

## Cabinet

Tuesday 16 September 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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#### Contact

Virginia Wynn-Jones 020 7525 7055 or Paula Thornton 020 7525 4395  
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Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 8 September 2014



# Cabinet

Tuesday 16 September 2014

4.00 pm

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

## Order of Business

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### **PART A - OPEN BUSINESS**

#### **MOBILE PHONES**

Mobile phones should be turned off or put on silent during the course of the meeting.

#### **1. APOLOGIES**

To receive any apologies for absence.

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

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

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

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

#### **4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

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

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

To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.

Item No.	Title	Page No.
6.	<b>MINUTES</b>	2 - 27
	To approve as a correct record the minutes of the open section of the meeting held on 22 July 2014.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
8.	<b>RESPONSE TO RECOMMENDATIONS FROM THE REVIEW OF PREVALENCE OF PSYCHOSIS AND ACCESS TO MENTAL HEALTH SERVICES FOR THE BAME COMMUNITY IN SOUTHWARK</b>	28 - 34
	To agree the proposed response to the health, adult social care, communities and citizenship scrutiny sub-committee review of prevalence of psychosis and access to mental health services for the BAME community in Southwark.	
9.	<b>RESPONSE TO RECOMMENDATIONS IN ACCESS TO HEALTH SERVICES IN SOUTHWARK (HEALTH ADULT SOCIAL CARE, COMMUNITIES &amp; CITIZENSHIP SCRUTINY SUB-COMMITTEE)</b>	35 - 39
	To agree the proposed response to the health, adult social care, communities and citizenship scrutiny sub-committee's report into access to health services in Southwark.	
10.	<b>CARE ACT 2014 - OVERVIEW</b>	40 - 49
	To note the requirements of the Care Act 2014 and the key new duties that it will place on local authorities including Southwark and areas identified as potentially as having the greatest impact on resources locally.	
11.	<b>APPROVAL OF THE COUNCIL'S LOCAL IMPLEMENTATION DELIVERY PLAN, ANNUAL SPENDING SUBMISSION FOR 2015/16</b>	50 - 59
	To agree the content of the council's proposed submission to Transport for London, identifying transport projects to be delivered with Transport for London (TfL) Lip funding in 2015/16 and indicative programme of work for 2016/17 and 2017/18.	
12.	<b>GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - SOUTHWARK WORKS EMPLOYMENT COMMISSIONING FRAMEWORK</b>	60 - 76
	To approve the procurement strategy for Southwark works employment commissioning framework for four years.	

Item No.	Title	Page No.
13.	<b>QUARTER 1 CAPITAL MONITORING FOR 2014/15 AND CAPITAL PROGRAMME REFRESH FOR 2014/15 - 2023/24</b>	77 - 103
	To note the general fund capital and housing investment programme for the identified periods.	
	To approve the virements and funded variations to the general fund and housing investment programme and the re-profiling of the project expenditure for 2014/15 and future years for both the general fund and housing investment programmes.	
14.	<b>REVENUE MONITORING REPORT FOR QUARTER 1, 2014/15, INCLUDING TREASURY MANAGEMENT</b>	104 - 118
	To note the general fund outturn forecast for 2014/15 and forecast net movement in reserves by department, the housing revenue account's forecast outturn for 2014/15 and resulting movement in reserves and the treasury management activity for the first three months for 2014/15.	
	To also note the forecast performance for the collection of council and business rates.	
	To approve the general fund movements that exceed £250,000.	
15.	<b>KIPLING GARAGES, WESTON STREET, BERMONDSEY, SOUTHWARK SE1 - GRANT OF LONG LEASE</b>	119 - 125
	To authorise the grant of a long leasehold interest in two parcels of land on the Kipling Estate, Weston Street, London SE1 to the Leathermarket Community Benefit Society.	
16.	<b>TO RE-APPROVE THE MAKING OF AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER TO ACQUIRE THE REMAINING LEASEHOLD PROPERTIES WITHIN THE ELMINGTON ESTATE PHASE 3 (KNOWN AS SITES C, D, E AND G) SE5.</b>	126 - 161
	To re-approve the making of compulsory purchase orders.	
17.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	162 - 170
	To consider motions referred from council assembly on 16 July 2014:	
	<ul style="list-style-type: none"> <li>• Children and young people</li> <li>• East Dulwich secondary school</li> <li>• Alternating the role of Mayor</li> <li>• Transport links in South Bermondsey</li> <li>• Bakerloo Line extension</li> </ul>	

**DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING****EXCLUSION OF PRESS AND PUBLIC**

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

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

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

**PART B - CLOSED BUSINESS****18. MINUTES****19. TO RE-APPROVE THE MAKING OF AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER TO ACQUIRE THE REMAINING LEASEHOLD PROPERTIES WITHIN THE ELMINGTON ESTATE PHASE 3 (KNOWN AS SITES C, D, E AND G) SE5.****DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT**

Date: 8 September 2014

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

### **Cabinet 16 September 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 16 September 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: 19** To re-approve the making of an application to the Secretary of State for a compulsory purchase order to acquire the remaining leasehold properties with the Elmington Estate Phase 3 (known as sites C, D, E and G) SE5.

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:** 8 September 2014



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 22 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

The chair gave notice that the following late items of business that would be considered for reasons of urgency to be specified in the relevant minute:

Item 7 - Deputation requests

Item 30 - Procurement Strategy Approval – Heating and Water Contracts

Additionally, notice was given that UNISON wished to address cabinet on behalf of the home care workers in Southwark in respect of Item 16, Integrated Community Support – A New Commissioning Charter.

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

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

#### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

The following interests were declared:

- Councillor Victoria Mills declared a disclosable pecuniary interest in respect of item 16, Integrated Community Support – A New Commissioning Strategy, Underpinned by an Ethical Charter as her partner works for UNISON.
- Councillors Victoria Mills and Fiona Colley asked that as parents of school age children in September 2016 their interest be noted in respect of item 17, School Places Strategy Update. This was not a disclosable pecuniary interest.
- Councillor Michael Situ asked that it be noted that he was a former member of the scrutiny sub-committee that had submitted reports in respect of items 9 and 10. This was not a disclosable pecuniary interest.

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

The following question was submitted by Miyoko Sasai to Councillor Richard Livingstone, cabinet member for housing. Ms Sasai did not attend the meeting to ask the question. The question was read out in her absence.

Question to Councillor Richard Livingstone from Miyoko Sasai

The Home and Communities Agency (HCA) forecast that non-decent homes will reduce to 11,615 by March 2015. How many of these 11,615 non-decent homes will be in Southwark ?

Response by Councillor Richard Livingstone

Earlier this month, the Homes and Communities Agency (HCA) published its corporate plan for 2014-18. In its progress report on the Decent Homes Backlog programme, it stated:

"As at the end of March 2013, local authorities receiving Decent Homes Backlog funding from the Agency in 2011-15 still had a backlog of 66,418 non-decent homes. This is forecast to reduce to 11,615 by March 2015."

It is important to note that these figures specifically relate to the homes funded by the Decent Homes Backlog programme in 21 local authorities. It is not a sum total for all the country, nor is it all the non-decent homes within those 21 authorities.

In Southwark, we are making good progress on addressing the backlog work on the 4,490 homes funded through the HCA's Decent Homes Backlog programme. As a result, none of the 11,615 homes projected by the HCA to be outstanding by March 2015 will be in Southwark.

The following question was submitted by Jerry Hewitt to Councillor Fiona Colley, cabinet member for finance, strategy and performance. Mr Hewitt did not attend the meeting to



ask the question. The question was read out in his absence.

Question to Councillor Fiona Colley from Jerry Hewitt

The council offered to "match" the highest bid offered to Associated Newspapers for Harmsworth Quays. Who advised/recommended that the council only "match" the highest bid ? And why ?

Response by Councillor Fiona Colley

The council has a fiduciary and statutory duty not to over pay for any property assets.

Taking advice from external consultants and the director of regeneration it was agreed that the most appropriate strategy was to submit an offer matching any others which may have been received thus reducing the council's expenditure to a minimum at a time of significant budget cuts and austerity. Unfortunately the vendor decided not to treat with the council which was their prerogative. The council still own the freehold and holds a very valuable asset which also produces substantial revenue in the form of ground rent. The council's position is further protected in that the owner of the leasehold will require a restructuring of ownership to allow for any redevelopment which is in the council's gift.

## 6. MINUTES

### RESOLVED:

That the minutes of the meeting held on 2 July 2014 be approved as a correct record and signed by the chair.

## 7. DEPUTATION REQUESTS

Notification of these deputation requests had not been circulated five clear days in advance of the meeting. The chair agreed to accept these requests as urgent as both requests related to an item on the agenda for this meeting, item 17 School Places Strategy Update.

Deputation request from Parent-led steering group for the New Secondary School for East Dulwich Campaign

The deputation spokesperson addressed the meeting to endorse the school places strategy update report and outlined the pressing need for a new co-educational secondary school within the area.

