial year and financial assistance given to destitute families with no recourse to public funds have been reported. At quarter three, the adverse forecast of £3.0m included the £400k commitment to pay for Special Guardianship Order and Residential Orders increased payments, however, this is now a provision to be paid during 2014/15.

17. As previously reported, Education Services outturn is favourable and the final year end variance of £400k arose in the main from staffing vacancies. Prior to reserve movements the position was £1m adverse which included one-off redundancy costs met from corporate reserves/contingency. Strategy, Commissioning and Business Improvement outturn is £120k favourable as previously reported, after taking into account various reserve movements to cover expenditure for professional fees associated with the delivery of the schools capital and PFI programmes.
18. Adults' Services final position was £3.9m favourable variance after year end adjustments including a reduction in the provision for debts of £720k (arising from the fact that Adults Debt reduced by 21% last year). As previously reported Adults' Services favourable budget variance in the main arises from grants which have been rolled forward from prior years. These one-off monies were being held as contingency against demand pressures which have been managed through a series of modernisation initiatives.

### **Schools budget**

19. The Dedicated Schools Grant (DSG) final grant outturn was £8.2m underspend, which includes £4.2m of funding that will be distributed to schools and three and four year old early years providers in the next financial year. The council has been cautious regarding the new DSG funding system, which is currently experiencing significant changes annually which have proved difficult to predict. The key variances that make up the £8.2m are:
  - £3.12m of funding received during the year, after the original budget was set, and which funding rules prohibit being distributed to maintained schools in year.
  - As previously reported, an additional unspent allocation of £2.6m for two year olds arising whilst the capacity for two years olds continues to build;
  - £2.2m underspend on council retained service arose for contingencies held on behalf of schools for growth, and in year adjustments for high needs pupils.
20. A high proportion of these favourable variances are one-off. The Schools Forum will consider the application of these funds at the July meeting to include proposals to allocate funding to all schools and to support the LA with central budget pressures such as the implications of the Children's and Families Act.
21. At the end of the 2013/14, individual schools balance rose by £1.2m to £17.1m; equivalent to 11% of their overall budgets.



### **Environment and leisure**

22. The department is reporting an overall favourable variance of £14k, compared to a £302k favourable variance position reported at the end of the third quarter. The reduction was mainly due to transfers to reserves at year end and funding redundancy costs of around £164k, thereby reducing the call on reserves.
23. The ring fenced parking account made a surplus of £800k as a result of continued improvements and efficiencies in the contract management. This surplus was transferred to an earmarked reserve to support capital schemes in improving the conditions on our roads and making our roads safer for cyclists. In addition, £150k reserves were set aside to cover contract variations for the leisure management contract.
24. Management action continued throughout the year to consolidate the improvement in the overall departmental variance.
25. The department also fully achieved £2.7m savings agreed by the council in setting the 2013/14 budget, whilst maintaining essential front line services. The majority of the savings were from major procurements of the highways and parking contracts. These were completed within the agreed timescales.

### **Housing and community services (H&CS)**

26. The department is reporting an overall favourable variance of £14k, compared to a £302k favourable variance position reported at the end of the third quarter. The reduction was mainly due to transfers to reserves at year end and funding redundancy costs of around £164k, thereby reducing the call on reserves.
27. The ring fenced parking account made a surplus of £800k as a result of continued improvements and efficiencies in the contract management. This surplus was transferred to an earmarked reserve to support capital schemes in improving the conditions on our roads and making our roads safer for cyclists. In addition, £150k reserves were set aside to cover contract variations for the leisure management contract.
28. Management action continued throughout the year to consolidate the improvement in the overall departmental variance.
29. The department also fully achieved £2.7m savings agreed by the council in setting the 2013/14 budget, whilst maintaining essential front line services. The majority of the savings were from major procurements of the highways and parking contracts. These were completed within the agreed timescales.
30. Overall, housing and community services (H&CS) delivered a favourable outturn variance of £89k, including one-off redundancy costs and after corporate reserve movements. This represents an improvement over the position reported at quarter three.
31. In June 2013 the General Dynamics Information Technology (GDIT) contract was mutually terminated and delivery of the customer service centre (CSC) was successfully brought in-house. This provided the opportunity to reconfigure and improve customer access and service delivery and drive out substantial savings over the medium-term. An initial £3m savings target was assumed for year one

(2013/14) and this has largely been delivered notwithstanding the legacy commitments for the first two months up to termination in May. In terms of 'business as usual', the net outturn for the CSC is as expected £132k above budget. Transition costs relating to the development and implementation of the new customer relationship management (CRM) software, telephony and infrastructure upgrades have been accounted for separately from the routine operating expenditure and addressed through the drawdown of corporate reserves earmarked for this purpose. Further savings will be delivered as council services are rationalised and the drive towards more cost effective transaction routes and customer access channels continues.

32. In addition to the CSC, the customer experience division comprises registrars and coroners, customer resolution, blue badges and concessionary travel, homelessness and housing options and mobile alarm service (SMART). The headline outturn position for the division as a whole is £193k, but includes one-off redundancy costs of £334k which have been contained without recourse to the drawdown of reserves as previously anticipated.
33. The transfer of the registrar and coroner services to housing and community services came with some historic budget anomalies, which have now been addressed. However, it remains necessary to maintain an increased capacity in the coroner's service (at the coroner's discretion) to address current volumes and the backlog of cases. The additional cost (£147k) takes the activity overall into deficit for the year (£68k) taking into account the recoupment from the other consortium members. If caseload remains at current levels, it will require remedial action as part of 2015/16 budget setting.
34. Expansion of the customer resolution function during the year has necessitated a restructure and increase in capacity to address the additional workload. However, recruitment has been slower than planned resulting in a one-off employee saving of £209k (£225k in total for the activity), which mitigates budget pressures elsewhere in the division.
35. The mobile alarm service continues to develop and expand its client base in conjunction with adult social care. This has given rise to additional expenditure of £95k during the year, including significant replacement and upgrading of alarm equipment and security measures which are essential for the safety of vulnerable residents.
36. The homelessness and housing options service ranks highly in preventing and managing homeless demand with a view to minimising the cost to the council. This is a demand-led area generating constant pressure on the budget, which shows a relatively modest variance of £123k for the year. The corollary of this preventative approach is reflected in a lower requirement for placements in bed and breakfast and private sector leased accommodation than would otherwise be the case, which are substantially more expensive and increasingly more difficult to procure given the impact of welfare benefit reforms and competing demand from other boroughs. This situation was anticipated during the budget planning process with reserves being earmarked as a contingency against exceptional demand/cost pressures. However, this contingency has not been required, with the temporary accommodation activity showing a positive outturn of £49k.
37. Corporate support recharges and cost reallocations between the HRA and general fund are as planned, but no legal costs have been incurred resulting in a positive variance of £104k in the strategic services activity overall. There were also positive outcomes within the maintenance and compliance and operations divisions (£110k), comprising traveller's sites, property adaptations, stair-lift maintenance

and healthy homes, which contribute to the welfare and safety of residents across all tenure types. These variations are unlikely to recur in the current year.

### **Chief executive's department**

38. The Chief Executive's department is reporting an outturn variance of £220k under budget for 2013/14 after net transfers of £2.017m to reserves. Most services in the department are reporting relatively small variances. The more significant underspends are £87k in Human Resources, which is due to higher than expected income on areas such as schools payroll, agency and occupational assessment, and £85k in Organisational Development, which is due to higher than budgeted levels of income from training. A shortfall of service charge income for non-residential properties has led to an overspend of £98k in Property Services but this is more than compensated for by planned underspends elsewhere in the Regeneration service.
39. The outturn also takes into account the 2013/14 base budget savings of £520k which have been fully achieved.

### **Finance and corporate services**

40. Finance and corporate services is reporting a favourable variance against budget of £77k, against a revised budget of £18.9m.
41. As previously reported, 2013/14 has seen the department continue to review and restructure key service areas such as information technology, finance, legal and corporate facilities management to deliver the £3.8m efficiencies and savings identified in setting the budget.
42. The full year effect of a new contract for IT services together with the decision to purchase the council's head offices at Tooley Street thereby releasing the council from its liability for an annual rental payment have both made significant contributions to the department's savings target.
43. Where it was not possible to achieve savings as planned, the department was able to identify alternative options to ensure that overall the savings target was achieved.
44. The department also has responsibility for managing the costs of certain corporate initiatives, one of which is the council's accommodation strategy where costs are incurred in decommissioning buildings. These costs were fully funded through the release of earmarked reserves. Reserves were also used to fund some of the impact of re-organisation in terms of redundancy and retirement costs where these could not be contained.

### **Public health**

45. From 1 April 2013 the council took on new responsibilities to improve the health of residents and reduce health inequalities in Southwark. These Public Health activities are funded through a £21.8m ring fenced grant from the Department of Health. The director of public health fulfils a number of statutory duties including providing professional public health expertise to both Southwark and Lambeth boroughs, clinical commissioning groups and health and wellbeing boards.

46. Public health activities are delivered through children's and adults' services and environment and leisure departments with the vast majority of expenditure on third party service providers. There is a budget pressure emerging in sexual health services, which was mitigated in 2013/14 with one-off favourable variances in other areas of the public health service.
47. A budget of £3.1m within the chief executive's department covers both the staffing costs for the shared specialist public health team and a contingency to mitigate financial risks associated with activity/costs for public health. A favourable variance against the staffing budget of £180k was achieved in 2013/14 as the public health team built up to full capacity. In 2013/14 the contingency was not fully utilised and so this, along with other favourable public health budget variances, have been transferred to an earmarked reserve for use in future years.

### Contingency

48. The 2013/14 budget included £5m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At outturn no significant pressures have been identified that will require a call against this contingency. Therefore all of the total £5m has been set moved to reserves. As previously reported this will be used to meet the current assumption that in 2014/15 a £6.2m contribution from reserves will be required to support the general fund budget.

### Capital

49. For accounting and control purposes, where it is proposed that reserves are released to meet capital expenditure, they are at first released into revenue and a direct contribution from revenue is then made to capital. When this occurs cabinet is asked to approve or note these contributions in Appendix A.

### Housing revenue account (HRA)

50. The table below sets out the revenue outturn for the HRA. The underlying budget position is positive, but distorted by the inclusion of one-off/ non-routine items, such as additional support for the investment programme and the early redemption of debt requiring the draw-down of earmarked reserves.

**Table 2: Housing Revenue Account outturn 2013/14**

Services	Net Expenditure		
	Full Year Budget	Full Year Outturn	Full Year Variance
	£'000	£'000	£'000
Operations	-173,892	-174,069	-177
Maintenance & Compliance	46,646	47,294	648
Major Works	1,606	811	-795
Specialist Housing Services	-36,953	-42,848	-5,895
Strategic & Corporate Services	140,216	153,777	13,561
Customer Experience	2,873	2,276	-598
Community Engagement	2,129	1,628	-501
Chief Executives	1,173	1,191	18
Direct Revenue Funding of Capital	12,727	18,227	5,500

Services	Net Expenditure		
	Full Year Budget	Full Year Outturn	Full Year Variance
	£'000	£'000	£'000
Appropriations to/(from) Reserves	3,475	-8,287	-11,762
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

51. The need to spend on landlord responsibilities for the maintenance and improvement of the housing stock remains constant and despite the greater value for money being achieved through better procurement and more robust contract management, there remains underlying spending pressure across the repairs activity, comprising reactive repairs, planned maintenance, mechanical and electrical engineering and heating plant repairs/renewals. Disrepair remains a persistent problem and consumes a disproportionate amount of resources. Whilst good progress is being made, it remains a high priority for management. Additional one-off resources of £2m have been committed to the repairs service from the major projects budget to meet specific pressures such as asbestos removal, planned preventative maintenance and capital works (in excess of £10k) that fall outside the Warm, Dry Safe (WDS) programme and a limited programme of kitchen and bathroom renewals.
52. Southwark building services (SBS) – operational and strategic management of the service sits within the M&C division. Restructuring and reconfiguration of the workforce has contributed to improved performance, but there remains scope to modernise and deliver further improvement in efficiency, quality and productivity. The trading account shows an operating deficit of £400k which is subsumed within the HRA.
53. Major works division oversees the wider investment programme and manages delivery of major works programmes including WDS, fire risk assessment (FRA) and high investment need estates (HINE). The revenue budget mainly comprises employees and associated running costs and shows a negative outturn of £200k. In addition, the budget allocation for external decorations (which remained unapplied in-year) is carried forward in full to 2014/15 (£1m). Due to the sheer scale of the investment programme and volume of projects it has been necessary to increase capacity in the team, which has largely been charged to individual capital projects.
54. Operations division comprising front-line estate management and income collection/arrears management has returned a net saving of £0.2m overall (including rent income). Within this there are a number of 'overs' and 'unders', most notably the impact of adopting an enhanced voids specification which has contributed to a significant increase in tenant satisfaction and better take-up, albeit at higher cost (£500k). The longer-term impact of this policy initiative is being managed through reserves in the current year and will be addressed in the next budget round and aligned to the successor programme to WDS. Discounting the voids impact and rent income (which is addressed below), the underlying outturn offers further scope for efficiency savings going forward.
55. Tenant rents and service charges are critical to the sustainability of the HRA business plan and delivery of the council's landlord responsibilities. Overall, the debit raised (including sheltered, hostels and estate voids, but excluding non-residential stock) was 0.15% lower than budget (£400k against a full-year

budget of £233.6m), attributable to higher void loss. Consolidated collection performance was 99.16% which shows resilience despite the generally weak economic conditions and the impact of benefit reforms. This is an improvement over last year and the council continues to provide assistance to those in most need, not least through a top-up contribution from the HRA to the discretionary housing payment (DHP) fund, specifically for council tenants. Overall, net arrears rose by £700k year on year and bad debt provisions were reviewed and increased to reflect the upward arrears movement, but remained within the budget available.

56. The specialist housing services division comprises a diverse range of functions including home ownership, tenant management organisations (TMO), the commercial and garage portfolios and sheltered housing and temporary accommodation. There are positive budget movements in all activities across the division and the use of hostels and estate voids have been maximised during the year as a cost neutral means (within the HRA) of mitigating the cost of homelessness in the general fund.
57. Service charge costs associated with properties bought under the Right to Buy are fully recoverable from homeowners under the terms of their lease. Total billing of £27m (net) was raised in 2013/14 including prior-year account actualisations. The value of rechargeable capital works to homeowners is intrinsically linked to the housing investment programme and given the scale of investment and delivery of the WDS and FRA programmes over the last two years, is reflected in the enhanced level of billing (£11.4m), which far exceeds the base budget provision (£6.5m). The budget has been re-aligned in the current year to better reflect anticipated activity going forward and will continue to be reviewed as part of budget setting. In collection terms, performance has also exceeded expectations, with £28.7m collected (including service charge loans) against a target of £23.5m, and service charge arrears falling to £6.4m (net).
58. The strategic and corporate services activity accounts for over half of the gross HRA and comprises key budgets pertaining to departmental/corporate overheads, financing, RCCO, depreciation, arrears write-offs/provisions and major projects (the revenue impact of which falls outside the mainstream operational budgets due to their exceptional nature). Positive movements across these and other budget heads have enabled the early repayment of debt and supplementary contributions to support the investment programme.
59. A key priority in business planning terms is the repayment of debt as predicated in the self-financing settlement. Budgetary conditions have enabled two tranches of high interest rate debt (c. 9%+) totalling £80.1m to be repaid early in order to provide greater budget flexibility and increase HRA borrowing headroom. £35.8m has been financed through a combination of retained RTB receipts (debt element £3.1m), major repairs reserve (£12.7m) and the revenue account/earmarked reserves (£20m). The remainder (£44.3m) has been financed through internal borrowing, which will be repaid over the medium-term (between 5 to 8 years) from the revenue interest savings accruing to the HRA. This forms an integral part of the business plan going forward. Initial premia costs of £3.7m have been met from the revenue account in-year; the remainder will be amortised over the remaining term of the original loans and fully extinguished by 2015/16.
60. Under HRA self-financing, local authorities are required to adopt a component

based approach to calculate dwelling depreciation within 5 years, albeit transitional arrangements exist that permit use of the MRA based approach as determined in the debt settlement. A further requirement is to recognise non-dwelling impairment as a direct charge to the HRA immediately, whereas this had a neutral impact previously. For 2013/14, these changes have been managed within budget, but the depreciation budget will require realignment over the medium-term in anticipation of the change for real in 2016/17.