The deputation stated that local conditions have already put strain on local families in relation to admissions and would become significantly worse from September 2016, supporting the steering group's campaign for a new secondary school to be in place from this date. The admissions process brings further challenges to parents of children who do not have a sibling at a current school or live within the catchment area to achieve the necessary priority to gain a place.

Deputation from Charter School Education Trust

The deputation explained the background and establishment of the Charter school which was founded in 2000 as a co-educational, non-faith community school to provide an excellent school for the locality. The deputation outlined some of the outstanding educational outcomes that have been achieved meaning that the school is five times oversubscribed.

The school works actively with the relevant primary feeder schools and are currently working at compiling their bid for consideration by the Department for Education.

**8. SOUTHWARK COMMUNITY WARDENS SERVICE (HOUSING, ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE)**

Councillor Gavin Edwards, chair of the overview and scrutiny committee, presented this report to cabinet.

**RESOLVED:**

That the recommendations of the review of the Southwark Community Wardens Service be noted and that Councillor Michael Situ, cabinet member for environment, recycling, community safety and volunteering, bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

**9. PREVALENCE OF PSYCHOSIS AND ACCESS TO MENTAL HEALTH SERVICES FOR THE BME COMMUNITY IN SOUTHWARK (HEALTH, ADULT SOCIAL CARE, COMMUNITIES & CITIZENSHIP SCRUTINY SUB-COMMITTEE)**

Councillor Rebecca Lury, chair of the healthy communities scrutiny sub-committee, presented this report to cabinet.

**RESOLVED:**

That the recommendations of the review of the prevalence of psychosis and access to mental health services for the BME community in Southwark be noted and that Councillor Barrie Hargrove, cabinet member for public health, parks and leisure, bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

**10. ACCESS TO HEALTH SERVICES IN SOUTHWARK (HEALTH, ADULT SOCIAL CARE, COMMUNITIES & CITIZENSHIP SCRUTINY SUB-COMMITTEE)**

Councillor Rebecca Lury, chair of the healthy communities scrutiny sub-committee, presented this report to cabinet.

**RESOLVED:**

That the recommendations of the review of access to health services in Southwark

be noted and that Councillor Dora Dixon-Fyle (cabinet member for adult care, arts and culture) and Councillor Barrie Hargove (cabinet member for public health, parks and leisure) bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

#### **11. COUNCIL PLAN 2014/15 - 2017/18**

##### **RESOLVED:**

1. That the proposed council plan 2014/15 - 2017/18 be agreed.
2. That the proposed period of consultation on the cabinet's proposals for the council plan 2014/15 - 2017/18 be agreed.
3. In line with above, officers be instructed to work with cabinet members to develop a detailed performance schedule for each council plan theme.
4. That the proposed arrangements for monitoring and reporting on progress against the council plan 2014/15 - 2017/18 be agreed.

#### **12. FAIRER FUTURE ANNUAL PERFORMANCE REPORT 2013/14**

##### **RESOLVED:**

That delivery against the council plan 2011/12 - 2013/14 be noted.

#### **13. BLUE BERMONDSEY BUSINESS IMPROVEMENT DISTRICT PROPOSAL AND BALLOT**

##### **RESOLVED:**

1. That the outcome of the ballot for a Business Improvement District (BID) in Bermondsey as announced on 4 July 2014 be welcomed and the formation of the Blue Bermondsey BID Company be endorsed.
2. That the confirmation from officers that the Blue Bermondsey BID arrangements do not conflict with council strategies and policies affecting the proposed BID area be noted.
3. That Councillor Leo Pollak be nominated to serve on the Blue Bermondsey BID Company Board.

#### **14. NEXT STEPS ON DEVELOPING LONG TERM PLANS FOR THE DELIVERY OF NEW COUNCIL HOMES**

The strategic director of housing and community services informed cabinet that the Future Steering Board (FSB) had confirmed their endorsement of these proposals in writing.

**RESOLVED:**

1. That the 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 be noted.
2. That under the head of major works, the future programme delivery for new council homes with the ongoing asset management of the existing housing stock be brought together.
3. That strategic director of housing and community services be instructed 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. That the strategic director of housing and community services be instructed to report annually to cabinet on delivery of the programme.
5. That the draft "charter of principles" (Appendix 1 to the report) to govern the approach to engagement on housing investment and renewal be agreed.
6. That the strategic director of housing and community services be instructed to consult with residents on the draft "charter of principles" through the summer, reporting back to cabinet in October 2014.
7. That 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 be noted.
8. That the ongoing engagement on the New Southwark Plan and emerging 30 year housing strategy be noted, and that officers be instructed to ensure the necessary linkages are made with the proposed engagement set out in the report.

**15. MAJOR WORKS STATUS REPORT INCORPORATING WARM, DRY AND SAFE****RESOLVED:**

1. That the status of the housing investment programme with particular reference to the warm, dry and safe (WDS) programme be noted.
2. That it be noted that the current warm, dry and safe programme is on course to be fully committed by the end of 2015/16.

3. That the progress of the strategic safety works programme be noted. 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 the council's longer term asset management planning.
4. That 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 be noted.
5. That the current programme resources be noted.
6. That it be noted 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 warm, dry and safe programme.
7. That it be noted that this report will be sent to Home Owners Council and Tenant Council following cabinet approval.

**16. INTEGRATED COMMUNITY SUPPORT - A NEW COMMISSIONING STRATEGY, UNDERPINNED BY AN ETHICAL CARE CHARTER**

Councillor Victoria Mills, having declared a disclosable pecuniary interest, left the meeting room while this item was discussed and representations were made by UNISON.

UNISON and a homecare worker addressed cabinet on behalf of the home care workers in Southwark to raise a number of issues including the 16 hour threshold and eligibility to claim working tax credit and a request for consideration to bring the home care service back 'in house'.

**RESOLVED:**

1. That the Southwark ethical care charter as set out in paragraph 20 of the report be agreed.
2. That the commissioning strategy for integrated community support (including homecare), as set out in paragraphs 34 - 36 of the report, which is underpinned by the Southwark ethical care charter, be agreed.
3. That 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 be noted. 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. 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 be noted.
5. That the interim strategic director of children's and adults' services in consideration of other decisions, bring forward a gateway 1 procurement report for integrated community support by October 2014.

## 17. SCHOOL PLACES STRATEGY UPDATE

Cabinet considered two deputations in respect of this report as summarised in item 7.

### RESOLVED:

1. That the updated forecast of primary school reception places be noted and, in particular, the demand for additional primary school places in the north of the borough.
2. That 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 of the report be approved.
3. That the further expansion of Keyworth Primary School by an additional form of entry (FE) to become 3FE, subject to the agreement of the governing body, as referred to in paragraph 27 of the report be approved.
4. That it be noted 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 of the report.
5. That 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 of the report be noted.
6. That the Wilkinson House site be approved 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 of the report.
7. That the updated forecast of demand for year 7 secondary school places in the borough be noted 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.

#### **18. NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF POLICY FOR RETAIL RELIEF, REOCCUPATION RELIEF AND NEW BUILD EMPTY PROPERTY RELIEF**

##### **RESOLVED:**

That the discretionary rate relief policy attached as Appendix A of the report for retail relief, reoccupation relief and new build empty property relief be approved.

#### **19. ELEPHANT AND CASTLE REGENERATION PROGRESS**

##### **RESOLVED:**

1. That the regeneration agreement dated 23 July 2010 between the London Borough of Southwark and Lend Lease (Elephant & Castle) Limited be amended 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. That it be confirmed that the land edged black on the plan at Appendix B of the report that is currently held for housing and leisure purposes is no longer required for those purposes and the appropriation of the land to planning purposes be confirmed 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. That it be confirmed that the land edged black on the plan at Appendix D of the report that is currently held for housing purposes is no longer required for those purposes and that 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 be approved.

#### **20. GATEWAY 1 ABBEYFIELD ESTATE HINE (MAYDEW HOUSE) WORKS**

##### **RESOLVED:**

##### **Decisions of the Cabinet**

1. That the procurement strategy outlined in the report for the Abbeyfield Estate HINE (Maydeew House) works contract at an estimated value of £22m for an estimated

period of 208 weeks be approved.

2. That the estimated internal and external fees of £2.2m making a total estimated scheme cost of £24.2m be noted.

#### **Decision of the Leader**

3. That authority be delegated to the cabinet member for housing to award the contract for the reasons set out in paragraph 17 of the report, subject to an update being provided to cabinet on progress with this procurement in December 2014.

## **21. REVIEW OF VOID DISPOSAL STRATEGY**

### **RESOLVED:**

1. That the progress of disposals of void housing properties since the last report to cabinet in May 2011 be noted.
2. That 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 be noted.
3. That the general increase in property values in Southwark since the review of 2011 be noted.
4. That the criteria for disposals in the void disposal strategy from those agreed by cabinet in May 2011 be revised, to those set out in paragraph 52 of the 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. That 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 be agreed.
6. That all disposal decisions be continued to be delegated 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 that the cabinet member for housing shall continue to monitor the process.
7. That the change in the strategy for delivering the hidden homes programme in January 2013 be noted.

## **22. QUARTERLY CAPITAL MONITORING OUTTURN REPORT FOR 2013/14 AND CAPITAL PROGRAMME REFRESH FOR 2013/14 - 2023/24**

### **RESOLVED:**

1. That 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 appendices A and D of the report be noted.

2. That 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 of the report be noted.
3. That the virements and funded variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
4. That 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 be approved and it be noted that further re-profiling will be required during 2014/15 based on more up to date information available at that time.

### **23. REVENUE OUTTURN REPORT 2013/14, INCLUDING TREASURY MANAGEMENT**

#### **RESOLVED:**

1. That the following be noted:
  - general fund outturn for 2013/14 and movement on reserves
  - housing revenue account's (HRA) outturn for 2013/14 and movement on reserves
  - the schools budget outturn, which has been taken to the dedicated schools grant reserve
  - the collection fund's year-end surplus
  - the treasury management activity for the year
  - the investment of up to £200,000 in the Municipal Bond Agency (subject to council assembly approval on 16 July 2014).
2. That the performance for the collection of council tax be noted.
3. That the performance for the collection of business rates and the risks associated with the business rate retention scheme be noted.
4. The the general fund budget movements that exceed £250,000 as shown in Appendix A of the report be approved.

### **24. NOMINATIONS TO CENTRE FOR LITERACY IN PRIMARY EDUCATION AND SAFEGUARDING ADULTS PARTNERSHIP BOARD 2014/15**

#### **RESOLVED:**

That the following nominations be agreed for the 2014/15 municipal year:

- Councillor Jasmine Ali - Centre for Literacy in Primary Education (CLPE)
- Councillor Dora Dixon-Fyle - Safeguarding Adults Partnership Board

## 25. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

### RESOLVED:

That all the following motions be noted and that Councillor Barrie Hargrove, cabinet member for public health, parks and leisure lead on the action arising from the motion relating to Meat Free Mondays.

### A Vision for Southwark

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
- i. 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.
  - ii. 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.

### **A Vision for Localism**

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

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 Site, rather than 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 Bermonsey 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**

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**

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 for Payday Lenders**

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**

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 (FOBTs) 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 (FOBTs) 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.

## **26. DISPOSAL OF SITE A - 5 NUNHEAD GREEN, LONDON SE15**

### **RESOLVED:**

1. That 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 of the report be authorised, to the party on the terms outlined in the closed version of the report. That authority be delegated to the head of property to agree the detailed terms of the transaction and negotiate any other items considered necessary.
2. That the disposal of the property to an alternative bidder be authorised 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.

## **27. GATEWAY 2 - CONTRACT AWARD APPROVAL: LIFT MAINTENANCE CONTRACT**

### **RESOLVED:**

1. That the award of contract A (north of the borough) lift maintenance contract to Liftec Lifts Ltd be approved 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. That the award of contract B (south of the borough) lift maintenance contract to Guideline Lift Services Ltd be approved 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. That Liftec Lifts Ltd and Guideline Lifts Services Ltd be approved to act as back up contractors to each other on their own tendered rates when required.
4. That it be noted 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.

## **28. PROPOSAL TO LEASE NORTHCOTT HOUSE HOSTEL**

### **RESOLVED:**

1. That Northcott House be leased 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 authority be delegated 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 the report.

## **29. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - APPOINTMENT OF CONTRACTORS FOR PRIMARY EXPANSION PROGRAMME**

### **RESOLVED:**

1. That the procurement strategy for appointment of two contractors for the primary schools expansion programme using the Improvement and Efficiency South East (iESE) construction and management framework arrangements be approved.
2. That it be noted that a contractor will be appointed for each of two packages noted in paragraph 23 of the report for pre-construction services using the iESE contractor framework (estimated value for each package: £0.7m) and a series of works contracts for the construction stage of individual projects within their respective package using the iESE contractor framework (estimated total value of £60.5m, comprising a range of project values from £1.5m to £10.0m).
3. That the individual appointments set out in paragraphs 26 and 27 of the report will be approved in gateway 2 reports by the strategic director of children's and adults services be noted.

## **30. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - HEATING AND WATER CONTRACTS**

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent to avoid any service failure and to allow considerable time for the mobilisation period.

### **RESOLVED:**

1. That the procurement strategy outlined in the report for two heating and water contracts - contract A - north of the borough at an estimated annual cost of £7.9m and contract B - south of the borough at an estimated annual cost of £7.4m, for a

period of five years from 1 April 2016 with the potential to extend up to five (three years plus two years), making an estimated value of £153m for the contracts be approved.

2. That the rationale behind the geographical division of contract areas is based on the need to ensure efficient delivery of the service be noted.

### **EXCLUSION OF PRESS AND PUBLIC**

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.

#### **31. DISPOSAL OF SITE A - 5 NUNHEAD GREEN, LONDON SE15**

The cabinet considered the closed information relating to this item. See item 26 for decision.

#### **32. GATEWAY 2 - CONTRACT AWARD APPROVAL: LIFT MAINTENANCE CONTRACT**

The cabinet considered the closed information relating to this item. See item 27 for decision.

#### **33. PROPOSAL TO LEASE NORTHCOTT HOUSE HOSTEL**

The cabinet considered the closed information relating to this item. See item 28 for decision.

The meeting ended at 6.20pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 30 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> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Recommendations From the Review of Prevalence of Psychosis and Access to Mental Health Services for the BAME Community in Southwark	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

## **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

Promoting mental wellbeing and resilience and reducing health inequalities are priorities of the Southwark Health and Wellbeing Strategy 2013 – 2014 and emerging themes in the development of the impending Joint Mental Health Strategy. Partners across health, the local authority and the voluntary sector are working hard to promote mental wellbeing and to reduce the prevalence of mental ill-health in the borough by addressing the wider determinants of health, wellbeing and inequality alongside commissioning and delivery of responsive, high quality, equitable mental health and social care services. The aim is to offer services that intervene early, are responsive to individual needs which promote recovery and staying well. However, we know that there are more people with mental health issues (especially severe mental illness) in Southwark compared with the national and London average. Poor mental wellbeing and mental ill health is strongly associated with poverty and socioeconomic deprivation, including joblessness and poor educational attainment, so this is likely to contribute to high levels of mental distress in Southwark; especially in the centre of the borough where deprivation is higher and employment is lower. In addition to socioeconomic inequalities, there are other systemic inequalities for some population groups including ethnic minorities. For instance whilst the causes are not easy to disentangle it is known that psychiatric admissions are over three times higher for the black populations in Southwark compared to the rest of the population.

All stakeholders welcome the timely review undertaken by the Health, Adult Social Care, Communities and Citizenship Scrutiny Sub-Committee into the prevalence of psychosis in BAME Communities which supports the work taking place locally across the partnership to understand and address the inequality that exists in the system.

I am delighted to see a real energy from all our partners to respond to the 10 recommendations received in the report, several of which I am pleased to see are already being responded to across the system. For example the new Adult Mental Health transformation programme across mental health services places a real focus on increased capacity and stronger community based services to reduce the need for urgent and inpatient care, and the Lambeth and Southwark Urgent Care Mental Health Sub Group are already implementing plans for a more safe and secure approach in A&E for people in crisis. The psychological therapy services are also currently being developed and retendered with a significant emphasis on better access to talking therapies for black, Asian and minority ethnic (BAME) communities offering outreach services within churches and community settings.

In addition the proposal to undertake a large community conversation, mirroring the success of a similar exercise in our neighbouring borough to strengthen where the system is working and developing where it is not, is a fantastic opportunity that will really make a difference to how some of our most marginalised groups are engaged and supported across mental health services. The bottom up, co-produced approach will ensure that we really understand the needs of our different communities, and that our infrastructure is as fit for purpose as possible.

I am therefore pleased to present the response to the recommendations received from Overview and Scrutiny. I look forward to continuing to support the work of all partners to ensure full equality of access and sufficiency of services that appropriately respond to the needs of BAME communities and marginalised groups in the borough.

## **RECOMMENDATION**

1. That cabinet agree the proposed response to the health, adult social care, communities and citizenship scrutiny sub-committee's review Prevalence of Psychosis and Access to Mental Health Services for the BAME Community in Southwark

## **BACKGROUND INFORMATION**

2. The health, adult social care, communities and citizenship scrutiny sub-committee undertook an investigation into psychosis<sup>1</sup> particularly within the BAME community. A report of the sub-committee's findings was welcomed by overview and scrutiny committee on the 31 March 2014.
3. The recommendations of the review were presented to cabinet on the 22 July 2014 with a request for the relevant cabinet member to bring back a report to respond to the recommendations provided.
4. The report therefore provides a proposed response to the recommendations to be approved by cabinet.

## **KEY ISSUES FOR CONSIDERATION**

### **Recommendations from Health, Adult Social Care, Communities and Citizenship Scrutiny Sub-Committee and proposed Cabinet response**

#### **Recommendation 1**

5. 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 BAME community access.

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<sup>1</sup>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.

**Response**

6. Cabinet support the recommendation for the sub-committee to undertake a more in-depth look at access to mental health services with a focus on BAME communities and would encourage an interface with the proposed consultation to review mental health services for BAME and Minority groups being led by the local authority supported by the CCG, Public Health and Mind user council. The review aims to embed more equitable access and support across the borough with a focus on BAME and marginalised groups.