61. The heating account is a notional ring-fenced account within the HRA, comprising predominantly the energy costs (gas, electricity and oil) for the provision of district heating and hot water to council tenants and leaseholders. It is maintained on a trading account basis with any surplus/deficit being carried forward. Balances can be used to mitigate future charge increases or to fund energy efficiency measures to communal heating systems that in turn generate additional cost savings. Contract procurement savings have contributed to an extended period of zero increases in heating charges; these remain subject to annual review as part of budget setting process. For 2013/14 there is a net operating deficit of £177k which has been met from the heating account reserve.
62. The ring-fenced nature of the HRA requires that surpluses/deficits are carried forward between years. As at 31 March 2014 HRA earmarked reserves stand at £23.5m, following the in-year application of funds totalling £8.3m (net) to meet exceptional expenditure items incurred during the year. Reserves will be kept under periodic review and maintained at an appropriate level to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward.

### Implementation of the 2013/14 budget decisions including agreed budget reductions, savings and efficiencies

63. The council identified £31m budget reductions, including savings and efficiencies for the general fund and housing revenue accounts as part of the 2013/14 budgets. The final figures show that there is a projected savings shortfall of £1.1m, as shown in Table 3.

**Table 3: Statement of achievement of savings agreed for 2013**

<b>Departments</b>	<b>Budgeted 2013/14 savings</b>	<b>Full year 2013/14 savings</b>	<b>Compensa ting / other savings in 2013/14</b>	<b>Variance</b>
	£'000	£'000	£'000	£'000
Children's and adults services	(15,390)	(14,290)	(1,100)	0
Environment and leisure	(2,675)	(2,675)		0
Housing services	(490)	(490)		0
Finance & corporate services	(3,767)	(3,767)		0
Chief Executive	(520)	(520)		0
Corporate	(2,000)	(2,000)		0
<b>Total General Fund</b>	<b>(24,842)</b>	<b>(23,742)</b>	<b>(1,100)</b>	<b>0</b>
HRA	(6,033)	(6,033)		0
<b>Total Savings</b>	<b>(30,875)</b>	<b>(29,775)</b>	<b>(1,100)</b>	<b>0</b>

Note: Details of the council savings plans can be found in [the policy and resources report to Cabinet \(12 February 2013\)](#)

64. In the table above, the compensating or other savings identified mean that the

total value of savings agreed by the council in setting the 2013/14 budget have been achieved.

65. Both the Adults' Services and Education Services adverse variances on savings are offset against compensating favourable variances within these services. As previously reported, there is an adverse variance for the Adults' Services savings expected from the service redesign of arrangements the adult social care role within mental health of £700k and a delay in the Education Services restructure of specialist educational services resulting in £400k adverse variance

## **Reserves**

66. As previously reported, the council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund
- 'invest to save' opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings
  - investment in regeneration and development where spend may be subject to unpredictable market and other factors.
  - exceptional items/pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
67. Where a department identifies a need for additional funding there is a robust process for seeking support from reserves. The department must demonstrate that they are unable to contain the identified additional pressure within their existing budget. Cabinet will be asked to approve this funding support where the amount is £250k or above.
68. The budget approved by council for 2013/14 included a planned release of reserve of £6.3m. This call on reserves provided some flexibility in terms of budget setting and the profile of savings that the council identified in the Policy and Resources Strategy 2011-14. As stated in paragraph 48, the 2013/14 budget contained a contingency fund of £5.0m, which did not need to be used and therefore has been put into the financial risk reserve to help fund the 2013/14 £6.2m planned release of reserve necessary to balance the 2013/14 budget. This call on reserves has been made in full.
69. Reserves balances are also held to fund future capital projects. In 2013/14, £6.7m was drawn down to fund capital, this included expenditure related to schools, regeneration and customer services development.
70. There has been a drawdown from reserves of £2.2m for technical accounting purposes related to rental smoothing adjustments for Queens Road and more significantly in relation to smoothing of the waste PFI unitary charge over the 25 year life cycle of the project.
71. Excluding the technical, schools balances and budgeted contribution to reserves, there has been a net contribution to reserves in 2013/14 of £15.7m to support general fund services in future years.
72. The movements in general fund earmarked reserves are reflected in Appendix B and subject to existing approval arrangements.



73. The favourable general fund outturn variance of £103k on services has been set aside in the modernisation fund.
74. In line with the medium term resources strategy (MTRS), the council continues to maintain appropriate earmarked reserves, in order to mitigate future risks, fulfil future commitments already made and provide resources to enable services to transform over time.

**Table 4: Summary of earmarked reserves**

<b>Summary of earmarked reserves</b>	Balance as at 31 March 2013 £'000	Net movement in reserves £'000	Balance as at 31 March 2014 £'000
Corporate projects and priorities	11,029	190	11,219
Service reviews and improvements	19,257	10,559	29,816
Capital programme and other capital investment	32,249	(351)	31,898
Strategic financing, technical liabilities and future financial risks	36,304	1,481	37,785
<b>Total</b>	<b>98,839</b>	<b>11,879</b>	<b>110,718</b>

75. Corporate projects and priorities reserves are held to fund those future activities that will enable the council to function more efficiently and effectively. They include resources held to meet the cost of ongoing re-organisation and restructuring that the council must undertake to modernise and improve service levels and operational efficiency of Southwark's activities.
76. Service reviews and improvements represent resources held that can be directly linked to services provided.
77. Modernisation reserves are held to help the council fulfil its longer term plans in relation to its modernisation, development and improvement agenda.
78. Capital programme and other capital investment reserves are held to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects.
79. Strategic financing, technical liabilities and future financial risks reserves are in the main held to mitigate against future financial risks that may arise. For example, taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances in so much as they represent uninsured risks. They also include balances that are held for technical accounting reasons as described above.

#### **Business rates retention scheme**

80. As reported previously the localisation of business rates represents a change to the funding regime for local authorities for 2013/14 and beyond. Under this new funding regime actual retained business rates income will be dependent on the

assessed rateable values, effect of appeals and collection rates within the borough.

81. As with any change of this significance there has been uncertainty over the operation of the scheme. This presents significant risk to the council but also some opportunity in the event of an increase in business rate yield that surpasses government targets. Any uncollected business rates, or unfavourable variation from government estimates of rateable values, will impact directly on council resource available and therefore on resources available to fund and to provide services.
82. The business rates retention scheme includes a safety net at 7.5% to protect local authorities from significant reductions in collectable rates. This means that shortfalls from 0.1% to 7.5% will not be protected and will have to be borne by the council.

### Collection fund monitor

83. As a billing authority the council is required to maintain a collection fund account, which shows the transactions of the billing authority in relation to non-domestic rates and council tax, and demonstrates the way in which these have been distributed to preceptors and the general fund. The council must take into account the estimated surplus or deficit on the collection fund balance when setting the council tax for the following year, and this is usually based on the quarter three estimate. The estimated surplus at quarter three was £1.789m, with the council's share being £1.327m.
84. The collection fund monitor covers both council tax and business rate collection. Table 5 below summarises the outturn account balances for both as at 31 March 2014.

**Table 5: Collection fund account**

<b>Collection Fund Account</b>	<b>Outturn balance as at 31/03/2014 (surplus)/deficit £'000</b>	<b>Southwark share £'000</b>	<b>Comments</b>
Council Tax	(3,545)	(2,666)	75.3% Southwark; 24.7% GLA
Business Rates (NNDR)	36,294	10,888	30% LBS; 20% GLA; 50% CLG
Business Rate Supplements (BRS)	0	0	100% GLA
	<b>31,749</b>	<b>8,222</b>	

### Council tax

85. Council tax cash collection continues to perform well when compared to the same period last year. While the 10% reduction in central government support for the council tax reduction scheme has increased the amount of council tax to be collected by £2.8m, the council has been able to meet its collection fund target for the year by actively pursuing non payers of council tax and is working proactively to assist customers in genuine need of support.

86. The council tax account outturn position is a surplus of £3.5m, of which the council's share is £2.7m. As reported previously this is mainly because the council tax collectable has increased compared to the estimate when the council tax was set in January 2013, while at the same time collection performance has been maintained at a level above the previous year. Therefore, income due has increased whilst reducing the cost for bad debt provision.
87. The surplus position has increased by £1.8m from the forecast at quarter 3 because the level of bad debt provision decreased considerably due to clearing the backlogs for write-offs, and the exemptions and discounts applied were at a lower level than anticipated at quarter 3.

### **Business rates**

88. The collection rate for business rates is being tracked closely. Previous years' collection and trends are modelled together with intelligence on changes to the net collectable amount through new builds and deletions. Socio economic factors are considered taking into account national issues such as businesses hit by the recession.
89. The council continues to meet with the valuation office agency on a regular basis to understand their approach to managing appeals, although limited information is forthcoming and delays are commonplace.
90. There are many factors that can affect the levels of collection and the council has sought specialist advice to help determine likely volumes of income from retained business rates. The complexities of projecting the year end position and future years budgetary income have been highlighted by the advisors who continue to work with us to determine reasonable estimates.
91. Part of the Financial Risk Reserve has been set aside to help protect the council from the risks inherent in the new funding system and especially risks underlying business rate retention.
92. The outturn position for the NNDR account is a deficit of £36.3m, and the council's share of this deficit (30%) is £10.9m. The main reason for the deficit is due to the need to provide for outstanding appeals of £38.9m. Of this £31.4m was due to outstanding cases which were inherited when the risks on business rate collection were transferred to the council from 1 April 2013.
93. The full impact of appeals on the outturn position was not reported at quarter 3 because of uncertainties about accounting treatment at the time of reporting and also because a reliable estimate could not be made. However, now with the help of external specialist and data from the valuation office the appeals provision represents the council's best estimate.
94. The DCLG has recognised that the appeals provision had a significant impact on the collection fund balances for 2013/14, and introduced a mitigation which allowed the council to spread the backdated appeals over five years. Therefore, the actual collection fund deficit balance for distribution is £11.2m, and the council's share of this deficit (30%) is £3.3m. This is £36.3m deficit balance less four-fifth (4/5) of the backdated appeals (£25.134m). It will not impact on the council's budget for 2013/14 or 2014/15, but will be accounted for as part of the NNDR base setting for 2015/16.

## Business rate supplement

95. Along with other London boroughs, the council collects a business rate supplement (BRS) of 2p on non domestic properties with a rateable value over £55,000 which is to help pay for the Crossrail project. The BRS is collected on behalf of the GLA, for whom the council acts as a collecting agent. Because of this, the income collected and the associated costs of collection have no impact on the council's finances.

## Treasury management

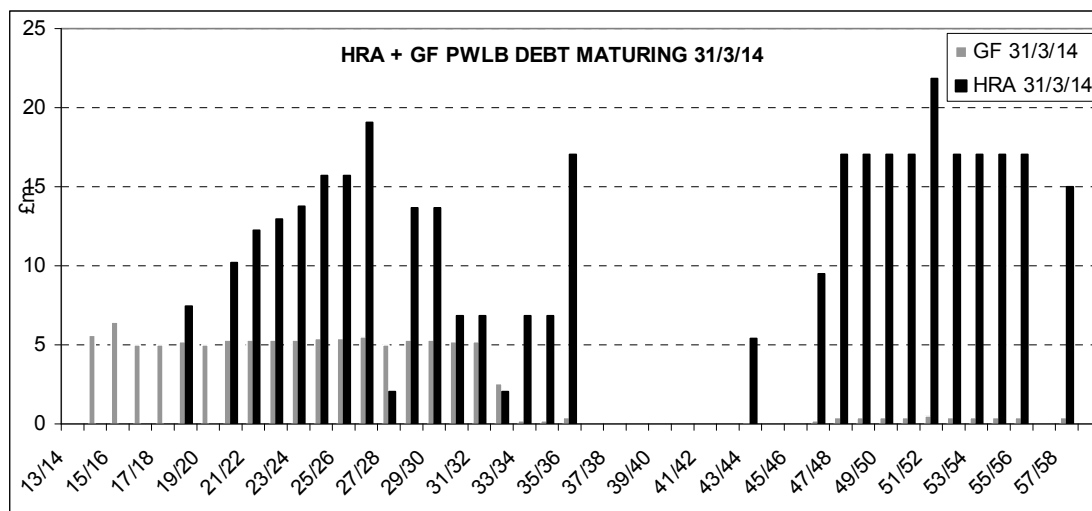
96. The council holds its cash in short term money market instruments diversified across major banks and building societies and in bonds and bills issued by the UK government or supranational entities. The investment priorities are capital preservation and liquidity and the investments themselves are managed by an in-house operation and two investment firms: Aberdeen Asset Managers and AllianceBernstein. Over the course of 2013/14 the sum invested averaged £240m (£293m 2012/13) and as at 31 March 2014 stood at £157m (£176m at 31/3/13). The balance with each counterparty and the maturity profile are set out in the tables below. Investments will be liquidated as needed to meet spending over the course of 2014/15.

INVESTMENT COUNTERPARTY AND RATINGS 31 MARCH 2014									
EXPOSURE £m	Fund				Ratings				
	Aberdeen	Alliance Bernstein	In-house	Total £m	Long	Short	Sup-port	Sovereign	Sove-reign Rating
COUNTERPARTY									
COMMONW BANK AUSTRALIA			15.00	15.00	AA-	F1+	1	AUSTRALIA	AAA
TORONTO DOMINION		2.00		2.00	AA-	F1+	1	CANADA	AAA
NORDEA BANK FINLAND	3.50			3.50	AA-	F1+	1	FINLAND	AAA
BANQUE NAT DE PARIS	3.50	2.00		5.50	A+	F1	1	FRANCE	AA+
CREDIT INDUST ET COMRCL	3.50			3.50	A+	F1	1	FRANCE	AA+
SOCIETE GENERALE	3.50	1.00		4.50	A	F1	1	FRANCE	AA+
DEUTSCHE BANK		3.00		3.00	A+	F1+	1	GERMANY	AAA
GLOBAL TREAS FUNDS-MMF			0.10	0.10		AAA			
ABN AMRO BANK	3.50	2.00		5.50	A+	F1+	1	NETHERLANDS	AAA
ING BANK	3.40	2.00		5.40	A+	F1+	1	NETHERLANDS	AAA
RABOBANK		2.00		2.00	AA-	F1+	1	NETHERLANDS	AAA
DNB BANK	3.50			3.50	A+	F1	1	NORWAY	AAA
EUROPEAN INV BANK	7.00	6.50		13.50	AAA	F1+		SUPRANATIONAL	AAA
INT BANK RECONST DEVT	3.50	6.80		10.30	AAA	F1+		SUPRANATIONAL	AAA
SKANDINAVISKA	3.50	2.00		5.50	A+	F1	1	SWEDEN	AAA
SVENSKA	3.30			3.30	AA-	F1+	1	SWEDEN	AAA
CREDIT SUISSE	3.50	2.00		5.50	A	F1	1	SWITZERLAND	AAA
BARCLAYS BANK	2.00			2.00	A	F1	1	UK	AA+
LLOYDS BANK			15.00	15.00	A	F1	1	UK	AA+
NATIONWIDE BSOC	3.30		10.10	13.40	A	F1	1	UK	AA+
RBS/NATWEST			15.80	15.80	A	F1	1	UK	AA+
UK TREASURY		19.20		19.20	AA+	F1+	0	UK	AA+
BNY MELLON	0.10	0.10		0.20	AA-	F1+	1	US	AAA
<b>Total £m</b>	<b>50.60</b>	<b>50.60</b>	<b>56.00</b>	<b>157.20</b>					

INVESTMENT MATURITY PROFILE AND RATING 31 March 2014				
Year Band	A	AA	AAA	Total
Up to 1 Year	56%	24%	5%	85%
1-2 Years			6%	6%
2-5 Years		5%	4%	9%
<b>Total £m</b>	<b>56%</b>	<b>29%</b>	<b>15%</b>	<b>100%</b>

Rating	Definition
AAA	Highest credit quality
AA	Very high credit quality
A	High credit quality
F1	Highest short term credit quality; strongest capacity for timely payment (+donates exceptionally strong credit feature)
1	Extremely high probability of support, if it were needed
Ratings issued by Fitch or equivalent	

97. The return for 2013/14 was 0.65% (0.89% 2012/13) and reflects the stimulatory monetary policies which central banks here and abroad still have in place. UK base rates remained at 0.50%, throughout the year, which is where they have been since 2009.
98. The balance outstanding on loans taken from the Public Works Loans Board (PWLB, the local authority lending arm of the government) to fund past capital spend at the close of 2013/14 was £475m, of which £371m is HRA and £104m is General Fund. No new loans were taken in the year. £5m in General Fund debt matured and was financed out of minimum revenue provisions. The HRA also addressed the expensive debt that was passed to the council under self-financing by paying off £80m high rate HRA loans due to mature in 2014/15 and 2015/16 in the quarter to March 2014 with a premium of £10m. The annual interest on the £80m debt was £7.5m (average rate 9.31%). It will no longer be payable to the PWLB, but instead be applied to finance the principal and premium. This, together with the £36m HRA debt financing contribution plus £4m towards premiums in 2013/14, will fully finance the debt repayment over a number of years, raising the head room for future renewal and investment in housing.
99. The average rate of interest on the debt following the repayments is 5.97% HRA and 3.58% General Fund. The maturity profile of the £475m balance outstanding at 31/3/14 is set out in the chart below. £6m General Fund debt falls due in 2014/15 and, as in 2013/14, can be met out of annual minimum revenue provisions. No HRA debt falls due in 2014/15, but the HRA will continue to finance the £44m balance (£80m less £36m) remaining on its debt repayment out of interest saved until it is fully financed.



## **Municipal Bond Agency**

100. The dominant source of loans to local authorities for capital investment is the PWLB. Its rates are determined by the government, which currently requires it to add a margin of 0.80% above gilts (the cost of the government's own borrowing) when lending to councils across the country, though limited funds are available at a lower margin to councils outside London on certain schemes developed in conjunction with Local Enterprise Partnerships. In the past, the margin for most councils has been as high as 1.00% above gilts and despite the drop to 0.80%, it is still higher than some other sources of finance.
101. For some time now, the Local Government Association (LGA) has been working on updating proposals for a Municipal Bond Agency, with a view to it becoming an attractive alternative to the PWLB and at the same time a better investment proposition for long term bond investors in the Agency. The LGA now proposes, in its revised business case, that local authorities borrowing from the Agency would give a joint and several guarantee of each other's borrowing and that borrowers would give up between 3 and 5 percent of loans taken as risk capital to absorb any borrower defaults. Local authorities are already regarded as safe borrowers on account of the legal protection that debtors have under Section 13 of the Local Government Act 2003. This protection would apply to the Agency and in the unlikely event of a borrower defaulting, the Agency would pursue the defaulter before drawing on the joint and several guarantee. The guarantee and risk capital, taken together, however, represent significant credit enhancements and should, over the long run, lower the margin that funds are lent at closer to 0.60% above gilts. The Agency would also undertake a financial assessment of borrowers, providing additional assurance to financial markets as well as those providing guarantees.
102. The main risk to the Agency is the dominance of the PWLB. The current margin over gilts is a gain to the PWLB and it could easily be lowered if the government should decide that it is warranted.
103. The LGA is now moving its proposals for the Agency to the next stage and is asking interested councils to invest in it as shareholder in the Agency providing it with initial setup up cost and capital of up to £10m as it launches its first bond issue next year. A contribution of £200,000 would ensure that the council can participate in and have a positive influence in the development of the Agency. The investment would earn a return after five or so years should the Agency be successful. However, if unsuccessful, the whole sum, but no more, would be at risk. The return would be additional to savings from potentially cheaper Agency borrowing. Furthermore, a failure because the government decides to lower the PWLB margin would also result in cheaper borrowing and would easily make up for any loss on the initial investment.
104. The £200,000 would be regarded as a capital investment in accounting terms and is being included as a variation to the capital programme, an update on which is on the cabinet agenda of 22 July 2014. Local authorities are able to make such investments under Section 12 of the Local Government Act 2003 and general powers of competence in Section 1 of the Localism Act 2011.

## **Community impact statement**

105. This report monitors expenditure on council services, compared to the planned

budget agreed in February 2013. Although this report has been judged to have nil or a very small impact on local people and communities, the projected expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
2013/14 revenue monitoring: Quarter 3 report to Cabinet 18 March 2014	160 Tooley Street	Vernon Smith 020 7525 7355
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4556&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4556&amp;Ver=4</a>		
2013/14 revenue monitoring: Quarter 2 report to Cabinet 19 November 2013	160 Tooley Street	Vernon Smith 020 7525 7355
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4</a>		
Policy and Resources 2013/14 - 2015/16: cabinet 12 February 2013	160 Tooley Street	Vernon Smith 020 7525 7355
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4251&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4251&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix A	Budget movements to be approved, £250k and above and movements to be noted.
Appendix B	Movements in reserves: extract from draft Statement of Accounts 2013/14.

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Fiona Colley, Finance, Strategy and Performance	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report author</b>	Jennifer Seeley, Deputy Finance Director	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	n/a	n/a
Cabinet Member	Yes	Yes
<b>Date final report sent to constitutional team</b>		10 July 2014



## Budget movements

## APPENDIX A

## Interdepartmental movements to be approved for Quarter 4-

Department from	Amount £'000	Department to	Amount £'000	Reason
Finance and corporate services	-670,036	Children's and adults services	431,248	Transfer of budget to match Youth Fund expenditure in 2013/14
		Chief Executives	238,788	
Finance and corporate services	-734,157	Children's and adults services	734,157	Use of education services grant to fund PFI / facilities management
Finance and corporate services	-280,000	Environment and leisure	280,000	Transfer to match expenditure incurred on Flood risk protection during 2013/14
Finance and corporate services	-5,177,712	Various	5,177,712	Transfer of budgets to match 2013/14 REFUCS (Revenue expenditure funded from capital under statute) charges.
Support Costs	-730,550	Finance and corporate services	730,550	Housing and community services finance & procurement budgets to general fund for recharging back to HRA
Various	-8,817,786	Support Costs	8,817,786	Adjustment to support cost recharges (SCR) budgets to reflect 2013/14 actual charges

## Financing of capital to be approved for Quarter 4

Department from	Amount £'000	Department to	Amount £'000	Reason
Appropriations	-1,210,000	Direct revenue funding of capital	1,210,000	Upgrade and refurbishment of essential CCTV
Appropriations	-305,000	Direct revenue funding of capital	305,000	Upgraded telephony system supporting the new in house customer service centre
Appropriations	-2,978,000	Direct revenue funding of capital	2,978,000	Utilisation of general fund element of New Homes Bonus reserve to fund capital
Appropriations	-279,637	Direct revenue funding of capital	279,637	Funding of cemetery burial spaces project
Appropriations	-504,700	Direct revenue funding of capital	504,700	Reserve set up to fund costs associated with the surrender of lease / acquisition of Wilkinson House from Cherry Croft Care Homes
Children's and adults services	-1,526,256	Direct revenue funding of capital	1,526,256	Schools revenue contributions to capital
Finance and corporate services	-7,419,131	Direct revenue funding of capital	7,419,131	Apply 2013/14 general fund New Homes bonus to fund capital
Housing and community services	-356,000	Direct revenue funding of capital	356,000	Upgraded telephony system supporting the new in house customer service centre

**Movements in reserves to be approved for Quarter 4**

Appropriations	-548,338	Environment and leisure	548,338	Release of resources set aside from savings arising from the Tooley Street acquisition to fund community safety initiatives
Appropriations	-331,095	Environment and leisure	331,095	Costs associated with fire at 13/14 Walworth Rd on 25 March 2013
Appropriations	-808,000	Housing and community services	808,000	Transition costs relating to the cost of bringing the Customer Service Centre in house
Appropriations	-1,131,935	Children's and adults services	1,131,935	Redundancy costs relating to service redesigns and savings in 2013/14.
Appropriations	-637,914	Children's and adults services	637,914	Release of reserve set up in 2011/12 for a 100% review of the school estate for condition and capacity extension.
Appropriations	-761,718	Children's and adults services	761,718	Release of resources to fund 2013/14 adult social care winter pressures.
Appropriations	-351,784	Chief Executives	351,784	Funding of an element of staffing costs of the Corporate programming unit
Appropriations	-294,172	Finance and corporate services	294,172	Release of resources to fund planned preventative maintenance and building compliance.
Appropriations	-919,473	Finance and corporate services	919,473	Funding of expenditure incurred properties that have been decommissioned as part of the ongoing modernisation agenda / accommodation strategy
Appropriations	-402,207	CDC	402,207	Release of resources to fund some of the Potters Field project fees paid under the co-operation / development agreement between the council and the developer.
Chief Executives	-1,512,280	Appropriations	1,512,280	Transfer of unspent 2013/14 Public Health grant into a reserve to fund public health expenditure in coming years.
Children's and adults services	-685,390	Appropriations	685,390	Reserve to pay for any costs arising from under occupation of beds at Anchor residential homes
Children's and adults services	-1,339,000	Appropriations	1,339,000	Resources set aside towards £1.840m of 2014/15 children's social care savings, and to cover demand pressures including no recourse to public funds.
Children's and adults services	-440,000	Appropriations	440,000	A new reserve to incorporate the existing SEND reserve to reflect the wider implications of the Children's and families bill.
Children's and adults services	-336,828	Appropriations	336,828	Resources set aside to support the troubled families agenda into 2014/15.

Children's and adults services	-1,045,762	Appropriations	1,045,762	Schools balance movements
Children's and adults services	-8,176,683	Appropriations	8,176,683	Transfer of unspent 2013/14 DSG grant into DSG reserve.
Contingency	-1,000,000	Appropriations	1,000,000	Transfer of remainder of contingency to reserves.
Environment and leisure	-800,000	Appropriations	800,000	Set aside of favourable variances in the parking account to support capital schemes to make roads safer for cyclists.
Finance and corporate services	-1,000,000	Appropriations	1,000,000	Transfer of budgeted contribution to the Aylesbury Development Reserve .
Finance and corporate services	-1,025,504	Appropriations	1,773,418	Increase of insurance reserve
Finance and corporate services	-423,654	Appropriations	423,654	Funding set aside to meet future liabilities that arise from auto enrollment into the pensions fund.
Finance and corporate services	-329,964	Appropriations	329,964	Transfer of unspent element of £1m Youth Fund budget to reserve
Finance and corporate services	-300,000	Appropriations	300,000	Reserve set aside to fund the procurement of a new legal case management system.
Finance and corporate services	-600,730	Appropriations	600,730	Transfer of unspent social fund grant into reserves.
Finance and corporate services	-1,195,277	Appropriations	1,348,898	Transfer of academies grant refund and unspent Education services grant into a BSF / PFI facilities management transition reserve.
Finance and corporate services	-1,900,000	Appropriations	1,900,000	Transfer of 2013/14 net favourable variances across F&CS into a new future government funding risk reserve, to ensure the delivery of F&CS savings targets over the coming years.
Finance and corporate services	-804,810	Appropriations	804,810	Transfer of capitalisation provision distribution grant and £2.5k Transparency grant (£2.5k) to reserves
Finance and corporate services	-1,167,262	Appropriations	1,167,262	Final transfer of strategic financing balances to reserves

#### Interdepartmental movements to be noted for Quarter 4

Department from	Amount £'000	Department to	Amount £'000	Reason
Chief Executives	-28,214	Various	28,214	Annual transfer of budget for legal support towards planning sub-committees.
Finance and corporate services	-41,500	Environment and leisure	41,500	Cost of tree pruning, transfer from insurance, these works will reduce the risk of subsidence and the cost to the council in tree roots claims
Finance and	-36,757	Environment and	36,757	Funding to match Canada Water library,

corporate services		leisure		planned preventative maintenance costs.
Housing and community services	-50,000	Finance and corporate services	50,000	Transfer of budget related to bank charges following customer experience (HCS) and customer services (F&CS) structure changes

#### Financing of capital to be noted for Quarter 4

Finance and corporate services	-1,696,218	Direct revenue funding of capital	1,696,218	Funding of capital costs from funds received by the insurance fund in 2013/14 in respect of Walworth Road fire
Appropriations	-60,000	Direct revenue funding of capital	60,000	Release of resources to fund the construction of a new cemetery road inside Camberwell New Cemetery
Appropriations	-50,000	Direct revenue funding of capital	50,000	Release of funding to part fund capital works incurred on Cator street.
Appropriations	-48,348	Direct revenue funding of capital	48,348	Release of insurance money to fund capital expenditure on the Hepworth replacement at Dulwich park.
Environment and leisure	-26,000	Direct revenue funding of capital	26,000	Revenue contribution to capital for new path at Brenchley Gardens
Finance and corporate services	-159,317	Direct revenue funding of capital	159,317	Cator Street project

#### Movements in reserves to be noted for Quarter 4

Appropriations	-39,543	Housing and community services	39,543	Release of 2012/13 Cleaner Greener Safer reserve to community councils
Appropriations	-10,000	Chief Executives	10,000	Release of reserve to fund the Peckham Town Team for commissioning of Portas project
Appropriations	-81,067	Environment and leisure	81,067	Release of resources to fund the cost of staff working on the introduction of a selective licensing scheme, requiring every property let through a private landlord to be licensed.
Appropriations	-100,445	Environment and leisure	100,445	Release of resources to fund London Training & Resource Centre
Appropriations (Technical)	-91,438	Finance and corporate services	91,438	Release of resources to smooth Queens Rd 3 rents for IFRS purposes.
Appropriations	-75,000	Children's and adults services	75,000	Release of resources to fund project costs related to "Social Work Matters" transformation.
Appropriations	-180,000	Children's and adults services	180,000	Release of resources to fund 2013/14 Youth Service community projects.

Appropriations	-100,000	Children's and adults services	100,000	Release of resources to fund School improvements in response to the new Ofsted framework.
Appropriations	-200,000	Children's and adults services	200,000	Reserve released to fund 2013/14 youth service community projects.
Appropriations	-140,000	Children's and adults services	140,000	Release of SEND personalisation reserve prior to the establishment of a new reserve to cover all implications of the children's and families bill.
Appropriations	-122,227	Children's and adults services	122,227	Release of resources to contribute to the funding of the schools' expansion programme. DSG reserve.
Children's and adults services	-60,000	Appropriations	60,000	Resources set aside to support the implementation of SSF ICT and facilities management.
Children's and adults services	-80,000	Appropriations	80,000	Resources set aside to fund two early intervention social care pilots, family drug and alcohol court (FDAC), and functional family therapy (FFT) .
Children's and adults services	-156,301	Appropriations	156,301	Standards education
Appropriations	-215,000	Children's and adults services	215,000	Release of resources to fund Southwark safe and Independent living scheme SAIL
Appropriations	-159,317	Finance and corporate services	159,317	Release of resources to fund planned preventative maintenance and building compliance.
Appropriations	-85,618	Children's and adults services Finance and corporate services	21,645 63,973	Release of resources to fund 2013/14 Community Restoration fund expenditure
Chief Executives	-80,000	Appropriations	80,000	Transfer of surplus 2013/14 budget to Aylesbury Development reserve (7)
Chief Executives	-142,500	Appropriations	142,500	Resources set aside for the buy back of the lease of 60-62 Hopton Street, prior to re-letting on the open market
Chief Executives	-150,000	Appropriations	150,000	Resources set aside to fund estimated dilapidation payments arising from the surrender of leases on library at 17 - 21 Camberwell Church St
Chief Executives	-47,776	Appropriations	47,776	Resources set aside to fund costs arising from the closedown of the South East London Housing Partnership (SELHP) on 31 March 2014.
Appropriations	-47,731	Chief Executives	47,731	Release from £1m reserve, resources to fund 2013/14 Business Support Fund expenditure.
Appropriations	-88,000	Chief Executives	88,000	Release of resources to fund the cost of 2013/14 planning appeals
Chief Executives	-100,000	Appropriations	100,000	Resources set aside to allow for SAP systems development

Chief Executives	-227,252	Appropriations	227,252	Resources set aside to fund redundancy and retirement costs resulting from HR restructuring.
Chief Executives	-100,000	Appropriations	100,000	Resources set aside to commission employment support for two key priority groups, women and the over 50's.
Chief Executives	-50,000	Appropriations	50,000	Resources set aside to undertake a joint project on employment and skills with Interserve.
Chief Executives	-20,000	Appropriations	20,000	Resources available due to the delayed start of the BAME leadership and management programme, set aside to provide additional funding required for 2014/15 and to progress a number of positive initiatives and interventions.
Chief Executives	-40,000	Appropriations	40,000	Resources set aside from members' services under spends to fund support to newly elected members.
Chief Executives	-100,000	Appropriations	100,000	Resources set aside to ensure that the resources required to deliver the requirements of the workforce (Children's specialist services) development plan is available.
Chief Executives	-80,000	Appropriations	80,000	Resources set aside for training to support the council's care home and home care improvement strategy.
Chief Executives	-50,000	Appropriations	50,000	Resources set aside to fund an IT Training suite at 160 Tooley Street
Chief Executives	-20,000	Appropriations	20,000	Provision made to fund Walworth Road viability study. Slipped into 2014/15.
Environment and leisure	-5,832	Appropriations	5,832	Transfer of street markets surplus to bring down accumulated deficit.
Environment and leisure	-150,000	Appropriations	150,000	Amounts set aside to cover potential refunds to current contractor in terms of disputed contract variations.
Finance and corporate services	-158,227	Appropriations	158,227	Transfer of unused 2013/14 lead local flood authority grant into reserves.
Housing and community services	-129,862	Appropriations	129,862	Transfer of unused non ringfenced grants into community engagement development reserve.
Housing and community services	-10,573	Appropriations	10,573	Transfer of unspent 2013/14 community council fund resources.
Housing and community services	-134,490	Appropriations	134,490	Transfer of unspent 2013/14 cleaner greener safer resources.