**Recommendation 2**

7. 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 BAME 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 BAME communities in more detail.

**Response**

8. Lambeth & Southwark Public Health team lead on the health needs assessment, which is a key part of the Southwark Mental Health Strategy. Identifying inequality is an important part of this work. Subject to data availability, the Public Health team will provide in depth analysis of Southwark data which will be triangulated with stakeholder engagement to provide a robust understanding of the key drivers of poor mental health in BAME and minority groups.

**Recommendation 3**

9. 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 (BAME) user-led mental health project and other relevant sources and organisations in Southwark.

**Response**

10. Cabinet acknowledge the engagement of Southwark Mind's User Council in the review and consultation on mental health services for BAME and other minority groups which includes developing pen pictures, case studies and service user journey maps to further understand the barriers to accessing services and the challenges faced by minority communities.

**Recommendation 4**

11. The sub-committee notes that there is minimal understanding of the ways in which members of the BAME 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.

**Response**

12. As above, as part of the proposed review and consultation on mental health services for BAME and minority groups, Southwark Mind User Council will be undertaking a

specific piece of work to understand service user journeys into and through mental health services. In addition stakeholder consultation will also provide further in-depth knowledge in to the presentation and access to services from BAME and minority groups.

#### **Recommendation 5**

13. 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.

#### **Response**

14. Ethnicity data forms part of the Mental Health Needs Assessment which directly influences the strategic objectives and commissioning intentions laid out in the Joint Mental Health Strategy. Subject to the data being available the Public Health team will incorporate this information into the needs assessment work as part of the Southwark Mental Health Strategy.

#### **Recommendation 6**

15. 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 work plans for 2014.

#### **Response**

16. As part of the work of the Urgent Care Mental Health Sub Group both Kings College Hospital and Guys and St Thomas' have committed to identifying safe and secure spaces for the treatment of patients presenting at A&E in acute distress during 2014/15. To date GSTT have identified a safe place within A&E and King's have recently identified two specific treatment rooms to be used as a safe space for people attending A&E in crisis. Further work will continue to reorganise how people in crisis are supported in A&E departments with a focus on redirecting people in crisis away from A&E to the Home Treatment Teams, ensuring that existing service users have up to date crisis plans that are followed, and exploration of alternative crisis centres in the borough. The dedicated project group will continue to develop and lead plans for a more responsive crisis response in the borough.
17. SLAM are conducting a 3 month audit into the high volume of patients known to the system who present frequently to A&E at both King's and St Thomas's. Part of the analysis will include recording of ethnic origin alongside other relevant data to understand the holistic needs of the cohort in detail. This is covered in the action plan of The Urgent Care Mental Health Sub Group and will be a headline agenda item at the next meeting which is scheduled to take place on 1<sup>st</sup> September 2014. The outcome of which will influence the work of the aforementioned project group.

#### **Recommendation 7**

18. 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.

**Response**

19. As part of the governance for the approval of the Joint Mental Health Strategy, the draft document will be presented to the Healthy Communities Sub-Committee on 11 November 2014. In addition, in response to the recommendation for the Lambeth and Southwark Emergency Care Network presents its final Action Plan to the sub-committee, the Action Plan will also be presented as part of the recommendations feedback to scrutiny on the 11 November 2014.

**Recommendation 8**

20. The sub-committee welcomes the services that are currently provided by SLaM to support those people 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.

**Response**

21. Intervening early to prevent escalation of need is an essential aspect of delivering more responsive mental health care in the borough. Southwark CCG will ensure as part of the developing Mental Health Strategy and the transformation programme across SLaM, there is easier and more equitable access to effective, community based specialist mental health services. The reconfigured crisis care pathway will also reduce reliance on urgent care services and the CCG and its partners will continue to consider the resource and capacity implications of increased support in primary care for people with mental health issues as part of the Primary and Community Care Strategy.

**Recommendation 9**

22. 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.

**Response**

23. In 2014-15 SLaM are commissioned by Southwark CCG to deliver one Spirituality in Pastoral Care course in Southwark as well as some community development work such as mental health awareness training. Commitment to extend this work and fund a two year programme for training and development to raise capacity and awareness within faith and minority groups to identify and appropriately responds to mental health issues in minority groups has been provided by the CCG. The work will be led by the Equality and Human Rights Manager in the CCG and will build on the existing good practice and work in this area. A specific element of the programme will be focused on Pastoral training across a range of different faith groups.

**Recommendation 10**

24. 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.

## Response

25. Mental Health First Aid Training is currently offered to Southwark and is targeted at the voluntary and community sector as well as faith communities. It is free at the point of access for these individuals. In addition, Southwark Council make Mental Health Awareness training available through the internal training programme on My Learning Source for staff, many of whom are also Southwark residents. Consideration to the interface and availability of the programme as part of the training and development programme for BAME, faith and minority groups (see response to recommendation 9) will take place to ensure the training is appropriately targeted, delivered and accessible for church and faith groups.

## Policy implications

26. There are no policy implications

## Community impact statement

27. The proposed work will provide further insight into ensuring equality of opportunity to mental health services, in line with the Equality Duty, at section 149 of the Equality Act. In particular the work will focus on ensuring compliance and sufficiency for the following Protected Characteristics:
- a. Race
  - b. Religion and belief
  - c. Sexual orientation

## Resource implications

28. Wherever possible the proposed response and work will be carried out within existing resources, however there may be a need for additional Public Health Resource to undertake in depth statistical analysis. Any additional resource required will be funded within existing budget arrangements.

## Legal implications

29. There are no legal implications for the report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Scrutiny report considered by Cabinet 22 July 2014	Constitutional Team, Southwark Council, 160 Tooley Street, London SE1 2QH	Paula Thornton <a href="mailto:paula.thornton@southwark.gov.uk">paula.thornton@southwark.gov.uk</a> 020 7525 7055
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CIId=302&amp;MIId=4861&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CIId=302&amp;MIId=4861&amp;Ver=4</a>		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	
<b>Lead Officer</b>	Paul Jenkins, Interim Director of Integrated Commissioning	
<b>Report Author</b>	Jodie Adkin, Senior Mental Health Commissioner, Southwark CCG	
<b>Version</b>	Final	
<b>Dated</b>	5 September 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>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 September 2014

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to recommendations in Access to Health Services in Southwark (Health, Adult Social Care, Communities and Citizenship Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture and Councillor Barrie Hargrove, Public Health, Parks and Leisure	

**FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE AND COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

Health and wellbeing is at the heart of the council's ambition for a fairer future for everyone in Southwark. With the transfer of responsibility for public health and ever closer working with our health partners, we are in a strong position to improve services, deliver better health outcomes for our residents and importantly, reduce health inequalities.

As the vision articulated in our Joint Health and Wellbeing Strategy sets out, it is by working together that we can create a borough where everyone can realise their potential and have the best possible life chances. This means ensuring everyone can access the support they need, as well as supporting people to take responsibility for their own wellbeing.

We recognise the high levels of need across our diverse communities and we therefore welcome the report of the health, adult social care, communities and citizenship scrutiny sub-committee (now the healthy communities scrutiny sub-committee), Access to Health Services in Southwark.

The council, working closely with our health partners, is progressing several areas of work that are helping people stay well at home for longer, preventing emergency admissions and signposting residents to the right services at the right time. We are therefore pleased to present the following responses to the recommendations of the scrutiny sub-committee and look forward to continuing our work together to improve health and wellbeing for all our residents.

**RECOMMENDATION**

1. That cabinet agree the proposed response to the health, adult social care, communities and citizenship scrutiny sub-committee's report into Access to Health Services in Southwark.

**BACKGROUND INFORMATION**

2. The health, adult social care, communities and citizenship scrutiny sub-committee undertook an investigation into Access to Health Services in Southwark and the recommendations relating to council responsibilities were presented to cabinet on 22 July 2014 with a request for the relevant lead members to bring back a report responding to those recommendations.



3. This report therefore provides proposed responses to the recommendations specific to the council to be approved by cabinet.

## **KEY ISSUES FOR CONSIDERATION**

### **Recommendations from the scrutiny sub-committee presented in the cabinet report of 22 July 2014 and proposed cabinet responses**

#### **Recommendation 7**

4. It is a statutory requirement to list background documents and for them to be available for public inspection for a period of 4 years. It is also a statutory requirement for background documents listed in reports for a cabinet meeting or community council meetings making an executive decision, to be made available on the council's website.
5. 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.

#### **Response**

6. Public Health will add value and support the Not Always A&E campaign through its planned events, outreach activity and relevant campaigns.

#### **Recommendation 9**

7. 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.

#### **Response**

8. Public health has been supporting the CCG and local authority in their work to co-produce an outcomes framework for older people and those with long term conditions as the basis for future commissioning.
9. Public health has also contributed needs assessment support for:
  - defined secondary prevention interventions including self-management
  - mental health of older adults
10. The Health Checks Programme also includes a dementia awareness element for over 65s and helps to sign post individuals to GPs for a full cognitive assessment.