**APPENDIX B****MOVEMENTS IN RESERVES**

(extract from the draft Statement of Accounts 2013/14)

**1. CORPORATE PROJECTS AND PRIORITIES**

	<b>Balances as at 31 March 2013</b>	<b>Net movement in reserves</b>	<b>Balances as at 31 March 2014</b>
	£000	£000	£000
Modernisation, service & operational improvement:			
- Customer service and customer access development	1,037	-	1,037
- Other	3,268	(2,018)	1,250
Artefacts replacement & security reserve	575	(48)	527
Business support fund	1,000	(48)	952
Cleaner Greener Safer	40	105	145
Community engagement & Links development	250	47	297
Contract realignment (low paid staff)	1,052	-	1,052
Internal audit & anti fraud	356	-	356
Community safety schemes	750	-	750
Community restoration fund	115	(85)	30
Voluntary sector transition fund	581	-	581
Welfare hardship fund	800	601	1,401
Youth fund	898	330	1,228
Other reserves individually less than £100k	32	-	32
London living wage	-	275	275
Employment support	-	1,206	1,206
Revenue grants	275	(175)	100
<b>Total</b>	<b>11,029</b>	<b>190</b>	<b>11,219</b>

## 2. SERVICE REVIEWS AND IMPROVEMENTS RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Adult workforce development	142	80	222
Blackfriars trust allocation	138	-	138
Children's Services restructure	440	-	440
Dedicated schools grant reserve	7,343	8,005	15,348
Public Health Contingency Reserve	-	1,512	1,512
Early intervention pilot	435	80	515
Early Years Review	300	-	300
Environmental health & community safety	142	-	142
General litigation costs	172	-	172
Highways winter maintenance	576	-	576
Homelessness	403	-	403
HR transformation	290	227	517
Learning disability & social care reform	3,748	-	3,748
Local flood risk	170	158	328
Managed accounts underspend	451	-	451
Management and administration of elections	409	-	409
Member development	142	40	182
Ofsted inspection	200	-	200
Organisational development	1,217	120	1,337
OT clients adaptations	886	-	886
Prevention of illegal tobacco distribution	120	-	120
SALIX energy efficiency	61	-	61
School improvement	300	(100)	200
Schools condition survey	775	(638)	137
SEN/Learning difficulties	140	-	140
Signage	108	-	108
Southwark safe and independent living scheme	215	(215)	-
Street trading	110	-	110
Street trading account	(641)	6	(635)
Youth service	450	(380)	70
SSF PFI equalisation St Michael's	-	60	60
SAP HR systems development	-	100	100
Children's & Families Bill	-	300	300
Leisure Management	-	150	150
Cycling Safety	-	800	800
Interserve Project	-	50	50
SELHP closedown	-	48	48
Education Standards	-	156	156
Other reserves individually less than £100k	15	-	15
<b>Total</b>	<b>19,257</b>	<b>10,559</b>	<b>29,816</b>



### 3. CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Modernisation, service & operational improvement	5,878	(1,746)	4,132
ATM & exchequer services development	550	-	550
Regeneration & development	5,911	(1,566)	4,345
Capital contingency	2,204	-	2,204
Aylesbury development	5,361	1,080	6,441
Carefirst procurement	200	(75)	125
CCTV	250	(250)	-
Contracts realignment (capital)	1,396	-	1,396
IT and customer service development	3,171	-	3,171
New homes bonus grant capital allocation	3,682	(2,978)	704
Parking capital projects	900	(748)	152
Planned preventative maintenance & building compliance	2,565	4,383	6,948
Resource centre	181	(100)	81
BSF PFI Transition Fund	-	1,349	1,349
Legal Case Management System	-	300	300
<b>Total</b>	<b>32,249</b>	<b>(351)</b>	<b>31,898</b>

### 4. STRATEGIC FINANCING, TECHNICAL LIABILITIES AND FUTURE FINANCIAL RISKS RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Planned contribution to support General Fund budget 2013/14	6,271	(6,271)	-
Planned contribution to support General Fund budget 2014/15	-	6,213	6,213
Financial risk & future liabilities	3,106	(2,786)	320
Business rate retention risk	1,402	1,098	2,500
Council tax and housing benefits subsidy equalisation	636	364	1,000
Insurance	7,313	1,773	9,086
Interest and debt equalisation	4,000	-	4,000
Legal and contractual risks	1,804	-	1,804
Queen's Road lease smoothing	290	(428)	(138)
Schools in financial difficulties, schools closures and academies	482	-	482
Social care demand pressures	3,703	914	4,617
Waste PFI equalisation reserve	7,297	(1,796)	5,501
Auto enrolment	-	500	500
Future Government Funding Risk Reserve	-	1,900	1,900
<b>Total</b>	<b>36,304</b>	<b>1,481</b>	<b>37,785</b>

## 5. NOTES ON MAJOR RESERVES

- 5.1. Modernisation, service & operational improvement reserve. This reserve is for one-off expenditure that may be incurred over more than one year on projects that are designed to modernise and improve service levels and operational efficiency of the council's activities. By its nature is not appropriate for the costs of these projects to be included within annual revenue budgets. Schemes will range across all Council services but will be especially relevant for transformational priorities such as information technology, customer services and accommodation strategies. Schemes funded by this reserve may be of either a capital or revenue nature.
- 5.2. Regeneration & development reserve. This reserve is to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects. Schemes funded by this reserve are predominantly of a capital nature.
- 5.3. Financial risk & future liabilities reserve. This reserve is set aside against future financial risks that may arise. For example, taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances in so much as they represent uninsured risks.

## 6. SCHOOLS BALANCES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Funds held by schools	15,874	937	16,811
Funds held by nursery schools	135	108	243
Funds held by pupil referral units	236	-	236
<b>Total</b>	<b>16,245</b>	<b>1,045</b>	<b>17,290</b>

<b>Item No.</b> 24.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Nominations to Centre for Literacy in Primary Education and Safeguarding Adults Partnership Board 2014/15	
<b>Ward(s) or groups affected:</b>		N/a	
<b>From:</b>		Proper Constitutional Officer	

## RECOMMENDATION

1. That the cabinet agree nominations to Centre for Literacy in Primary Education (CLPE) and Safeguarding Adults Partnership Board for the 2014/15 municipal year.

## BACKGROUND INFORMATION

2. Each year the council makes appointments/nominates individuals to outside bodies, panels, boards and forums. Cabinet agreed the appointments/nominations on 2 July 2014. There are however two outstanding nominations to be made – these relate to the CLPE and Safeguarding Adults Partnership Board.

## KEY ISSUES FOR CONSIDERATION

### Centre for Literacy in Primary Education

3. The Centre for Literacy in Primary Education is a professional development and family learning centre. It provides a range of education support, advisory and direct delivery services to schools and families throughout Southwark. One nomination is required.

### Safeguarding Adults Partnership Board

4. The purpose of the Southwark safeguarding adults partnership board is to ensure that adults can live a life free from abuse and neglect.
5. The board membership consists of senior managers from key partner agencies in the statutory sector working with adults in the borough.
6. The cabinet is requested to nominate the cabinet member with the portfolio for adult social care to the board.

## Legal implications

7. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance will be reissued to councillors following this appointments process.

**Community impact statement**

8. The nominations process has no direct impact on the community.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None		

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Proper Constitutional Officer	
<b>Report Author</b>	Everton Roberts, Principal Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
<b>Date final report sent to Constitutional Team</b>		10 July 2014

<b>Item No.</b> 25.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Council Assembly	

## RECOMMENDATION

1. That the cabinet considers the motions set out in the appendices attached to the report.

## BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 26 March 2014 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

## KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10(6), the attached motions were referred to the cabinet. The cabinet will report on the outcome of its deliberations upon the motions to a subsequent meeting of council assembly.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Council agenda	Report on the council's website	Lesley John Constitutional Team 020 7525 7228
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=4580&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=4580&amp;Ver=4</a>		

**LIST OF APPENDICES**

<b>Number</b>	<b>Title</b>
Appendix 1	A Vision for Southwark
Appendix 2	Vision for localism
Appendix 3	Local decision making
Appendix 4	Free school meals
Appendix 5	Meat free Mondays
Appendix 6	Regulation of payday lenders
Appendix 7	Fixed odds betting terminals

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Lesley John, Proper Constitutional Officer	
<b>Version</b>		
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Chief Executive	Yes	No
Strategic Director of Finance and Corporate Services	No	No
Strategic Director of Children's and Adults Services	No	No
Director of Legal Services	Yes	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	10 July 2014	

## A VISION FOR SOUTHWARK

At council assembly on Wednesday 26 March 2014 a motion entitled 'A vision for Southwark' was moved by Councillor Mark Williams and seconded by Councillor Michael Situ. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

### RECOMMENDATION

1. That council assembly welcomes the work that this administration has done over the last four years to deliver the council's vision of creating a fairer future for Southwark.
2. That council assembly notes that since 2010, the council has faced almost £80 million in government funding cuts, which have caused significant budget pressures. This year alone the council has lost over £25 million in funding, equating to £249 for every single person in Southwark.

These cuts have meant the council has been required to do more with less. Council assembly welcomes the fact that the administration – in line with the preferences of Southwark residents - has protected frontline services and delivered savings through efficiencies in back-office and support services, cutting councillor allowances, cutting the cost of consultants and temps and cutting bills for catering, taxis and publicity.

3. That council assembly applauds the success of this administration in delivering on its "Fairer Future" promises, including:
  - i. Ensuring every primary school child in Southwark receives a free healthy, nutritious hot meal every day – delivering nearly four million free school meals each year and saving families £340 a year per child
  - ii. Supporting residents in Southwark through the current cost of living crisis by freezing council tax for four years in a row and keeping council rents low
  - iii. Ensuring that every employee, contractor and agency staff employed by the council are paid the London Living Wage
  - iv. Doubling Southwark's recycling rate and bringing a record 17 council parks up to green flag standard
  - v. Investing £326 million to make every council home in the borough warm, dry and safe
  - vi. Supporting older people in the borough by halving the price of meals on wheels, introducing a social care hotline providing expert advice, and building a new Centre of Excellence to deliver cutting edge facilities for dementia patients
  - vii. Supporting 26 talented young people from Southwark facing financial hardship to go to university
  - viii. Supporting 1,000 Southwark residents to find work through the council's employment programmes in the last 18 months

4. That council assembly calls on the cabinet to continue working towards delivering a fairer future for all in Southwark, and in particular by:
- i. Creating quality affordable homes in Southwark, building more homes of every kind for local people, including 11,000 new council homes, improving the quality of existing council homes, driving up standards in the private rented sector and keeping rents in Southwark among the lowest in London
    - London faces a housing crisis and needs new homes. Council assembly welcomes that this administration has already given permission for over 11,000 new homes of every type in the borough and has also started building 11,000 new council homes. Council assembly supports Labour's commitment to:
      - Ensure there are more homes for local people, whether your home is privately rented, shared ownership, council or private.
      - Ensure that at least 50% of all new council homes go to people from that area, with the rest going to other Southwark residents.
      - Keep improving council homes and deliver a quality kitchen and bathroom for every council tenant.
  - ii. Supporting the best start in life by continuing to deliver free school meals for all primary school children, investing in affordable childcare for families in Southwark and expanding school places across the borough
    - Council assembly welcome's Labour's commitment to quality affordable childcare and the administration's decision to keep all our popular nurseries open despite the Liberal Democrat/Tory government cutting the money available for nurseries. Council assembly supports Labour's commitment to:
      - Invest in the borough's children's centres and work with parents to set up two new community nurseries to increase the number of affordable places in the borough.
      - Launch a Childcare Commission to bring together experts, parents, providers and employers to find new ways to guarantee care and early education to help parents and carers to balance work and family life.
      - Guarantee a local primary place for every child and open new secondary schools to meet demand.



- iii. Building a strong local economy by leading the campaign for the London Living Wage, working with local businesses to support job creation and ensuring that young people in Southwark are ready for work
- Southwark is a borough of growth and opportunity: a great place to do business, and to work. Council assembly supports Labour's commitment to:
    - Ensure that this growth continues, by supporting 5,000 local people into jobs and creating 2,000 new apprenticeships over the next four years.
    - Ensure that our young people are ready for work; we will guarantee that every school leaver has something to do whether training, education or a job.
    - Provide an hour's free parking in our shopping parades to support small shopping parades, which rely on local and passing trade, and to help residents to shop locally.
- iv. Continuing to deliver value for money and get the basics right in the face of significant government cuts, continuing to drive up recycling rates, investing in our roads and working to keep our streets clean and safe
- Council assembly condemns the Liberal Democrat/Tory government for their savage cuts to Southwark's budget. Council assembly condemns Liberal Democrats and Tories in Southwark who have failed to stand up for the interests of people putting party interest before local need. Council assembly welcomes that this administration has been using money wisely, so even with 25% less money from the coalition government the council is keeping our streets clean, improving bin collection and making the borough safer. This administration has doubled recycling rates; council assembly supports Labour's commitment to continue to drive up recycling rates and divert more than 95% of waste away from landfill.
  - Historic underinvestment in roads means the council is faced with expensive bills to fill potholes. Council assembly supports Labour's commitment to double capital investment into roads making them safer with better surfaces for all roads users.
- v. Supporting people of all ages in Southwark to lead healthy and active lives, preventing barriers that prevent people from getting fit, investing in cycling to improve safety and take up, supporting our more vulnerable residents and becoming an "Age Friendly Borough", to help people get the best out of Southwark, whatever their age
- Council assembly notes that this administration wants to make it easier for people to be healthy, so that residents in Southwark can live a full life, whatever their age. Council assembly supports Labour's commitment to help residents to keep fit by making swimming and gym use free for all residents in our leisure centres.
  - Council assembly welcomes the council's investment in better cycling and is making Southwark a 20mph borough to make our streets safer. Council assembly supports Labour's commitment to use Dutch expertise to deliver Southwark a safer cycling network and work with the Mayor to extend bike hire across the borough.

- vi. Taking pride in our borough, investing in our parks and libraries, continuing to invest in green energy and transforming our town centres through regeneration to make them places that we can all live, work and enjoy.
  - After years of the Liberal Democrats and Tories talking down Southwark, council assembly welcomes that Labour is transforming our borough, through huge investment in Walworth, Camberwell and Peckham, and big improvements at the Elephant and Castle and Canada Water. Government cuts mean lots of councils are closing libraries. Council assembly supports Labour's commitment to invest in Southwark's libraries and keep them open, increasing access by giving a free library card to every secondary school child.
  - The Tory Mayor has cut over 300 Southwark police officers and PCSOs since 2010. Council assembly supports Labour's commitment to campaign to get them back.
5. That council assembly also calls on cabinet to help local parents by funding additional childcare hours on top of those already offered by government.

**VISION FOR LOCALISM**

At council assembly on Wednesday 26 March 2014 a motion entitled 'vision for localism' was moved by Councillor Michael Mitchell and seconded by Councillor Lewis Robinson. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly notes the persistently low turnouts in local elections, indicating a lack of connection with the voters; and also the wide disparity in turnout between the wards.
2. That council assembly believes the future of Southwark will be best served when the people are empowered and encouraged to engage with local politicians.
3. That council assembly warmly welcomes the steps that have been taken by this administration to improve consultation with local people through community conversations with thousands of residents. Council assembly welcomes the fact that this feedback from residents has been used to shape policy on issues such as priorities for council services, setting the budget and the future of council housing, and that the outcomes of this consultation have then been fed back to the community.
4. That council assembly also welcomes the council's work as an acknowledged leader in devolving control of housing services to residents through the creation of tenant management organisations (TMOs). Council assembly notes that residents on the D'Eynesford and Gloucester Grove estates have recently voted to create TMOs for their areas, and will join Styles House which launched in January 2014 and 12 other TMOs in Southwark who provide housing services to over 4200 homes.
5. That council assembly notes that this administration has also successfully sought to allow residents even greater control through the creation of the country's first 'self-financing' TMO in the Leathermarket Joint Management Board (JMB), giving residents control of all rents and service charges in their area.
6. That council assembly calls on the cabinet to continue working with local people in Southwark to encourage community involvement in decision-making and to ensure council policies reflect the priorities of local people.

## LOCAL DECISION MAKING

At council assembly on Wednesday 26 March 2014 a motion entitled 'local decision making' was moved by Councillor Anood Al-Samerai and seconded by Councillor Paul Noblet. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

### RECOMMENDATION

1. That council assembly believes that decisions are best made by the people closest to them and supports devolving decisions from central government to local government, as well as within local government to community councils, wards and neighbourhoods.
2. That council assembly notes that the government has devolved some powers to local councils, such as neighbourhood plans, community right to bid and community right to challenge. However, council assembly is concerned that despite its rhetoric, the coalition government has failed to really deliver localism properly and has in fact centralised more decision making in Whitehall.
3. That council assembly notes that the coalition government has imposed new limits on the ability of councils to make local decisions on schools, council tax, or how we speak to the community. Council assembly notes with concern that the coalition government has now acquired sweeping powers to shut down hospitals at short notice without local consultation, even if they are performing strongly, despite opposition by Labour MPs.
4. That council assembly
  - i. Believes the council still has an important role to play in promoting the devolution of powers to local communities, and supporting ward councillors with local issues where appropriate.
  - ii. Calls on cabinet to review what further decisions and funding could be passed from the centre of Southwark Council to community councils and ward councillors.
5. That council assembly:
  - Welcomes work by Labour councillors and Val Shawcross AM to tackle the issue of slow broadband in Rotherhithe and Surrey Docks.
  - Condemns Liberal Democrats councillors and Simon Hughes MP for failing to deliver on this issue for local people in the area.
  - Welcomes that the leader of the council is working with broadband providers to discuss progress on the issue of slow broadband in the Rotherhithe peninsula and pressing them to take meaningful action.
  - Welcomes Southwark Labour's commitment to bring superfast broadband to Rotherhithe.

## 6. That council assembly:

- Welcomes Southwark Labour's commitment to open new secondary schools in the borough including one in East Dulwich.
- Notes that the Supplementary Planning Document for the East Dulwich hospital site states that "The use of part of this site for a school would help to meet the requirements of the planning brief".
- Calls on cabinet to work closely with the steering group and deliver a new secondary school on the East Dulwich hospital site, rather than the following the Liberal Democrats suggestion of embarking on a long winded and unnecessary bureaucratic exercise of amending the planning brief, which in any case already allows for community facilities on the site, provides only guidance and will have little impact on the delivery of the school.

## 7. That council assembly:

- Welcomes the proposed rebuild of Elephant and Castle shopping centre and welcomes that this administration is delivering on the Elephant and Castle regeneration after years of dither and delay under the previous Liberal Democrat administration.
- Welcomes the council's commitment and vision for the area and work that is already going on to deliver this.
- Notes that the council is not the owner or landlord of the shopping centre, however calls on the cabinet to work with key landlords such as Delancy, Lend Lease and Network Rail to draw up a retail strategy for the Elephant & Castle, Walworth Road and East Street which protects the vibrant mix of businesses in the area and allows local businesses meaningful involvement in plans for the area.
- Welcomes the recommendation to the cabinet member for communities and economic wellbeing to allocate £22,000 from the first round of The High Street Challenge to the Latin Elephant group to fund business planning, which is the first step of realising this administration's vision for creating a Latin American quarter at the Elephant & Castle.

## 8. That council assembly

- Welcomes this administration's investment of £5.96 million for parks in the Elephant & Castle area, including Dickens Square Park in Chaucer ward (£1.5m), Pullens Open Space in Newington (£350k), St Mary's Churchyard in Cathedrals (£1.25m) and Nursery Row Park (£600k) and Victory Park (£1.8m) in East Walworth, through the capital refresh programme.
- Notes that as a result of cabinet's decision of 18 March, consultation with residents on proposals to revitalise Dicken's Square Park will proceed with all due haste.
- Welcomes the proposals developed by this administration to revitalise Dicken's Square Park, which will include tree planting, sightline and accessibility improvements, new footpaths, new green space as well as new links to other green space, and improved recreational and play-space.

## 9. That council assembly:

- Recognises the concerns of residents in South Bermondsey about the need for good quality affordable housing in the area, and in particular family-sized council homes, and welcomes this administration's commitment to delivering 11,000 new council homes in Southwark – the biggest house building programme in the country.
- Condemns the Liberal Democrats for falsely accusing Labour of a “mass sell-off of council homes”, when the number of council homes sold or demolished under the current Labour administration is actually four times less than the amount in previous years under the Liberal Democrats.
- Condemns Liberal Democrat councillors in South Bermondsey for spreading misleading information about the sale of council homes in the area, and in particular for telling local residents that a property on Longley Street is being sold by the council, when the council is in fact renovating the property to let to council tenants as a family home.

## 10. That council assembly:

- Welcomes this administration's investment of £326 million to make every council home in Southwark warm, dry and safe.
- Welcomes Southwark Labour's commitment to deliver quality kitchens and bathrooms for every council tenant, including residents on the Arnold Estate.
- Condemns the attempt by Liberal Democrat councillors to ignore need across the borough by prioritising particular council properties in wards they currently hold rather than where the need in the borough is greatest.
- Notes the failure of the Liberal Democrat/Tory council to deliver improvements in housing where they left a housing department judged as failing and a £600m hole in the housing budget.
- Calls on cabinet to guarantee that every council home in Southwark will be made warm, dry and safe and to install new kitchens and bathrooms where they are needed for all council tenants in every ward in the borough.

## 11. That council assembly:

- Recognises the pressure on school places across the borough, including in Rotherhithe.
- Notes that Liberal Democrats in Rotherhithe have failed to raise this important issue with cabinet.
- Praises local residents who have pressed for a new primary and a new secondary school in the area.
- Welcomes Labour's commitment to new schools in the borough to meet demand.

## 12. That council assembly:

- Notes that traffic management in the very busy London Bridge is continually being reviewed by highways engineers and network planners, all part of Southwark Council's public realm department.
- Notes that councillors who are concerned about traffic movements should in the first instance contact the public realm division or the relevant cabinet member.
- Notes that the timescale to conduct a full traffic management study for streets in Grange Ward has passed, and regrets that Grange ward councillors have thus far failed to raise concerns about traffic problems in the ward.
- Calls on the cabinet to actively follow up any requests from future Grange ward councillors who wish to call for a traffic study in selected roads.

## 13. That council assembly:

- Notes that payments negotiated from developers in-lieu of on-site affordable homes are being spent within the communities affected by the new development and are helping to fund 1,000 new council homes, including 165 council homes in SE1 and 76 council homes in SE16.
- Calls on cabinet to work with local ward councillors across the borough to identify sites that could be used to deliver more affordable housing.

## 14. That council assembly:

- Notes that due to savage cuts to government funding the council has to make savings wherever possible, including the cost of committee meetings.
- Notes that planning committee meetings are currently held in Tooley Street and at Queens Road, Peckham, because of the significant cost implications of holding these meetings elsewhere.
- Calls on the cabinet to hold planning committee meetings in locations across the borough whenever it is financially feasible to do so.

## 15. That in addition council assembly calls on the cabinet to continue delivering a fairer future for all by:

- Creating a new world class civic centre in Walworth.
- Delivering £11million investment in Camberwell Green including a new state of the art library and keep campaigning to extend the Bakerloo Line.
- Securing the long term future of Greendale.
- Campaigning to ensure a Dulwich police base remains open on Seeley Drive on the Kingswood Estate.
- Continuing improvements in Nunhead including a free cash point and a bigger and better playground in Peckham Rye Park.
- Working with the community to transform Peckham town centre including support for local arts organisations and businesses.
- Working with businesses to deliver a business improvement district on Southwark Park Road at The Blue.
- Continuing to campaign with Bermondsey residents to stop the super-sewer at Chambers Wharf.
- Restoring the Old Kent Road to its former glory with plans to build new homes and support for businesses.
- Transforming the Elephant and Castle with a new leisure centre, affordable homes and shopping centre.

**FREE SCHOOL MEALS**

At council assembly on Wednesday 26 March 2014 a motion entitled 'free school meals' was proposed by Councillor Cleo Soanes and seconded by Councillor Gavin Edwards. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly notes the recent London Assembly Labour report on food poverty in London, which shows that more people than ever in the capital are relying on food banks - the use of foodbanks in London has gone up by 400% in the last two years. Council assembly condemns the shameful rise in the numbers of families being forced to rely on emergency handouts from foodbanks, as Tory/Liberal Democrat welfare reforms push more families into poverty, and supports the report's call for free school meals for all children in London to combat the growing food poverty crisis.
2. That council assembly is concerned at reports that the national plan to give free school meals to the youngest primary school children across the country is "in chaos" and that young children are unlikely to get a hot, nutritious meal as promised by the government. Council assembly notes the concerns of primary schools about how the policy will be implemented, given that the Liberal Democrat Leader has failed to take into account the cost of upgrading school kitchen facilities in the plans for the national scheme.
3. That council assembly notes that a former Liberal Democrat Minister has described the policy as being dreamt up "on the back of a fag packet". Council assembly believes that the utterly shambolic implementation of free school meals by Liberal Democrats in government shows that free hot healthy school meals are not safe in the hands of the Liberal Democrats.
4. That council assembly urges the cabinet to call on government to put forward a fully costed, implementable plan for the roll out of free school meals nationally; to provide reassurance to schools that they will be given the necessary support to upgrade kitchen facilities in order to meet the demand of the new policy; and to follow Southwark's lead by extending free school meals to the youngest children.

That council assembly also calls on the cabinet to provide reassurance that regardless of the outcome of the national scheme, this council will continue to provide free, hot healthy school meals for every primary school child in the borough.



**MEAT FREE MONDAYS**

At council assembly on Wednesday 26 March 2014 a motion entitled 'meat free Mondays' was proposed by Councillor Graham Neale and seconded by Councillor James Barber. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly notes the benefits to personal health and the environment of lowering the consumption of meat.
2. That council assembly therefore calls on cabinet to promote meat free options in schools and council buildings every Monday, and also promote the benefits of reducing meat consumption to council staff.

## REGULATION OF PAYDAY LENDERS

At council assembly on Wednesday 26 March 2014 a motion entitled 'regulation of payday lenders' was proposed by Councillor Neil Coyle and seconded by Councillor Rebecca Lury. The motion was agreed and stands referred to the cabinet as a recommendation.

### RECOMMENDATION

That council assembly:

1. Notes that payday lenders are trapping millions of people in spirals of debt.
2. Believes that the Financial Conduct Authority (FCA)'s new proposals for regulating payday lenders are a step in the right direction, but do not go far enough.
3. Considers the FCA's proposals:
  - i. Would not prevent payday lenders from drip feeding new loans to people who already have payday debts and are struggling to pay them back
  - ii. Would not prevent people from being hit with escalating penalty fees
  - iii. Would not stop payday lenders from raiding people's bank accounts without telling them.
4. Welcomes the steps that this administration has taken to stop the spread of payday lenders in Southwark, including:
  - i. Refusing to let council buildings to pay day lenders
  - ii. Using Article 4 planning directions on change of use to protect high streets
  - iii. Reducing the exposure of residents to payday lenders by getting agreement from two of the council's billboard advertising contractors not to display payday loan adverts
  - iv. Lobbying the government for the power to levy payday lenders in Southwark.
5. Welcomes that some of Britain's biggest debt, consumer and anti-poverty organisations – including Which, Citizens Advice, StepChange Debt Charity, Church Action on Poverty and the Centre for Responsible Credit – and MPs from every party represented at Westminster have come together to support the Charter to Stop the Payday Loan Rip-Off.
6. Council assembly supports the Charter to Stop the Payday Loan Rip-Off which calls on the FCA to introduce tougher regulation of payday lenders. Council assembly calls on the cabinet to:
  - i. Encourage residents of Southwark to support the Charter by signing the online petition at <http://www.change.org/paydayloancharter>
  - ii. Promote and support the development of local credit unions and more affordable lending
  - iii. Work with partners on campaigns against increasing levels of personal debt
  - iv. Send a copy of this motion to Martin Wheatley, Chief Executive of the Financial Conduct Authority, and the Chancellor of the Exchequer.

## FIXED ODDS BETTING TERMINALS

At council assembly on Wednesday 26 March 2014 a motion entitled 'fixed odds betting terminals' was proposed by Councillor Helen Hayes and seconded by Councillor Nick Dolezal. The motion was agreed and stands referred to the cabinet as a recommendation.

### RECOMMENDATION

1. That council assembly notes:
  - i. The prevalence of Fixed Odds Betting Terminals (FOBTs) in betting shops, often referred to in the media as "the crack cocaine of gambling".
  - ii. That, unlike fruit machines in pubs, bingo halls and amusement arcades where cash stakes are limited to £2, gamblers can bet with cash or via a debit card up to £100 every 20 seconds on FOBTs, more than four times as fast as the rate of play in casinos.
  - iii. That in 2012, over £1.5 billion was lost on FOBTs across the UK. More profit was made from FOBTs than from the National Lottery, when according to the most recent British Gambling Prevalence Survey, 56% of the population play the Lottery, but just 4% play FOBTs.
  - iv. Empirical evidence that suggests FOBTs are the most addictive form of gambling.
  - v. Research carried out by Geofutures, which found there to be four times as many betting shops in areas of high unemployment than in areas of low unemployment.
  - vi. Research carried out by 2CV in Newham, which found that the average bet per spin on FOBTs is £17, and the average amount of cash inserted into the machine is £55 per session, with one in five putting in over £100 a time.
  - vii. Nationally, more than 80% of turnover in betting shops and more than half of profits are derived from FOBTs. Less than 20% of stakes in betting shops are over the counter.
  - viii. A recent economic analysis undertaken by Landman Economics, commissioned by the Campaign for Fairer Gambling, which assessed the impact of FOBTs on local economies and across the wider economy. The report concluded that every £1 billion spent on FOBTs produces a net reduction of 13,000 jobs, compared to if spent in the wider consumer economy. The projected doubling of revenue from FOBTs by 2023 could cost a further 23,000 jobs across the economy.
  - ix. The position in the Republic of Ireland where the government has introduced legislation to outlaw FOBTs in betting shops

2. That council assembly notes with concern the prevalence of high-speed, high-stakes gambling machines in the most deprived areas of the country. In the 55 most deprived boroughs of the country £13 billion was gambled and £470 million lost to fixed-odds betting terminals last year, in 2,691 betting shops – double the amount staked in the richest areas. Council assembly is concerned that it appears bookmakers are targeting the poorest areas with the highest unemployment and lowest income level. In Southwark, £523 million was gambled and £18.6m lost at fixed odds betting terminals in 81 shops last year.
3. That council assembly notes that the gambling industry has recently been announced a new code of conduct, introducing optional time and money limits for gamblers and mandatory alerts to betting shop staff, but believes that this voluntary code does not go far enough to protect people from the risks of these high-stakes betting machines.
4. That council assembly is concerned that the government has not addressed the issues caused by fixed-odds betting terminals (FOTBs) and has resisted calls to reduce stakes on FOBT, claiming that “it is currently not clear how great an impact a reduction would have on gambling related harm”.
5. That council assembly applauds the work of Labour MPs in calling for local authorities to be given new powers to restrict the growth of fixed-odds betting terminals (FOTBs) and is disappointed that this motion was rejected by Tory and Liberal Democrat MPs, who failed to support the proposals despite the Liberal Democrats’ previous support for “Stop FOBT” campaigns.
6. That council assembly believes that the increase in FOBTs is causing significant problems and believes that the government should either use the existing legislative framework, or introduce legislation to outlaw B2 casino games in betting shops. At the very least, local authorities should be given the powers to protect the local amenity and wellbeing of communities by (1) stopping the proliferation of betting shops and (2) reducing the maximum stakes and slowing down the speed of play.
7. That council assembly therefore calls on the cabinet to:
  - a) Write to the Secretary of state for Culture, Media and Sport to outline the terms of this motion and demand urgent action against FOBTs by the government
  - b) Explore the use of the Sustainable Communities Act as a means to reduce the maximum stake on Fixed Odds Betting Terminals to £2 per spin.

<b>Item No.</b> 26.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Disposal of Site A – 5 Nunhead Green, SE15 3QQ	
<b>Wards affected:</b>		The Lane	
<b>From:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

**FOREWORD - COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

Over the last four years both the community and the council have worked hard alongside architects The AOC to develop plans for the sites of the former Nunhead Early Years Centre and the old Community Centre. These sites are at the heart of Nunhead - both in terms of the communities' needs and the prominence of the sites within the Nunhead Green conservation area.

Last year I was delighted when we achieved planning consent for eight new family council houses (designed by PLP), a new community centre and fourteen attractive new homes for private sale (designed by The AOC). The council has appointed contractors and work is underway to build the new community centre and council houses and I'm pleased to be bringing forward this report to grant a lease for the development of the private sale homes. This sale will not only provide a substantial receipt to help fund the improvements in the area, it will also move us forward towards completing the regeneration of Nunhead.