#### **Recommendation 10**

11. 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.

**Response**

12. The director of adult social care would be happy to arrange a further report for the sub-committee providing more evidence on the work being undertaken across health and social care on the frail elderly pathway. A meeting to discuss the required scope of this report can be arranged with the chair of the sub-committee.

**Recommendation 11**

13. 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.

**Response**

14. The director of adult care would be happy present a further report to the sub-committee during 2014/15 on the work undertaken by adult social care services for older people with high needs to prevent avoidable admissions to hospital. This report can be combined with the report requested in recommendation 10.

**Recommendation 12**

15. 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.

**Response**

16. This recommendation is being implemented through current work programmes. The adult social care division is working closely on this issue with health partners through the Older People's Programme with SLIC (Southwark and Lambeth Integrated Care). Initiatives include expanded Enhanced Rapid Response social work support to the Admissions Avoidance workstream and social work support for hospital support at home. The Better Care Fund plan agreed by the Health and Wellbeing Board sets out how services will be further integrated with a specific target to reduce avoidable emergency admissions.
17. For example; extra funding has been provided for night time intensive homecare aimed at those most vulnerable to admission to hospital; Reablement and Intermediate Care services are focussed on preventing people needing to be admitted or re-admitted to hospital after discharge; the investment in telecare is being stepped up, the Carers strategy agreed by cabinet helps ensure carers can combine their caring role with other aspects of their life; seven day working is being expanded. The latest position on these services can be summarised in the update report requested in recommendation 10 and 11.

**Recommendation 13**

18. 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.

## Response

19. Existing health and social care strategies, including the Older People's Programme, are aiming to ensure an effective integrated response to this group to prevent their needs escalating and in particular to avoid them needing to attend A&E in crisis.
20. Due to demographic trends there are increased numbers of older people, including highly frail elderly people with multiple long term conditions and dementia. This is reflected in the Southwark JSNA which directly informs the Health and Wellbeing Strategy, for which the Health and Wellbeing Board is responsible.
21. The Health and Wellbeing Strategy priorities will contribute towards addressing the issues of increased acuity, in particular earlier detection and management of long term chronic health conditions, integration for better health and wellbeing outcomes and tackling neglect and vulnerabilities for children and adults. Public Health is informing and supporting the programme development, outcomes and evaluation of integrated care which will help to better understand and address the increased acuity in Southwark.

## Recommendation 21

22. 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.

## Response

23. Homelessness and Housing Options Service employ nurses to undertake medical assessments for housing and the Disabled Travel Service uses external occupational therapists. However, we recognise that there is still a belief amongst some applicants that a doctor's letter will assist them. The Homelessness and Housing Options Service are seeking a meeting with GPs to discuss improved partnership working and the Disabled Travel Team will be included in the meeting when it is arranged.
24. Both the Homelessness and Housing Options Service and the Disabled Travel Service are offering more services online and we will review the online forms to assess whether we could reinforce the message that customers should not approach their GP. We have previously produced posters to raise awareness and we believe it would be useful to revamp these.
25. There are some smaller services who still seek agreement from GPs for applications. We have so far identified Taxi Card applications and disabled parking bays, but it is possible there are others. Taxi Cards are managed by London Councils on behalf of Southwark and we will work with London Councils to review what changes we can make to this process.
26. The Disabled Travel Team recently agreed to take on management of applications for disabled travel parking bays and will use Occupational Therapists in future to assess these requests, which will slightly decrease some of the pressure on GPs.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report to Cabinet from Overview and Scrutiny Committee, 22 July 2014 <i>Access to Health Services in Southwark</i> (Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee)	<a href="http://www.southwark.gov.uk">www.southwark.gov.uk</a>	Peter Roberts Email: <a href="mailto:peter.roberts@southwark.gov.uk">peter.roberts@southwark.gov.uk</a>
<a href="http://moderngov.southwark.gov.uk/documents/s47482/Report%20Access%20health%20services.pdf">http://moderngov.southwark.gov.uk/documents/s47482/Report%20Access%20health%20services.pdf</a>		
Report of the Health, Adult Social Care, Communities & Citizenship Scrutiny Sub-Committee, <i>Access to Health Services in Southwark</i>	<a href="http://www.southwark.gov.uk">www.southwark.gov.uk</a>	Julie Timbrell Email: <a href="mailto:julie.timbrell@southwark.gov.uk">julie.timbrell@southwark.gov.uk</a>
<a href="http://moderngov.southwark.gov.uk/documents/s47483/Appendix%20Access%20to%20Healthcare%20Services.pdf">http://moderngov.southwark.gov.uk/documents/s47483/Appendix%20Access%20to%20Healthcare%20Services.pdf</a>		

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture and Councillor Barrie Hargrove, Public Health, Parks and Leisure	
<b>Lead Officer</b>	Alex Laidler, Director of Adult Social Care, Children's and Adults' Services	
<b>Report Author</b>	Rachel Flagg, Senior Strategy Officer, Children's and Adults' Services	
<b>Version</b>	Final	
<b>Dated</b>	5 September 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>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 September 2014	

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Care Act 2014 – Overview	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

## **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

Helping ensure that people live healthy, independent and fulfilling lives is a key goal of the council. In Southwark there has been significant work in recent years to transform care and support services, increasing our focus on outcomes for individuals, promoting independence and helping people who have had a stay in hospital get back up on their own feet. With these changes, people in need of care are increasingly able to stay living in their own homes, leading active lives in their communities.

The Care Act, which received royal assent in May 2014, represents a transformation in adult social care law at a national level. The reforms are focused on principles of choice, control and fairness. However, these changes come at a time when there has been an unprecedented reduction of funding to local government – with the risk that the new laws will create more demands on services for those needing care at a time of less resources.

Southwark has already made significant progress on this agenda. Through key strategies like the Southwark carers’ strategy we are enabling an approach where carers are better supported for vital work helping those in need of care. The council has recently agreed a Southwark ethical care charter to tackle poor working conditions in care. The council’s overarching focus on wellbeing and enabling people to live healthy, active lives in their communities are all examples of where Southwark is already aligned to many of the requirements of the Care Act.

Still, within the new laws, there remain a number of areas where change will be needed—both for the council to change its own services and ways of working, and also to support local residents to understand the changes and what it may mean for them, particularly around funding reform. This is why the council has set up a programme to ensure there is a robust approach to implementing the new legislation locally.

This report sets out the key areas where we will need to work with our partners in the health and care system, local residents, and wider partners such as the voluntary and community sector to enable the council to effectively meet the requirements of the Care Act, and to support those who need care in the years to come.

## **RECOMMENDATIONS**

That cabinet:

1. notes the requirements of the Care Act 2014 and the key new duties that it will place on local authorities including Southwark from April 2015 (page 41 of agenda).

2. notes the key areas identified as potentially having greatest impact on resources locally and the further work that has been identified by officers to review and update this understanding (pages 42 & 44).
3. notes the duties around cooperation for the wider council and health partners, and the particular importance of this in delivering duties around prevention and early action, providing information and advice, and promoting and maintaining wellbeing (page 42).
4. requests that the interim strategic director for children's and adults' services works with the strategic director for finance and corporate services to consider the implications of the Care Act 2014 on current services, and to ensure that this is taken into account within the forthcoming Policy and Resources Strategy.

## **BACKGROUND INFORMATION**

5. The Care Act 2014 received Royal Assent on 14 May 2014 and is the biggest change to adult social care law in over 60 years. Part One of the Act relates to adult social care (ASC) and support. Part Two relates to care standards and is connected to how the NHS and other health providers deliver their services. The main focus for local authorities is on Part One.
6. The Care Act is designed to bring current laws<sup>1</sup> around adult social care together in one Act. The aims of the changes are to:
  - Create a legal framework that is clear and easy to navigate
  - Bring the law up to date to reflect a focus on outcomes that people want, rather than their disabilities, and put the individual in control of their life
  - Address areas of unfairness.
7. The majority of changes contained within the Act will be implemented from April 2015. Funding reform, including a cap on care costs, will take effect from April 2016.

## **KEY ISSUES FOR CONSIDERATION**

### **Summary of main aspects of the Care Act**

8. The key areas of change within the Act are:
  - Introducing general responsibilities including promoting people's wellbeing, focusing on preventing and delaying needs and providing information and advice to everyone, regardless of whether they have eligible care and support needs
  - Introducing national, consistent eligibility criteria for LA assistance for ASC
  - New rights to support for carers, on an equivalent basis for the person they care for
  - Legal right to a personal budget and support plan for needs that are being met by the LA (not currently a legal right but usual practice)
  - Making Safeguarding Adults Boards statutory and introducing new responsibilities around safeguarding.

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<sup>1</sup> This includes relevant provisions in the National Assistance Act 1948, the Chronically Sick and Disabled Persons Act 1970, the Community Care Act 1990 and carers' legislation.