The design of the new homes is in keeping with other key buildings in the conservation area - a modern interpretation of the Arts & Crafts style of the nearby Alms Houses and the Old Nun's Head pub. The homes have also been designed to protect the "Nunhead Willow", a tree that is such a local landmark it has its own Twitter feed!

With the shop front improvements completed, works to the Green and public art projects underway we now are seeing a real revival of Nunhead's high street with new shops such as a cobblers, vintage furniture shop, estate agents and bike shop opening. There can be no doubt that we are well on our way to delivering our promise to "put the village back in Nunhead".

**RECOMMENDATIONS**

That the cabinet authorises

1. The disposal of the council's freehold interest in Site A - 5 Nunhead Green, SE15 3QQ ("the property"), as shown edged black on the plan in Appendix 1, to the party on the terms outlined in the closed version of this report. Delegating authority to the head of property to agree the detailed terms of the transaction and negotiate any other items considered necessary.
2. The disposal of the property to an alternative bidder should the recommended purchaser not enter into contracts within a reasonable period as long as the transaction continues to represent the best consideration reasonably obtainable.

## BACKGROUND INFORMATION

3. The council is the freeholder of the property edged in black on the attached plan at Appendix 1. The property extends to approximately 2,727m<sup>2</sup> (0.67 acres) and is split into two sections with frontages to Nunhead Green and Nunhead Lane (A2214) and Scylla Road.
4. The property is held in the council's general fund.
5. The property comprised a single storey 1970's built day nursery and associated grounds. The building was in poor condition and was nearing the end of its economic life.
6. On 6 March 2007, the council's executive approved the relocation of the childcare services from Nunhead Green Early Years Centre (EYC) to Rye Oak Primary School creating a comprehensive Children's Centre. The Executive noted that "upon conclusion of the relocation of childcare services into the proposed development at Rye Oak Primary School, property assets at Rye Oak Primary School and Nunhead Green EYC may be declared surplus to the children's services department's needs."
7. The executive also instructed the head of property to commence an "examination into the future use and development of surplus property assets at Rye Oak Primary School and Nunhead Green Early Years Centre including exploring with Southwark Primary Care Trust the feasibility of developing a health facility, subject to the surplus declaration" The Primary Care Trust were consulted by officers and had no need or future use for the site.
8. The executive further asserted "that the local community should be consulted including the community council and local community groups at the earliest opportunity and regularly throughout the process of formulating options for future use".
9. After a temporary use by another private nursery whilst building works were completed at their facility, the property fell vacant and therefore was surplus to the requirements of children's services department.
10. At the same time the Nunhead Community Centre at 56 Nunhead Lane was closed and refurbishment deemed un-economic. In line with the 2007 executive decision the Head of Property instructed officers to consult with the local community and formulate options for both sites and then seek planning consent for both sites.
11. The development brief for both sites was to provide a new community centre, affordable housing and private housing. The affordable housing to be built and retained by the council as part of the 1,000 new homes strategy, the community centre to be built and let to a local community group and the private site to be sold to raise revenue.
12. Both sites A & B are designated in the soon to be adopted Peckham & Nunhead Area Action Plan (sites 15 & 16). A planning consent was sought that met the policy aspirations in the plan.

13. After several public consultation events and design sessions between the council's appointed architect and the local community group Nunhead's Voice who had been identified as the potential lessee of the community centre. Planning & Conservation Area consent was granted in June 2013 (ref 13/AP/1767 & 13/AP/1768) for a development comprising: eight affordable homes on Site B, a new community centre, 8 houses and six flats on site A.
14. A contractor has been appointed to build the community centre and is currently preparing the site for redevelopment. The remainder of site A designated for the private housing was intended to be sold and this report seeks approval for the terms of this sale.
15. The council's property team marketed the property for sale by informal tender. The council's property & legal teams prepared a comprehensive pack of background information and specialist reports related to the property to help inform potential bidders.
16. The property was marketed for a period of two months culminating in best bids being received on the 25 April 2014. Marketing included two print advertisements in the Estates Gazette, a banner on the Estates Gazette website linking to the details on the council's property for sale web page and a "for sale" board was also erected at the site. A total of 124 enquiries were received from which 14 bids were made from 12 separate bidders.
17. The closed agenda report carries details of the offers received and for reasons of commercial confidentiality it is not possible to report these on the open agenda. The transaction being recommended will allow the implementation of the planning consent within a suitable time period with safeguards in place to ensure the developer builds the consented scheme.

#### **KEY ISSUES FOR CONSIDERATION**

18. Councils are required to dispose of surplus property assets subject to best consideration requirements. Specifically, the council has a duty under Section 123 of the Local Government Act 1972 to dispose of land for the best consideration that could be reasonably obtained. The head of property confirms that the sale of the property as recommended will comply with these requirements and the price achieved is the best that could be reasonably obtained at this time.
19. The contract will contain overage clauses triggering further payments to the council should certain sales thresholds be exceeded or the property sold on within a ten year period for more than the original consideration.
20. When it is completed, the redevelopment of the property should have benefits for the local community including the provision of new housing. The sale of the property will ensure that it is brought back into beneficial use.
21. The property will be offered with full vacant possession prior to completion of the sale. The council does not own any interest in any of the companies bidding.
22. The substantial capital receipt that will be generated as a result of the sale of the property will make a significant contribution to the council's Capital Programme.
23. As the property is held in the council's general fund it is considered less suitable

for the council's scheme of Direct Housing Delivery Programme than sites already held in the Housing Revenue Account such as site B.

### **Policy implications**

24. The disposal of the property will generate a substantial capital receipt which will be used to provide capital funding in support of the council's key priorities.
25. The environmental improvements arising from the redevelopment of this site will assist the council in meeting its cleaner, greener and safer agenda. All new dwellings arising from the redevelopment have been designed to meet level 4 of the code for sustainable homes, 20% of the site's energy requirements will come from renewable sources and the new community centre is targeting BREEAM Excellent status.

### **Community impact statement**

26. The capital receipt to be realised as a result of the transaction will assist with delivery of the council's corporate objectives, achieving its stated budget principles and working together with communities towards a 'fairer future for all'.
27. It is not considered that the sale will have any adverse affect on any of the protected characteristics of age, disability, gender reassignment, pregnancy & maternity, race, religion or beliefs, sex or sexual orientation. The site is vacant and the services previously supplied at the site have been re-provided. The re-provision of the community centre will mitigate any impact of the closure of the previous centre on site B. The new centre will be a fully accessible community facility open to all. It is therefore considered that the duties under the Equality Act 2010 have been satisfied.
28. The planning consent to be delivered was consulted on extensively exceeding the statutory responsibility of the council.
29. Redevelopment of this site is likely to have a positive effect on the local environment and streetscape.

### **Resource implications**

30. This proposal will generate a capital receipt, expected in the financial year 2014/15.
31. The buyers will also make a contribution towards the council's administration costs.
32. There will be no loss of income from the site arising from the disposal. Disposal will remove the need for expenditure on void management and running costs.
33. The costs of obtaining the planning consent and s.106 and Mayoral Community Infrastructure Levy which have been incurred by the council will be recouped in the sale receipt.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

34. The property falls within the council's general fund. Cabinet is advised that the disposal of land held by a principal council may only proceed in accordance with



section 123 of the Local Government Act 1972. This section states that property may not be disposed of by a principal council “for a consideration less than the best that can reasonably be obtained”. In paragraph 18 above the head of property confirms that this is the best consideration achievable in the current market

35. The cabinet is therefore advised that there are adequate powers available to the council to enable it to dispose of the property by agreement and the cabinet may approve the recommendation.

### **Strategic Director of Finance and Corporate Services (FC14/005)**

36. This report seeks cabinet approval for disposal of the council’s freehold interest in Site A - 5 Nunhead Green, SE15 3QQ. The financial implications are contained within the closed version of this report.
37. The strategic director of finance and corporate services notes that this offer represents best consideration and will generate a significant receipt to support the general fund capital programme in 2014/15.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	OS plans, indicating the Property – edged black

### **AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Strategy and Performance	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Tim Surry, Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Support Team</b>	10 July 2014	

# Draft pdf source

TITLE.

Site A,  
Nunhead Green,  
London, SE15 3QQ.

**APPENDIX 1**



DRAWING No. LBS\_3035(Layout3)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 16/6/2014

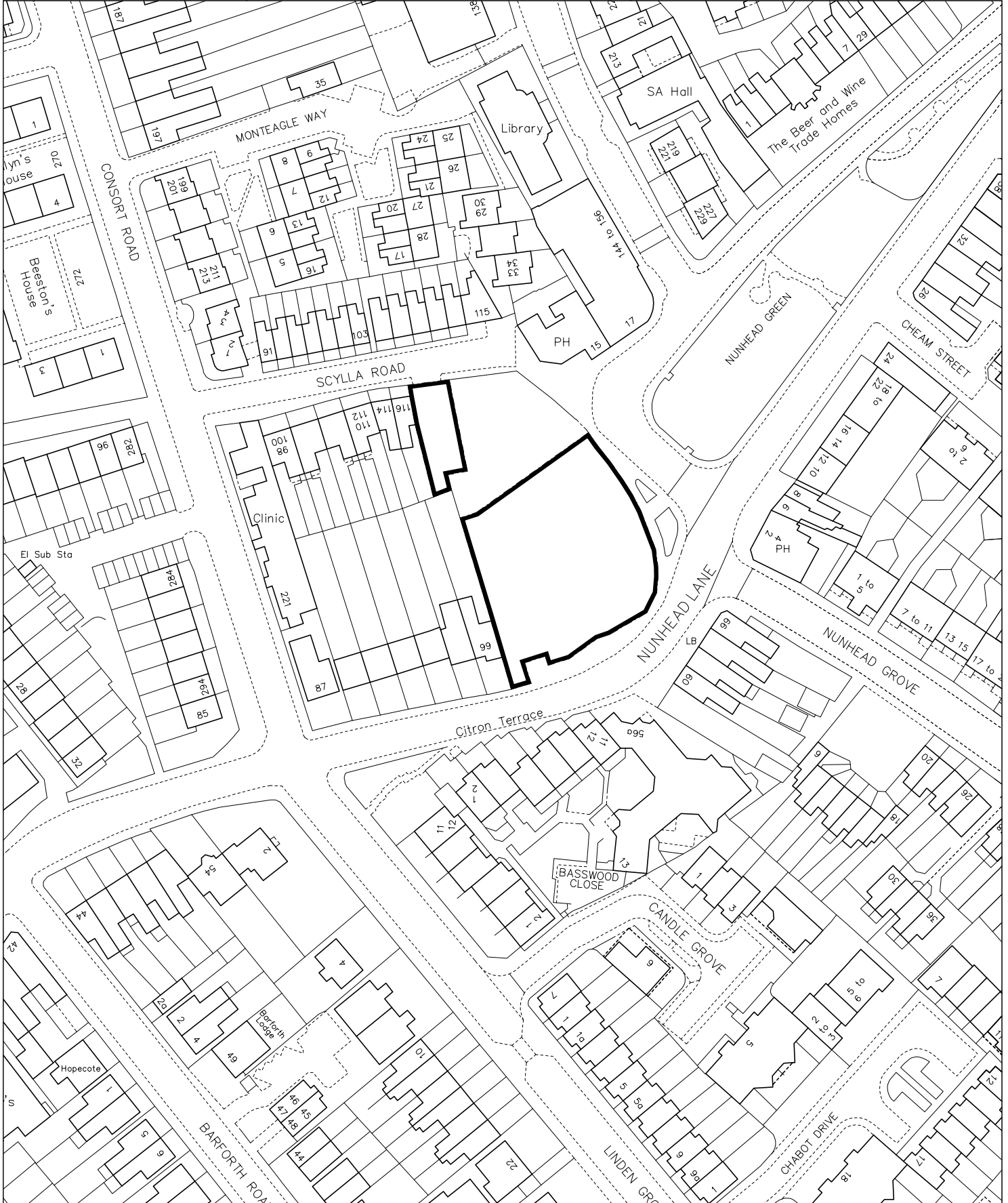
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# NOT FOR LEGAL USE



<b>Item No.</b> 27.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 – Contract Award Approval: Lift Maintenance Contract	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

**FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

With 755 lifts in the borough we have one of the largest stock in the country and at the same time some of the oldest stock. When lifts break down it is clearly important that they are repaired quickly to avoid the significant inconvenience break downs cause for residents. I am aware that the problem of lift break downs is particularly acute on some estates and we are in the process of identifying a longer-term solution to address the underlying issues.

Recent improvements in the service have focused on responding to breakdowns quickly, replacing parts in a planned way before they become obsolete and keeping residents informed of repair work at all times. It has been pleasing to note that good progress has been made. Lift availability over the last 24 months has increased from 96% to 98.4% and is exceeding the demanding performance targets. The London Fire Brigade congratulated us on reducing lift trap-ins by 50% from 1421 in 2009 to less than 500 at the end of 2013.

It is my expectation that these new contracts will build on much of the good work achieved to date and deliver the excellent service residents deserve.

**RECOMMENDATIONS**

That cabinet:

1. Approves the award of Contract A (north of the borough) Lift Maintenance Contract to Liftec Lifts Ltd for the estimated sum of £1.8m per annum for a period of five (5) years from 2 January 2015 with the option to extend by a further two (2) years in (1+1 yearly increments) making a total estimated contract value of £12.3m.
2. Approves the award of Contract B (south of the borough) Lift Maintenance Contract to Guideline Lift Services Ltd for the estimated sum of £1.4m per annum for a period of five (5) years from 2 January 2015 with the option to extend by a further two (2) years in (1+1 yearly increments) making a total estimated contract value of £10.0m.
3. Approves Liftec Lifts Ltd and Guideline Lifts Services Ltd to act as back up contractors to each other on their own tendered rates when required.

4. Notes that when the full lift replacement programme has been finalised a Gateway 3 report will be presented for approval to be included within these contracts. This programme forms part of the Housing Stock Works Package approved by cabinet on 18 March 2014.

#### **BACKGROUND INFORMATION**

5. The current contract with Liftec for the whole of the borough was due to expire on 1 January 2013. A Gateway 3 report was approved on 8 November 2012 to extend the contract to 1 January 2014. A further Gateway 3 report was approved on 25 October 2013, utilising the final 12 month extension, and the current contract is due to expire on 1 January 2015.
6. The planned procurement strategy was the subject of a Gateway 1 report approved by cabinet on 26 June 2013. The approved EU restrictive procedure procurement strategy was followed.
7. The scope of these new contracts (Contracts A and B) will encompass the following work streams:
- Responsive repairs to Passenger and Disability Lifts.
  - Monthly Planned Preventative Maintenance of Passenger Lifts.
  - Bi annual Planned Preventative Maintenance of Disability Lifts.
  - Minor refurbishment of Passenger and Disability Lifts.
  - Supplementary Tests.
  - Maintaining Asset Registers.
  - Builders work in connection with services.
8. The separation of Contracts A and B across a geographical split of the borough (north and south) facilitates better logistical service coverage and given the number of lift assets across the borough. In addition, it was also to ensure that the council has more than one contractor across its total estate in order to maximise the opportunities for identifying savings, introduce competition, back-up arrangements and to also ensure that the council's exposure to a contractors economic or performance failure is reduced.. As such, tenderers were made aware that no single contractor would be awarded both Contracts and that two separate contractors would be appointed.

#### **Procurement project plan (Key Decision)**

9. See table below:

<b>Activity</b>	<b>Completed by:</b>
Forward Plan	April 2012
DCRB Review Gateway 1	20 May 2013
CCRB Review Gateway 1	23 May 2013
Notification of forthcoming decision – despatch of Cabinet agenda papers	28 May 2013
Approval of Gateway 1: Procurement strategy report	26 June 2013
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	9 July 2013
Issue Notice of Intention	27 June 2012
Completion of tender documentation	12 June 2013
<b>Activity</b>	<b>Completed by</b>

Issue new contract notice	16 July 2013
Closing date for expressions of interest	21 Aug 2013
Completion of short-listing of applicants	16 Oct 2013
Invitation to tender	25 Nov 2013
Closing date for return of tenders	27 Jan 2014
Forward Plan	25 Oct 2013
Completion of evaluation of tenders	10 Mar 2014
Issue Notice of Proposal	11 Mar 2014
Completed Notice of Proposal period	7 May 2014
DCRB Review Gateway 2	19 May 2014
CCRB Review Gateway 2	29 May 2014
Notification of forthcoming decision – despatch of Cabinet agenda papers	10 July 2014
Approval of Gateway 2: Contract Award Report	22 July 2014
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	31 July 2014
Alcatel Standstill Period (if applicable)	11 August 2014
Contract award	11 August 2014
Place award notice in Official Journal of European (OJEU)	13 August 2014
TUPE Consultation period	1 Nov 2014
Contract start	2 Jan 2015
Contract completion date	1 Jan 2020
Contract completion date – (if extension(s) exercised)	1 Jan 2022

## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

10. These services will maintain the council's existing assets and deliver regular planned inspections and maintenance of lifts to comply with current legislation. This includes housing blocks, sheltered housing units and individual disabled lift equipment.
11. The two (2) contracts will also provide minor refurbishments of lifts that have been identified through the planned maintenance programme.
12. Each contract will contain a break clause to terminate the contract with no consideration of any loss or expense at any time.