9. In addition, there are major reforms to the way social care is funded (from April 2016), including:
- A lifetime “cap” on care costs to meet eligible needs for individuals (anticipated to be around £72,000 in 2015 prices)<sup>2</sup>
  - An increase in the threshold at which the level of people’s assets mean they are not eligible for state support (currently £23,250).
10. The requirements of the Act have direct or indirect impacts on all aspects of our adult social care business: frontline teams offering social care support; commissioning teams and the market, including care and support providers in all sectors; finance processes and finance; cross-council relationships, particularly housing and community services; and the health system.

### **Policy implications**

11. The Care Act represents the legislative element of national Government’s approach to reforming care and support. At a national level, the driver remains about putting people and their carers in control of their care and support, while ensuring that the care and support system is one that can keep up with the demands of a growing older population<sup>3</sup>.
12. Southwark has been working hard to realise our vision for adult social care, supporting people to live independent, fulfilling lives. Many of these principles remain important within the Care Act, particularly around choice, control and independence for people accessing support.

### **Opportunities for transformation**

13. The key opportunities presented by the Act are:
- Improving rights for carers, and giving them the right to have an assessment of support needs, and be offered local authority support for their eligible needs
  - A focus on the promotion of wellbeing (both adults and carers) when providing support
  - Greater clarity on safeguarding responsibilities and how the local authority and partners across sectors work to protect our most vulnerable residents
  - A fairer deal for those paying for the cost of care and support (through the lifetime cap on costs)
  - Giving our residents better information and advice, including access to financial advice, regardless of whether the local authority is funding their care and support, helping people take responsibility for planning their future
  - Duties that reinforce our work on integrating adult social care services with health, housing and children’s services in order to maintain wellbeing and prevent and delay care and support needs.

### **Link with existing local priorities**

14. There are a number of local programmes of work underway that will support implementation of Care Act requirements. These include:
- implementation of the carers’ strategy to improve outcomes for carers,

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<sup>2</sup> To note that the cap does not include general living costs in residential care. The Government is suggesting this could be set at £12,000 p.a.

<sup>3</sup> *HM Government. 2012. Caring for our future: reforming care and support*

- including developing our approach to personal budgets
  - market position statement development to inform our future strategic commissioning approach and ensure that we have an innovative, robust local market that can respond to the needs of our residents
  - work to develop a prevention framework in commissioning
  - leading work to date on integration, both with the clinical commissioning group (CCG) and through the Southwark Lambeth Integrated Care (SLIC) programme, including developing models for neighbourhood integrated working throughout the community
  - development of a strategy for safeguarding adults and a business plan for the Safeguarding Adults Partnership Board
  - transforming support for children and young people with special educational needs and/or disability (SEND) through Children & Families Act reforms, and ensuring that their transition to adult care and support is seamless
  - delivering our commitment to treating care workers ethically, enabling the workforce to do the very best jobs they can.
15. In addition, the key policy direction outlined in the Care Act is in tune with many of the Fairer Future promises, including Southwark's commitment to an age-friendly borough, a focus on education, employment and training, and maintaining health and wellbeing through free swimming and gyms and quality affordable homes.

### Key risks and challenges

16. Although Southwark is already offering many services and support that are becoming law under the Care Act, there are some areas of challenge and risk.
17. **Uncertainty about additional demand from self-funders and carers in the future:** while we are looking to model and refine estimates on this, we cannot predict demand with complete certainty. This will then have financial and resource implications (outlined in later sections). As well as demand for assessment and access to ASC support, this may also impact on demand for wider council services that support wellbeing and can delay and reduce the need for social care. We will need to plan and work with partners and providers on how we respond to this extra demand.
18. **Impact on the local care and support market:** the combination of the cap, separation of general living costs in residential care and risk in the capital threshold for residential care may have a significant impact on the local care market. We will need to work closely with providers to prepare for changes.
19. The **funding reforms are complicated** and we need to make sure that residents **understand them**. For example, progress towards the cap on care costs will be based on the council's "usual cost of care" calculation, not necessarily what an individual resident pays. This will only apply to older adults with support needs, and it is not currently known how the cap will be applied to those aged 18 and over with support needs.
20. The **IT and informatics challenge** of the changes should not be underestimated, particularly given we are embarking on a significant IT transformation, implementing a new care management system in adults' and children's services that will enable a single view of service users, alongside the Care Act reforms. Ensuring that the programme of work adequately considers



Care Act requirements and is responsive to developments at a national level will be vital to success.

21. **Ongoing financial risk** and challenge of delivering these reforms in the context of a reduced public purse and significant savings requirements for the local authority over the next three years.

### **Monitoring and governance**

22. We have established a programme of work to oversee and manage the change required. An implementation programme board, led by the Director for Adult Social Care and involving all key partners, provides oversight and strategic leadership for the work. This will report to senior management and council members, including the Health and Wellbeing Board and Cabinet, on progress towards implementation, working closely with the Cabinet Member for Adult Social Care, Arts & Culture on key implementation issues.
23. We will establish a communication and engagement plan to ensure that all partners in the system, including people using services, families and carers, are aware of the changes and what they will mean for them locally.
24. Officers are linked into key London-wide networks that are seeking to collaborate, sharing information and good practice around the Care Act, supported by the LGA, ADASS and London Councils.

### **Community impact statement**

25. Communities across the borough will be impacted by this national legislative reform. The Department of Health completed a number of relevant impact assessments as part of the Care Act's passage through Parliament<sup>4</sup>. A summary of some of the key areas identified in the national assessments is included here.
26. A key group of people affected by the reforms are people 18 years+ who use care and support, carers and their families. These groups of people have protected characteristics under the Equality Act 2010. The intention is that implementation of the Act should have a positive impact on them.
27. Key aims of the reforms at a national level (as identified in national equality analysis) with a community and equality impact include:
- Increasing the control that older and disabled people have over their daily life when accessing care and support by ensuring that key aspects of a personalised approach, including personal budgets and clarifying the law around direct payments, are included in primary legislation for the first time
  - Setting out a series of rights for carers for the first time and placing a duty on local authorities to meet carers' eligible needs – this is anticipated to have a significant benefit for women, as they tend to make up the majority of people identifying themselves in caring roles
  - New provisions around transition seek to smooth the pathway for young people with disabilities entering adulthood and seek to avoid a “cliff edge” for people moving from services once they reach 18

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<sup>4</sup> Impact Assessments for the Care Bill are available using this link. <https://www.gov.uk/government/publications/the-government-published-a-series-of-impact-assessments-alongside-the-care-bill> . The Government has also committed to providing further impact assessments as required, which may require further analysis.

- Increase equality of access to services, both in socio-economic and geographical/regional terms.
  - The need to ensure that information and advice available locally is appropriate for the local population (e.g. addressing challenges such as language barriers for particular groups).
28. Financial reforms, including the Government's proposal to extend the point at which the level of people's assets mean they are not eligible for state support (currently £23,250) means that a larger number of people with moderate wealth will be able to receive some level of financial support from the state. The Care Act continues to require local authorities to provide financial support to people with assets below this level. People in all socio-economic groups should be able to benefit from peace of mind through financial protection by capping the total costs of care for people.
29. When implementing the Care Act requirements we will need to consider the local implications and how we can best mitigate any risks for different groups of people from an equalities perspective. We will monitor the impact on specific groups as part of routine service equalities monitoring following the implementation of the Act.

## **Resource implications**

### **Financial and budget issues**

30. Implementation costs for the Care Act have currently been set by Government at around £335m nationally, based on the latest consultation. This covers additional funding for:
- Early assessments and reviews
  - Costs of administering deferred payment loans and the loans themselves
  - Capacity building, including recruitment and training of staff
  - Information campaigns
  - Capital investment, including IT systems.
31. In addition, a further £130m has been identified within national Better Care Fund allocations from 2015/16. This funding relates to putting carers on a par with users for assessment, implementing statutory Safeguarding Adults Boards and setting national eligibility.
32. At a local level, we currently estimate around £1.8m Care Act funding may be allocated for 2015/16<sup>5</sup>. This breaks down as:
- £0.7m revenue spending power (adult social care new burdens)
  - £1.1m Better Care Fund.
33. Planning and modelling work on the financial implications of the policy and practice changes is ongoing, particularly given the detail of secondary legislation. We continue to assess the sufficiency or otherwise of allocated funding, feeding into ongoing conversations with the Department of Health through the Local Government Association and other partners.

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<sup>5</sup> The figures are derived from early estimate modelling using DH and ADASS information. This remains subject to change in line with final allocations from central government funding settlements.

34. Early indications suggest areas with the largest resource implications include:
- Increasing demand for assessments (both for individuals and carers), including from people who may previously have funded their own care and support
  - Increased support for carers' with eligible support needs
  - Implementing a national eligibility threshold (though note this is dependent on the content of the regulations on national eligibility).
35. The requirements for 2016/17 relate to changes to client financial assessment capital thresholds and the introduction of a cap on the lifetime cost of care. Further financial modelling work on this will be undertaken to inform and identify any financial pressures for the Department's budget strategy planning process.