### Policy implications

13. The provision of the lifts maintenance services is required in order that the council fulfils its duties and obligations as a landlord and employer and ensuring that premises have step free access and are fully accessible.

### Tender process

14. Following the placement of the OJEU advertisement on 12 July 2013, 26 Expressions of Interest were received. Pre-Qualification Questionnaires (PQQ) were immediately dispatched to each of the applicants.
15. The PQQ contained the following sections to be completed:
  - a. Section A – General Information (Info Only)
  - b. Section B – Financial (Pass or Fail)

- c. Section C – Equal Opportunities (Pass or Fail)
  - d. Section D – Health and Safety (Pass or Fail)
  - e. Section E – References (Info Only) – it was required that references should relate to the case studies provided in Section H
  - f. Section F – Environmental (Pass or Fail)
  - g. Section G – Quality (Pass or Fail)
  - h. Section H – Technical contained 10 questions, seven (7) of which were scored with the other three (3) being information only.
16. The PQQ submissions were evaluated by the following members of the project team:

Section Evaluated	By whom (post)
General Information	Commercial Manager and Assistant Quantity Surveyor
Financial	Management Accountant
Equal Opportunities	Commercial Manager and Assistant Quantity Surveyor
Health & Safety	External Consultant – Potter Raper Partnership
References	Assistant Quantity Surveyor
Environmental	External Consultant – Potter Raper Partnership
Quality Assurance	External Consultant – Potter Raper Partnership
Technical	Contracts Manager and Lifts Engineer

17. A total of 15 applicants returned PQQ submissions by the required deadline of 21 August 2013. The Invitation to Tender (ITT) was sent out to the shortlisted applicants on 25 November 2013.
18. The PQQ set out that the top 7 highest ranked applicants for the contracts would be invited to tender but reserved the right to invite the eighth ranked applicant should they obtain a score that was within 2% (8 points) of the seventh ranked applicant's score.
19. As the eighth ranked applicant achieved a score within 2% (8 points) of the seventh ranked applicant's score, the top 8 applicants were invited to tender. These were:
- Amalgamated Lifts Ltd
  - Apex Lift & Escalator Engineers Ltd
  - Axis Elevators Ltd
  - Guideline Lift Services Ltd
  - Independent Lift Services Ltd
  - Liftec Lifts Ltd
  - N L C Nova Lift Co. Ltd
  - Otis Ltd t/a Express Alliance
20. Seven (7) tenders were returned to 160 Tooley Street on or by 12.00pm on 24 January 2014 and were opened on 25 January 2014 and checked for compliance.
21. Independent Lift Services Ltd did not submit a tender submission as their creditors presented a petition to wind up the company on 2 December 2013 and the petition was issued on 24 January 2014.

## Tender evaluation

22. The Tender Evaluation Panel (TEP) consisted of the following individuals, with areas of evaluation being conducted separately from each other.

Area Evaluated	By who (post)
Price (70%)	Commercial Manager
Quality (30%)	Electrical & Lift Contract Manager and two Senior Lift Inspectors

23. Tenders were evaluated on the basis of M.E.A.T (most economically advantageous tender) using a weighted model of 70:30 price and quality.
24. All returned tenders were checked for arithmetical accuracy and consistency with the ITT submissions as detailed in Appendix 2 - Procurement Evaluation Report.
25. A Price Schedule Model was used, which contained various annexes covering the different work streams and hourly rates. This tendering approach was intended to preclude tactical tendering of any work streams and reduces the risk of uncontrolled expenditure.
26. Each annexe contained a pre-priced schedule of rates and indicative quantities for each schedule based on previous historical data and the tenderers were required to put a + / - % against each annexe, including their hourly rate and cost of performance bond.
27. Price evaluation was marked out of 70 points. The lowest overall tender price would be awarded 70 points. The following formula was used to evaluate the scores -  $(A/B) \times C$  – where:

A = Lowest Lump Sum Price  
 B = Next Lowest Lump Sum Price  
 C = Overall Weighting for Price

28. The quality assessment was based on information received from tenderers in response to method statements covering Mobilisation, Service Delivery and management. Full detail of these criteria is contained in Appendix 2.
29. Each member of the TEP independently assessed each method statement response using the scoring table found in Appendix 1 – Evaluation Methodology Schedule. The TEP then checked the scoring for consistency and agreed a consensus score. Final scores were calculated to ascertain the tenderer's overall score.
30. The table below sets out the combined price and quality scores:

Tenderer	Price	Quality	Total Score (max 100)	Position
Liftec Lifts Ltd	70	23.6	<b>93.60</b>	<b>1</b>
Guideline Lift Services Ltd	69.76	20.1	<b>89.86</b>	<b>2</b>

<b>Tenderer</b>	<b>Price</b>	<b>Quality</b>	<b>Total Score (max 100)</b>	<b>Position</b>
Axis Elevators Ltd				<b>3</b>
Otis Ltd t/a Express Alliance				<b>4</b>
NLC Nova Lift Company Ltd				<b>5</b>
Apex Lifts and Escalator Engineers Ltd.				<b>6</b>
Amalgamated Lifts Ltd *				<b>*</b>

\* Failed to meet the minimum quality threshold (50%) for method statement 2 and therefore no final score was awarded.

31. The award of contracts is based on M.E.A.T. The Evaluation Methodology set out that the two (2) top scoring tenderers would each be awarded a contract. The tenderer with the lowest tender would be awarded Contract A to give the council and its leaseholders the best price. It is therefore recommended that Contract A be awarded to Liftec Lifts Ltd and Contract B be awarded to Guideline Lift Services Ltd (Guideline).

#### **Plans for the transition from the old to the new contract**

32. The electrical and lifts contracts manager and the commercial manager have developed an overall plan to manage and monitor this critical phase and ensure the transition from the current service delivery to the two new contracts is successful.
33. As soon as the contracts are awarded:
- a. Weekly mobilisation meetings will be held with Liftec and Guideline at 160 Tooley Street and site visits will be organised with both contractors to transfer data to Guideline for assets in the south.
  - b. Existing processes will be updated and communicated prior to the contracts' start date.
  - c. The electrical and lifts contracts manager will be responsible for arranging meetings with key departments (the call centre, the major works team and housing and sheltered housing teams) to ensure there is a seamless transition.
  - d. As Liftec is the incumbent contractor, TUPE consultation will be required for any staff that will transfer over to Guideline.

#### **Plans for monitoring and management of the contract**

34. The service has a team of dedicated competent lift technical officers who carry out daily joint inspections to ensure quality and compliance with the contract specifications.
35. The electrical and lifts contracts manager and lift engineers will manage the contract and will be responsible for authorising works, inspecting quality and monitoring the performance of the contractors. One of the engineering and



compliance quantity surveyors will manage commercial aspects of the two contracts. The engineering and compliance quantity surveyor will review the monthly valuations and select jobs that require post inspections to ensure quality and financial accuracy. Monthly meetings will be undertaken and recorded.

36. The major works lift project manager will be responsible for all lift minor refurbishments.
37. Works orders will be raised and managed through iWorld, where all information relating to orders will be contained. Liftec and Guideline will be required to provide 10% post-inspections that will be rigorously audited by one of the lift engineers.
38. The table below shows the Key Performance Indicator (KPI) for the contracts.

No	Key Performance Indicator (KPI)	Minimum Target Percentage %	Council's Aspirational Target Objective %
1	Percentage of time passenger lifts are available to residents	97	99
2	Percentage of Emergency Orders commenced within stipulated timescales	97	100
3	Percentage of maintenance works completed within the agreed programme	98	100
4	Percentage of Orders which a default notice (recall order) has not been issued	95	98
5	Variation requests to be submitted via I World within 10 normal working hours	95	98
6	The provision of reports and certificates issued within the stipulated time periods	95	98
7	Obtaining spare parts and equipment to ensure that the lift is only out of service for the absolute minimum period of time	95	98
8	Response to queries/ complaints from residents and Council Officers to meet the Council's Corporate Policy	100	100

39. These KPIs are monitored and appropriate action will be taken as necessary under the contracts. Target percentages will be reviewed during the contract periods.

#### Identified risks for the new contract

40. The table below identifies the specific risks associated with these contracts, the likelihood of occurrence and the controls in place to mitigate the risks.

R/N	Risk Identification	Likelihood	Risk Control
R1	Following contract award, Liftec and/or Guideline go into liquidation, administration or cease trading.	Low	The two (2) separate contracts provide back-up facilities to each other.  A performance bond will be obtained from Liftec and Guideline.

<b>R/N</b>	<b>Risk Identification</b>	<b>Likelihood</b>	<b>Risk Control</b>
R2	Risk that the contractors request refurbishments over repairs in order to secure higher value refurbishment work.	Medium	<p>Joint inspections by council officers and review of council asset monitoring databases.</p> <p>Each contract contains a break clause to terminate the contract with no consideration of any loss or expense.</p>

### **Design Specification Compliance**

41. All repair and maintenance works orders will be carried out in accordance with the technical specification contained in the contract documents.

### **Leasehold implications**

42. The work to be undertaken within these contracts are service chargeable within the terms of the lease, and the element appertaining to the maintenance of the Lifts Repairs systems will result in charges over an annual period that are above the limit for statutory consultation which means these will be charged to leaseholders.
43. Costs will be service charged through the annual charge. Any changes to the way in which work is ordered and paid for should be discussed with the Service Charge Accountant to ensure that all costs can be attributed on a block by block basis.

### **Community impact statement**

44. Liftec and Guideline provide employment and apprenticeship opportunities to the local community. The award of these contracts will secure existing jobs, particularly among those with dependents who currently enjoy the benefits of the contractor's flexible working policies, and continue to provide local young people with the opportunities for additional apprenticeships in this high skill sector.
45. Workplace experience will also be offered to local schools. This will be organised by the engineering and compliance team.

### **Economic considerations**

46. The full cost to the council and the life span of the contracts are set out in paragraphs 1 and 2 of this report.
47. Both contractors have agreed to recruit one apprentice for each year of the initial five year term of the contract. The apprenticeships will be arranged jointly with the Southwark apprenticeship scheme and monitored by the electrical and lift contract manager. These apprenticeships will lead to the three year NVQ3 lift engineering qualification.

### **Social considerations**

48. In November 2012 the council became an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, our contractors and sub-contractors pay staff at a minimum rate equivalent to the

LLW rate. The Gateway 1 report approved on 26 June 2013 confirm, for the reasons stated in that report, payment of LLW was an appropriate and best value requirement for these contracts offering enhanced quality of work from a motivated workforce and a lower staff turnover. Liftec and Guideline confirmed that they met the LLW requirements. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of each of the contract review processes.

49. Operatives pay is based on the Lift and Escalator Association Standard pay rates, which exceed the LLW.
50. Liftec and Guideline have demonstrated that they operate an Equal Opportunity Policy and that they are fully aware and compliant with the council's own Equal Opportunity Policy.

### **Environmental considerations**

51. All components and equipment, being replaced, will be disposed of in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE).
52. All recyclable packaging will be set aside and disposed of via a recycling centre.
53. No hazardous materials will be used.
54. Liftec and Guideline will be issued with the council's current asbestos register to avoid any risk of exposure to the contractor or the residents.

### **Market considerations**

55. Liftec has 138 employees, including 9 Technicians, 56 Engineers / Seniors, 26 Engineers Mates and 12 Apprentices.
56. Guideline has 89 employees, including 36 qualified lift engineers and technicians, and 10 employees undertaking NVQ 3 training.

### **Staffing implications**

57. There will be no impact on council staff caused as a consequence of implementing these contracts. Officers are already fulfilling the works ordering and monitoring roles of the current contract and these functions will continue under the new contracts.
58. These contracts will be managed by the electrical and lifts contracts manager and commercial manager from the engineering and compliance team.

### **Financial implications (FIN0815 – JP)**

59. The total cost of the Lift Maintenance and Refurbishment contracts over five years starting from 02 January 2015 is:

Contract A = £8.815m  
 Contract B = £7.160m  
 Total Cost = £15.975m

60. This equates to an annual contract cost of £3.195m for both revenue and capital.

<b>Lift Repair and Maintenance and Refurbishment estimated annual cost</b>				
	<b>Housing Revenue Account</b>	<b>General Fund</b>	<b>Refurbishment</b>	<b>TOTAL</b>
Contract A	£0.971m	£0.042m	£0.750m	£1.763m
Contract B	£0.648m	£0.034m	£0.750m	£1.432m
<b>TOTAL</b>	<b>£1.619m</b>	<b>£0.076m</b>	<b>£1.500m</b>	<b>£3.195m</b>

61. The cost of the contracts will be funded by the current housing revenue budget of £1.634m p.a. that is sufficient to cover the repairs and maintenance aspect, £76k from the General Fund for disability lifts, and the remaining costs are expected to be funded from the capital budgets within the Housing Investment Programme for Warm, Dry and Safe (WDS) lifts. Any Building Maintenance Index uplifts will need to be contained within the allocated budget.

### **Investment implications**

62. The current Housing Investment Capital Programme contains total approved capital budget of £5.266m for the WDS lifts programme up to the period 2015/16. To date £2.014m has been spent leaving a balance of £3.252m towards the above costs.
63. On the 18 March 2014 Cabinet approved a housing stock works package totalling £985.089m starting in April 2016. Within this overall package, provision is made to cover the capital cost of these contracts.
64. Once confirmed, budgets will be profiled to reflect the above costs and regular monitoring will ensure costs are allocated against approved budgets. Officers will also need to ensure that costs charged to capital are within prescribed definition of capital expenditure as specified in the Local Government Act 2003.

### **Legal implications**

65. Please see the comments from the director of legal services.

### **Consultation**

66. Consultation will be held through out the mobilisation period and TRA meetings.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

67. This report is seeking approval for the award of two separate repairs and maintenance contracts for the lifts across the borough's housing stock. One contract shall cover north of the borough and the other, south of the borough. It is intended that if required, the contractors will act as back up to each other using their own tendered rates.
68. The report confirms that the procurement strategy set out in the previously approved Gateway 1 report has been followed with a full restricted EU competitive process being undertaken.

69. Paragraphs 22 – 31 of the report describe the evaluation process that was carried out and confirms that tenders were evaluated using a weighted model to determine the most economically advantageous tender (MEAT). The report also confirms that the two top scoring tenders will each be awarded a contract and how the decision to allocate areas was undertaken.
70. The report sets out plans for the transition of the service in 32 & 33. Paragraphs 34 - 39 describe how the contract will be managed and monitored throughout the life of the contract.

### **Director of Legal Services**

71. The director of legal services notes the contents of the report which seeks the approval of cabinet to the award of two contracts:
- a. Contract A (north of the borough) Lift Maintenance Contract to Liftec Lifts Ltd for the estimated sum of £1.763m per annum for a period of five (5) years from 2 January 2015 with the option to extend by a further two (2) years in (1+1 yearly increments) making a total estimated contract value of £12.341m as outlined in this report; and
  - b. Contract B (south of the borough) Lift Maintenance Contract to Guideline Lift Services Ltd for the estimated sum of £1.432m per annum for a period of five (5) years from 2 January 2015 with the option to extend by a further two (2) years in (1+1 yearly increments) making a total estimated contract value of £10.024m as outlined in this report.
72. The director of legal services also notes the contents of the report which seeks the approval of cabinet for Liftec Lifts Ltd and Guideline Lifts Services Ltd to act as back up contractor to each other on their own tendered rates when required.
73. This report confirms at paragraph 8 that the services for each contract must be provided by different contractors. Due to the recent market climate, if a takeover were to happen between the contractors of Contract A and Contract B, there is provision in each contract to terminate the contracts to ensure the separation of these contract functions.
74. On the basis of the information contained in this report, it is confirmed that this procurement was carried out in accordance with contract standing orders and the relevant legal requirements.
75. This report confirms that, as required by law, tenders were sought from contractors following an EU procurement exercise and that the most economically advantageous tender is recommended for acceptance. A contract award notice will need to be posted in the OJEU within 48 days of the award of the contracts.
76. As part of the contract award process, there will need to be a standstill period of a minimum of 10 calendar days between notification of the successful contractors that they have won the contracts and the award of the contracts to that contractor, so as to allow unsuccessful contractors the opportunity to challenge (if they decide to) the award of the contracts.
77. The contracts are classified as a strategic procurement and therefore CSO 4.5.2 a) requires the cabinet or cabinet committee to authorise the award of the

contracts, after consideration by the corporate contracts review board (CCRB) of the report.

78. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. Paragraphs 59 to 61 of this report confirm how the proposed contracts will be funded.

### **Strategic Director of Finance and Corporate Services**

79. This report is seeking approval from cabinet to award lifts maintenance contract A to "Liftec Lifts Ltd" and contract B to "Guildeline Lift Service Ltd" at estimated annual contract cost of £1.763m and £1.432m respectively as detailed in paragraphs 1 and 2 of this report. The report is also seeking approval for both "Liftec Lifts Ltd and "Guildeline Lift Service Ltd" to act as back up contracts to each other on the same rates.
80. The financial implication provides details of the contract cost over five years starting from 2 January 2015 and it is noted that these contracts will be funded from the House Revenue Account, the Housing General Fund and the Housing Investment Programme as detailed in paragraph 61.
81. It is also noted that provision exists within the new capital bids approved in March 2014 for the Housing Investment Programme to cover the capital cost of these contracts.
82. Staffing and any other costs connected with these contracts to be contained within existing departmental revenue budgets.

### **Head of Specialist Housing Services (For Housing contracts only)**

83. This is a Qualifying Long Term Agreement under the terms of the Commonhold and Leasehold Reform Act 2002. Costs are expected to result in service charges in excess of £100 per annum and therefore consultation is required under Schedule 2 of the regulations relating to the Act. Notice of Intention was served on all leaseholders on 20 July.2012. Notice of Proposal was served on 21 March 2014. The observation period for the Notice of Proposal was ended on 7 May 2014. There were 15 observations received in response to the Notice. None of the observations raised issues that would suggest that this contract should not go ahead.
84. Work carried out within the agreement which would result in a service charge in excess of £250 will require consultation under schedule 3 of the regulations and should be referred to the Home Ownership Unit before an order is raised.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 report (open) - 17 April 2012	Engineering and Compliance, 160 Tooley Street, SE1 2QH	Gavin Duncumb 020 7525 0685
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=3822&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=3822&amp;Ver=4</a>		
Revised Gateway 1 report (open) – 26 June 2013	Engineering and Compliance, 160 Tooley Street, SE1 2QH	Gavin Duncumb 020 7525 0685
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4</a>		
Gateway 3 report (open) – 8 Nov 2012	Engineering and Compliance, 160 Tooley Street, SE1 2QH	Gavin Duncumb 020 7525 0685
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4</a>		
Gateway 3 report (open) – 25 October 13	Engineering and Compliance, 160 Tooley Street, SE1 2QH	Gavin Duncumb 020 7525 0685
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&amp;MId=4861&amp;Ver=4</a>		

**APPENDICES**

<b>No</b>	<b>Title</b>
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	David Lewis, Head of Maintenance and Compliance	
<b>Report Author</b>	Gavin Duncumb, Commercial Manager	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 July 2014	

<b>Item No.</b> 28.	<b>Classification:</b> Open	<b>Date:</b> 22 July 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Proposal to Lease Northcott House Hostel	
<b>Ward(s) or groups affected:</b>		Cathedrals ward People in housing need affected, borough wide	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

### **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

Southwark is currently facing both growing numbers of homeless people and significant pressures on its temporary accommodation provision. The decision by Central and Cecil to vacate Northcott House, which provides accommodation for vulnerable women, could potentially have made this situation worse. This report proposes that the council lease this building for a period of four years to provide accommodation for single vulnerable adults, as a step supporting them towards independence.

As some of the 45 units at Northcott House are currently used by people from other boroughs, this lease will increase the amount of temporary accommodation available to Southwark residents. This not only better meets the needs of those residents but will also save the temporary accommodation budget the additional costs associated with bed and breakfast accommodation.

### **RECOMMENDATIONS**

1. That cabinet agree to lease Northcott House subject to acceptable terms being agreed with the landlord with a view to using and managing the buildings as 'step down' accommodation for vulnerable adults, now deemed able to live independently, pending their move into either a social or private rented tenancy.
2. That cabinet delegate authority to the head of property to agree detailed lease terms and to complete a lease of the premises on the terms (or better) set out this report.

### **BACKGROUND INFORMATION**

3. Central and Cecil are an established Register Provider who were previously commissioned through a Supporting People contract to provide 45 units of accommodation in a supported hostel for young women.
4. In December 2011, Supporting People funding was withdrawn and the building was decanted. The council's Temporary Accommodation, Procurement and New Initiatives (TAPNI) business unit came to an agreement with Central and Cecil so that Southwark would nominate homeless women to the hostel and that Central and Cecil would provide a fully managed service as a cost neutral alternative to bed and breakfast (B&B).



5. This arrangement has proved mutually beneficial for both organisations. Through it Southwark has been able to reduce the number of households in expensive bed and breakfast accommodation while Central and Cecil have continued to generate a rental income through clients nominated by the council.
6. However Central and Cecil have recently been re-evaluating the core aims of the organisation. They wish to retain overall ownership of the building and are hoping to continue generating an income on the building while they are focusing their business on more housing provision for elderly and vulnerable people.
7. In addition, there are a few clients in the building who have not been directly nominated by Southwark are comprised of referrals from Camden and also referrals from St Giles.
8. Specialist Housing Services have expressed an interest in leasing the building to enable them to provide additional short-term low support accommodation for 45 adults who are ready to step down from higher supported housing in readiness for independent living. The hostel units are of a good standard, providing en suite facilities to all rooms with access to shared cooking facilities. Specialist Housing Services have engaged surveyors from Property Services to liaise directly with Central and Cecil to negotiate on their behalf to secure the building at the lowest possible annual rent. The principle heads of term are agreed are contained in the closed version of this report.
9. Under leasing proposals, there will be some financial risk to the council due to the fact Specialist Housing Services will be responsible for lease costs as well as assuming responsibility for income collection, voids control and full repairing obligations. However, a cautious financial model has been produced which anticipates that the hostel will be managed on a cost-neutral basis.

## **KEY ISSUES FOR CONSIDERATION**

### **Supply and demand**

10. In June 2014, there were 73 adults with support needs placed into inappropriate and expensive bed and breakfast accommodation while they are waiting for a move into supported housing.
11. There are 91 single adults who have been deemed by their support workers to be capable of independent living who are currently in supported housing. However there is currently insufficient accommodation across all sectors to assist this move on.
12. It is proposed to use Northcott House as “step down” accommodation for people ready to move out of higher supported hostels and to begin bidding for permanent housing. This will in turn create vacancies for people who require a higher level of supported housing to move from unsuitable bed and breakfast accommodation. The benefit to the council will therefore be 45 fewer households in bed and breakfast if all rooms are occupied. Later vacancies can be offered as step down from various pathways including mental health services with packages of care.
13. The cost pressures to the council's general fund of bed and breakfast accommodation remain high and a prime strategy of Specialist Housing Services is to reduce this to a minimum. Leasing a hostel in this manner is part of a range

of schemes in development to boost supply of properties to minimise the costs of temporary accommodation.

14. The cost of keeping the existing 45 households in bed and breakfast accommodation is a financial risk to the council if we do not secure Northcott House. There will be considerable cost benefits to the council through leasing hostel units as step down and reducing use of bed and breakfast for single vulnerable people.
15. Although there are some risks around void levels and rent collection these will be carefully managed. Crucially, there are real risks if the council does not lease the building, especially if another local authority uses it. Not only would this be of a cost to Southwark in terms of temporary accommodation, it would also place strain on other council services as other authorities export their homeless households into Southwark.
16. It is proposed that existing workers at Northcott House will be transferred, under TUPE regulations, from Central and Cecil as they will undertake broadly similar tasks. The staff will work intensively with residents to facilitate with benefit take up and to help residents move on into private or social rented homes.
17. In the highly unlikely event of there being rooms which cannot be filled as “step down” accommodation, the council can use the property as additional temporary accommodation for single homeless households.

### **Approval**

18. As approvals would represent land transactions with a value over £100,000, cabinet approval is sought.

### **Community impact statement**

19. In line with the council’s Fairer Future promises, as outlined in the Council Plan adopted on 6 July 2011, the proposal will provide improved value for money.
20. It will further work with our partners in the voluntary sector to develop a stronger, sustainable service.
21. The scheme further contributes to the council’s Sustainable Community Strategy, which has 3 objectives:
  - Improving individual life chances.
  - Making the borough a better place for people
  - Delivering quality public services.
22. This scheme will address all of these policy objectives by offering high quality supported accommodation fully managed by the council to vulnerable households who are homeless. The standard of the hostel facilities and contract management will not only improve the quality of life of vulnerable residents but also contribute toward improving the fabric of the wider area. It will reduce the number of vulnerable single homeless people inappropriately placed in unsuitable Bed & Breakfast accommodation and provide them with a greater level of support and reduce inequality and disadvantage across a range of services for those clients in bed and breakfast and supported hostels across the

borough. The equality analysis and profile of clients currently in bed and breakfast is provided in the closed report.

23. There will be a benefit to the council's general fund by placing fewer households in bed and breakfast accommodation.

### **Resource implications**

24. Proposals to establish a lease agreement with Central and Cecil Housing Trust to use Northcott house, based at Waterloo, London SE1 are detailed within this report. The hostel will be used to house vulnerable adults and managed by Supported Housing services.
25. It is planned that the property is vacated and let in its current state and there will be an expectation that LBS will return it in no better condition in terms of repair or decoration at termination of the lease. For clarity, there will not be an expectation that LBS complete a redecoration cycle. A condition survey will be undertaken including a photographic survey and will be attached to the lease. The lease period is to be for a 4 year term with the opportunity for C&C or LBS to break the lease at any time on 12 months notice to the other. The rent payable is included in the closed version of this report.
26. Early estimates indicate that the premises is in reasonable condition and suitable for LBS usage. The calculated net revenue situation is set out in the closed version of this report.
27. Cost assumptions have been based on a similar sized hostel locally. There is a possibility that maintenance costs in the first twelve months will be limited as the condition of the premises is assumed reasonable. This will be confirmed once a survey has been undertaken. The requirement for additional staff time is estimated and will be managed throughout the year. The calculation shown indicates that on the basis of full unit occupancy breakeven could be delivered and therefore the no cost to general fund budgets.
28. Cost assumptions allow for a night time security guard to be on site between 8pm and 8am. This cost will be chargeable through a weekly service charge and under current housing benefit guidelines the cost is rebatable and at this stage the expected client's base are all eligible.
29. The alternative equivalent numbers of Bed and Breakfast units used instead of the 45 units proposed in the hostel, assuming full occupancy. A net cost of accommodation of £119,088 per annum is produced for self-contained placements. The point illustrates the additional pressure to general fund budgets which would be created if service users were housed in Bed and Breakfast accommodation rather than in the hostel. This can be reduced through use of this alternative. The cost summary of this estimate assuming full occupancy is shown in the table below.

### **Self contained average daily rates and totals**

<b>Units – Self-contained</b>	<b>Single</b>	<b>Annual cost</b>
Single placement cost per night £60.42	45	£992,399
Rental income		£(873,311)
<b>NET COST</b>		<b>£119,088</b>

30. It is clear that the average cost of providing B&B accommodation would be greater than the revenue costs likely to be incurred through operation of the hostel.
31. A summarised comparison of the net position between the alternatives is shown in closed version of this report.
32. This position is clearly subject to several conditions. Firstly, confirmed assessment of up-front costs required to pay the annual lease and the results of the survey to confirm there are no conversion costs, although these are not expected. Secondly, the rental stream generated through occupation of the hostel subsidises the additional revenue costs associated with operating it, which appears viable even allowing for a drop in occupation and therefore a breakeven position indicated by the calculations. Thirdly, the use of the hostel in place of Bed and Breakfast reflects cost avoidance to general fund budgets. Although the financial summary above allows for all expected spend, it is advisable that additional financial testing is undertaken as the detailed specifications and requirements of the hostel are drawn up.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

33. The Director of Legal Services (acting through the Contracts Section). The grant of the proposed lease to LBS is likely to amount to a relevant transfer under TUPE Regulations 2006 as amended, as the building is likely to be run as a hostel up until the date of transfer to LBS. However until due diligence is carried out definitive advice on TUPE cannot be provided. This due diligence work needs to be carried out before the final terms of the lease are negotiated.
34. The Cabinet is advised that as far as the acquisition of the lease is concerned, section 120(1) of the Local Government Act 1972 ("the 1972" Act) authorises the council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120(2) of the 1972 Act the council may acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose, and, until it is required for that purpose, it may be used for the purpose of any of the council's functions. This would include the acquisition of leasehold interests in Northcott House on the terms specified in this report.
35. Whilst it is proposed that the council acquire a relatively short lease of Northcott House, 4 years, this remains the acquisition of a legal interest in property and will require the outlay in rent as set out in the closed version of the report over the 4 year term. Accordingly the approval of the Cabinet is required. The Cabinet is advised that it has adequate powers to acquire such a leasehold interest in the property and they may approve the recommendation if they are minded to do so.

### **Strategic Director of Finance and Corporate Services (FC14/013)**

36. This report seeks cabinet agreement to lease Northcott House subject to acceptable terms being agreed with the landlord. The financial implications are covered in the body of this report.

37. The use of Bed & Breakfast to meet the continued demand for temporary accommodation represents a significant cost pressure for the council. The use of Northcott House represents a lower cost option. Once the lease is granted, further financial modelling will be required to ensure the proposed service represents best value and can be contained within existing resources.

#### **Executive HR Manager**

38. This TUPE transfer will be managed in line with TUPE Regulations and full consultation with staff affected will take place leading up to the transfer and final due diligence information will be provided 28 days prior to the date of transfer.

#### **Head of Property**

39. The hostel is currently owned and managed by Central and Cecil. Their intention is to cease directly managing this accommodation. They have offered The council a short term lease whilst they develop their long term plans for the building. The report above makes clear the Specialist Housing Team's rationale for acquiring the property. There are adequate protections within the Heads of Terms to enable the council to either end the lease (with twelve months notice) or bring in a partner provider should the Specialist Housing Teams' role, remit or requirements change.
40. Final detailed negotiations with the landlord are on going. In order to meet the Landlord's timescales, Property recommends that the principle Heads of Terms contained in the closed version of this report are agreed and that delegated approval is given to the Head of Property to approve final lease terms and completion of the lease.
41. A full condition survey is underway but it is not expected to identify any significant issues. Any issues will be taken into account as part of the report to the Head of Property seeking approval of the final Heads of Terms and completion of the lease.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Equality Impact Assessment

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Community Services	
<b>Report Author</b>	Martin Green, Head of Specialist Housing Services	
<b>Version</b>	Final	
<b>Dated</b>	9 July 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 July 2014

APPENDIX 1  
NORTHCOTT HOUSE

EQUALITY IMPACT ASSESSMENT

Count of ETHNICITY_DESCRIPTION	Gender		Grand Total	% Ethnicity	% Total	
	F	M			Female	Male
Asian or Asian British Bangladeshi		1	1	1.30%	0.00%	1.30%
Asian or Asian British Other		1	1	1.30%	0.00%	1.30%
Black or Black British Caribbean	2		11	14.29%	2.60%	11.69%
Black or Black British Ghanian		1	1	1.30%	0.00%	1.30%
Black or Black British Nigerian	1		7	9.09%	1.30%	7.79%
Black or Black British Other	1		8	10.39%	1.30%	9.09%
Black or Black British Sierra Leonean	1		1	1.30%	1.30%	0.00%
Black or Black British Somali		1	1	1.30%	0.00%	1.30%
Black or Black British Ugandan		1	1	1.30%	0.00%	1.30%
Black or Black British Zimbabwean		1	1	1.30%	0.00%	1.30%
Iranian		2	2	2.60%	0.00%	2.60%
Mixed/Dual Heritage Others		1	1	1.30%	0.00%	1.30%
Mixed/Dual Heritage White+Caribbean		1	1	1.30%	0.00%	1.30%
Other Ethnic Group Other		1	1	1.30%	0.00%	1.30%
Preferred not to say		1	1	1.30%	0.00%	1.30%
Refused to Answer Question	1		1	1.30%	1.30%	0.00%
UNKNOWN/NO DATA			6	7.79%	0.00%	7.79%
White British	3		20	25.97%	3.90%	22.08%
White English		6	6	7.79%	0.00%	7.79%
White Irish		3	3	3.90%	0.00%	3.90%
White Scottish		1	1	1.30%	0.00%	1.30%
White Welsh		1	1	1.30%	0.00%	1.30%
<b>Grand Total</b>	<b>9</b>	<b>68</b>	<b>77</b>	<b>100.00%</b>	<b>11.69%</b>	<b>88.31%</b>

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