### **Staffing issues**

36. Some of the key changes arising from the Care Act, e.g. national eligibility criteria, will have implications for staff learning, training and development. This has been identified as a key strand of work within Care Act implementation, being developed in partnership across ASC and Organisational Development.
37. In line with some of the likely demand increases (outlined in the previous section) we will also review resource requirements and ensure the capacity in the system is sufficiently flexible to deliver Care Act requirements from April 2015.
38. This will need to be kept under review throughout our planning and implementation phases, and has been identified as an area for consideration in medium term workforce plans.

### **Legal issues**

39. The Care Act has a wide range of implications for local authorities in terms of the manner in which they discharge their statutory responsibilities. Given the nature of precedent in adult social care often being set through outcomes of case law, further implications of the legislation will be tested through the courts, as is currently the case for statutory responsibilities around care and support.
40. We will continue to work with legal experts as required to ensure that the local authority can deliver against its key statutory responsibilities.

### **Consultation**

41. Engagement and consultation around the development of the Care Act has been at a national level. The Department of Health also launched a consultation on the wide range of secondary legislation (regulations and guidance), which ended on 15 August 2014<sup>6</sup>.
42. As we seek to implement the requirements of the Care Act, we will look to do so in partnership with relevant stakeholders as required. We recognise the importance of communication so that people understand the impact of any changes for them, and will be developing a plan that also takes into account the national communications campaign.

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<sup>6</sup> Information on the consultation can be accessed via <http://careandsupportregs.dh.gov.uk>. Consultation on financial elements is on a later timetable due to later implementation.

43. Any workforce implications will be addressed with appropriate HR and trade union participation as required.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

44. The report asks the Cabinet to note the following:
- The requirements of the Care Act 2014 and the key new duties that it will place on local authorities including Southwark from April 2014.
  - The key areas identified in the report as having potentially the greatest impact on resources locally and the further work that has been identified by officers to review and update this understanding.
  - The duties around cooperation for the wider council and health partners and the particular importance of this in delivering duties around prevention and early action, providing information and advice and promoting and maintaining wellbeing.
  - The Cabinet is asked to request that the interim strategic director for children's and adult's services works with the strategic director for finance and corporate services to consider the implications of the Care Act 2014 on current services and to ensure that this is taken into account within the forthcoming Policy and Resources Strategy.
45. The legal implications of the Care Act are set out in the report.
46. Further, the report identifies that the Act and associated regulations and guidance were subject to extensive national consultation and community impact assessment as part of its development and passage through Parliament. The report identifies the key groups with protected characteristics who were assessed as likely to be affected by the reforms and the intention that the implementation of the Act should have a positive impact on them. The report notes that, when implementing the Act, Southwark will need to consider the local implications and how best to mitigate any risks to those with protected characteristics.

### **Strategic Director of Finance and Corporate Services**

47. This report recommends that cabinet notes the requirements of the Care Act 2014 and that the interim strategic director for children's and adults' services works with the strategic director for finance and corporate services to consider the implications of the Care Act 2014 on current services.
48. Some initial financial implications are contained within the body of this report. Further financial modelling will be undertaken to identify any financial pressures for council and these will need to be included within future rounds of budget setting.
49. The Care Act represents ongoing financial risk for the council in the context of a continued overall reduction to local authority funding. The impact will be regularly reported to cabinet through the quarterly budget monitoring process.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Summary timeline for implementation of Care Act duties

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	
<b>Lead Officer</b>	Jim Crook, Interim Strategic Director of Children's and Adults Services	
<b>Report Author</b>	Becki Hemming, Policy & Programme Manager, Transformation	
<b>Version</b>	Final	
<b>Dated</b>	3 September 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>	3 September 2014

## APPENDIX 1

## Summary timeline for implementation of key Care Act duties

Key requirement	Timing	
Care Bill receives Royal Assent	May 2014	
Draft regulations/guidance issued for consultation	June 2014	
Consultation closes	August 2014	
Anticipated confirmation of secondary legislation (regulations/guidance) <sup>7</sup>	From October 2014	
Duties on prevention and wellbeing	From April 2015	
Duties on information and advice (incl. advice on paying for care & support)		
Duty on market shaping		
National minimum threshold for eligibility		
Assessments (including carers' assessments)		
Personal budgets and care and support plans		
Statutory safeguarding framework, incl. Safeguarding Board		
Universal deferred payment agreements		
Extended means test		From April 2016
Capped care costs system		
Care accounts		
Implementation of new appeals system (to be determined)		

<sup>7</sup> This is subject to the Parliamentary process and is just an indicator at present.

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Approval of the Council's Local Implementation Delivery Plan, Annual Spending Submission for 2015/16	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration, Planning and Transport	

## **FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

Local Implementation Plan (LIP) funding is made available to boroughs in order to support the delivery of schemes aligned with the Mayor’s Transport Strategy. The LIP is based on an annual cycle with boroughs submitting their scheme proposals for the next financial year to TfL in October each year.

The project proposals contained within this report represent a prioritised programme of transport investment to be delivered with TfL Lip funding during 2015/16. These build upon the 3 year LIP programme agreed by cabinet in 2013. An indicative programme of work for 2016/17 and 2017/18 are also proposed. The proposals are designed to help deliver the objectives and targets specified in the council’s Transport Plan as well as underpinning wider council strategic objectives and supporting the council’s forthcoming Cycling Strategy.

The projects identified, will benefit a diversity of user groups. Particular emphasis has been placed on creating neighbourhood environments that encourage local walking and cycling trips in and around our town centres.

I commend the proposals outlined within this report. They will provide a sustained contribution towards delivering the Transport Plan by meeting the need for enhanced infrastructure and the active promotion of sustainable transport usage within Southwark.

## **RECOMMENDATIONS**

### **Recommendations for the Cabinet**

1. Agrees the content of the council’s proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Lip funding in 2015/16 and an indicative programme of work for 2016/17 and 2017/18, as contained in Appendix A.
2. Agrees that the identified programme be submitted to TfL by 3 October 2014.
3. Agrees to the implementation of the agreed programmes as set out in Appendix A.

### **Recommendations for the Leader**

4. Delegates authority to the cabinet member for regeneration, planning and transport to amend the programme for 2015/16 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
5. Delegates authority to the cabinet member for regeneration, planning and Transport to determine the most appropriate use of the £100k discretionary funding allocated by TfL for 2015/16.

### **BACKGROUND INFORMATION**

6. Section 145 of the Greater London Authority Act 1999 (GLAA 1999) requires each council in London to prepare a Local implementation plan (LIP) to detail how the authority will assist in delivering the Mayor's Transport Strategy.
7. In May 2010, the Mayor of London published his revised transport strategy and all boroughs were required to prepare a local implementation plan in response to the new strategy. The council's Transport plan (incorporating the requirements of the LIP) was adopted by the council in July 2011 and sets out how the council works with partners to coordinate and improve its transport infrastructure and services in the borough.
8. In 2013 boroughs were required to produce a new 3 year delivery plan taking into account new initiatives such as the Mayor's Roads Task Force and Vision for Cycling strategies. Council cabinet approved this delivery plan in September 2013 and funding was confirmed by TfL in December 2013.
9. TfL provides financial assistance to boroughs, sub-regional partnerships and cross-borough initiatives under section 159 of the GLA Act 1999. All councils within London are able to obtain funding on an annual basis to deliver schemes identified in the LIP.
10. The borough is responsible for identifying a programme of transport improvements to reflect the core funding allocation for each year of the plan which is based on a formula. This programme is then submitted to TfL for confirmation based on compatibility with the Mayor's policy framework.
11. The formula funding is allocated as one programme - corridors, neighbourhoods and supporting measures. The overall TfL Lip budget is £147.8m for London authorities in 2015/16, £1m lower than 2014/15.
12. Southwark's allocation for 2015/16 is £3.147m, comprising £2.502m for corridors, neighbourhoods and supporting measures, £545k for principal road renewal funding and £100k of discretionary funding to be spent on a transport scheme as the council sees fit. The principal road renewal programme allows over-bids of +25% to cover the possibility of additional funding being made available in year. These allocations are the total funding that the borough should expect to receive for corridors, neighbourhoods and supporting measures.
13. For years 2 and 3 (2016/17 and 2017/18) of the delivery plan it is assumed that the same level of funding will be available as for 2015/16 above and indicative schemes have been programmed accordingly. Funding and projects for these future years will be confirmed on an annual basis as part of the council's yearly



LIP funding submission.

14. The above allocation does not include TfL funded major schemes (large urban realm and accessibility projects). The council can still bid for major schemes separately. It is through this funding that the Camberwell Town Centre scheme is being progressed.

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

15. The council's funding allocation for 2015/16 of £3.147m represents a slight reduction in funding compared with previous years. In 2014/15 the council received equivalent funding totalling £3.166m
16. A three year programme was developed in 2013 for implementation between 2014/15 to 2016/17. In developing this programme, officers undertook an assessment of transport issues across the borough based on available data and known issues reported by the community. Workshops were also held with internal stakeholders from across the council in order to identify inter-linked themes and optimise resources.
17. Given the limited amount of funding available and the number of possible projects, it has been necessary to prioritise projects to progress. Officers have reviewed schemes in Years 2 and 3 of the three year programme and identified other potential schemes using available data and with reference to strategic priorities, including fit with Transport Plan and broader council regeneration objectives to determine a final scheme list.
18. There is a natural link between schemes identified as part of the LIP process, the s106/CIL project list and other projects identified by the community such as cleaner, greener, safer (CGS). The schemes identified in this submission complement existing proposals, priorities and funding streams.
19. Following consideration of strategic priorities, the cabinet member for regeneration, planning and transport has agreed the overall scheme list presented in this report.

#### **Policy implications**

20. The proposed programme of works is consistent with the council's Transport plan 2011 as well as the council's broader policy framework including Southwark 2016: Sustainable Community Strategy and various national and regional policies including the Mayor's Transport Strategy, as required by TfL.
21. The revised three year delivery plan has been developed in line with the aims and policies contained within the Core Strategy linking policy to delivery.

#### **Community impact statement**

22. It is expected that the proposed schemes that receive funding will provide a positive benefit for those living and working in Southwark and local consultation will be undertaken as part of their implementation.
23. An equality analysis and a strategic environmental assessment were undertaken as part of the development of the Transport plan and the impact on the community was considered as part of this.

24. The Transport plan seeks to actively address the council's responsibilities to eliminate discrimination, promote equality of opportunity and promote good relations between the different groups. The equality analysis found that the Transport plan objectives were consistent with these objectives.
25. These proposals are in accordance with council policy and should have a positive impact on all Southwark residents. However the council will undertake ongoing monitoring to ensure there are no adverse implications for the community, or that any identified are proportionate to the overall objective of the programme and are minimised where possible. This currently takes place through an annual monitoring report collating all available data on the impacts of the plan. It identifies general travel trends within Southwark and includes an assessment of any variation of impacts across different groups.

### **Resource implications**

26. Details of the proposed LIP schemes together with indicative costs are presented in Appendix A.
27. Indicative management and implementation costs for each scheme have been taken into account in the submission.

### **Consultation**

28. The submission builds on the consultation carried out during the compilation of the Transport plan, which underwent twelve weeks of community consultation in late 2010 and early 2011. As part of the Transport plan consultation, the community were invited to comment via community groups, community councils, the council's website, electronic newsletters and social media networks and via an online survey. In addition, the community had the opportunity to speak to officers directly through various community and stakeholder groups, local community councils and via two 'drop in' sessions.
29. Given the extensive consultation noted above and the short timescales involved for this submission, it has not been possible to consult with the public again on the current proposals. However, a key element of the evidence base, used to identify possible schemes, is the correspondence and feedback received from the public over previous years. Furthermore community council chairs have been consulted and their feedback considered in refining these proposals.
30. Once the projects proposed have been confirmed by TfL, separate formal consultation with stakeholders, residents and other interested parties, in accordance with the council's policies and commitments, will be undertaken prior to their detailed design or implementation.
31. Furthermore, all infrastructure schemes will now go before community council as part of that process where local people will be given the opportunity to influence the delivery of proposals affecting their area.
32. Where schemes are altered, dropped, or where new schemes are proposed, relevant ward councillors will be consulted.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

33. As stated in the main body of the report, section 145 of the Greater London Authority Act 1999 (GLAA 1999) requires London borough councils to prepare local implementation plans ("Lips") outlining their own proposals on how they intend to implement the Mayor's Transport strategy in their respective areas. The councils are required to consult various bodies and must include a timetable for when they intend to implement the proposals in their plan.
34. Section 146 of the GLAA 1999 provides for the Mayor to approve each local plan, ensuring that they adequately implement the transport strategy. He must not approve a plan unless he is satisfied that it is consistent with the strategy, and that the proposals in it are adequate to implement the strategy and that the timetable for implementation is appropriate.
35. Under section 151 of the GLAA 1999, once a plan has been approved by the Mayor the council must implement it according to the timetable in the plan.
36. Section 152 of the GLAA 1999 provides that if the Mayor considers that a council has not carried out any proposal in its LIP satisfactorily and according to the timetable in the plan, he will be able to exercise the appropriate powers of the council, at their expense, in order to fulfil the strategy. Furthermore, section 153 of the GLAA 1999 provides that the Mayor may give legally binding directions to councils on the manner in which they perform any of their duties outlined in sections 145 to 151, i.e. provisions on the preparation, submission, re-submission, revision and implementation of Local Implementation Plans.
37. Section 159 allows TfL to give financial assistance (by grant, loan or other means) to any person or body for expenditure conducive to the provision of safe, integrated, efficient and economic transport facilities. This section permits TfL to impose conditions on financial assistance it provides.
38. There has been compliance with the public sector equality duty in accordance with the provisions of the Equality Act 2010. All the requirements contained within section 149, Equality Act have been duly considered and assessed, and this is evidenced in the Equalities Impact Assessment carried out for the Transport Plan. During the delivery of the identified transport projects, equalities will need to continue to be monitored.
39. The Human Rights Act 1998 has imposed a duty on the council, as a public authority, to apply the European Convention on Human Rights and not to act contrary to these rights. The rights most frequently referred to include article 8 (respect for home) and article 1 of the First Protocol (peaceful enjoyment of property). Article 6 is also frequently engaged in relation to the principle of natural justice. The application of funding is considered unlikely to contravene any of the contravention rights but will also continued to be monitored.
40. Equalities Impact Assessment carried out for the Transport Plan. During the delivery of the identified transport projects, equalities will need to continue to be monitored.
41. Under paragraph 6, Part 3D of the constitution the Individual Member has

authority to agree statutory or other strategies in relation to their area of responsibility. In addition under paragraph 4, the Individual Member has authority to approve the submission of bids for additional resources from government and other agencies in relation to their area of responsibility, where member level agreement is required by the external agency. However, due to the cross-cutting nature of transport projects, the Individual Member has requested that this matter be considered by full cabinet.

### **Strategic Director of Finance and Corporate Services (FC14/018)**

42. This report seeks cabinet approval to the submission of the council's proposed Local Implementation Plan (LIP) annual spending submission to TfL for the 2015/16 allocation of £3.147m. It also seeks approval for the indicative programme of works for the years 2016/17 and 2017/18.
43. Once the LIP is approved by TfL, a programme budget will be set that will be regularly monitored and reported on within the council's capital and revenue monitoring arrangements.
44. Staffing and any other costs connected with the recommendation are to be contained within existing departmental budgets.

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

45. The targets and actions contained in the Transport plan have been developed in consultation with officers of the Public Realm and Community Safety Divisions and are consistent with our operational policies and plans in relation to highway asset management and design, parking, road network management and air quality.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Transport plan 2011	160 Tooley Street, London SE1 2QH	Simon Phillips on 020 7525 5542
<b>Link:</b> <a href="http://www.southwark.gov.uk/transportplan">www.southwark.gov.uk/transportplan</a>		

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	LIP Delivery Plan

## 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>	Simon Phillips, Acting Transport Policy Manager	
<b>Version</b>	Final	
<b>Dated</b>	4 September 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 Environment and Leisure	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>		4 September 2014

## APPENDIX A

## LIP Delivery Plan

Project	Location	Description	Cost £000		
			2015/16	2016/17	2017/18
Supporting measures	Boroughwide	Smarter travel programme including Road Safety, Travel Awareness and School Travel Plans.	300	300	300
Estate cycle parking	Boroughwide	Secure cycle parking on council estates.	46	46	46
Cycle training	Boroughwide	Cycle training for adults and children.	141	141	141
Surveys	Boroughwide	Cross borough programme of surveys and monitoring at a strategic level, including walking, cycling and traffic counts.	30	30	30
Pocket Places Peckham	Peckham Rye	Further development and implementation of the 'Pocket Places for People' project on streets adjacent to Rye Lane. This scheme has been developed via a joint venture with Sustrans and overlaps with the council's Community Streets concept.	180	0	0
CPZ Kerbside Re-use	Boroughwide	Building on CPZ reviews to offer alternative options for kerbside space e.g. cycle parking, street trees.	50	50	50
Filtered permeability	Boroughwide	Post monitoring and implementation of existing schemes (Lytham Street and Riverside), plus further programme of cycle permeability measures.	100	100	100
Crystal Palace Parade	Dulwich	Implementation of measures to improve safety and accessibility at the roundabouts adjoining borough boundary.	250	0	0
Local environmental improvements	Boroughwide	Small scale interventions to address specific issues identified in year e.g. dropped kerbs, cycle parking etc, as well as match funding to support air quality bids.	100	100	100
Station accessibility	Boroughwide	Improvements to streets in the vicinity of stations (Nunhead, South Bermondsey, West Dulwich, Sydenham Hill, Kennington, Borough). focussing on small scale accessibility	100	100	0

			Cost £000		
		improvements and wayfinding.			
Brayard's Road area	Peckham Rye & Nunhead	Areas adjacent to Brayard's Road on both sides of railway line. Mainly small scale interventions to build on recent changes to road layout and create an attractive environment for walking between the town centres of Nunhead and Peckham Rye. Supports PNAAP and Mayor's Vision for Cycling.	200	0	0
Walworth Road South	Walworth	Corridor scheme between John Ruskin and Merrow Street. Measures to include improvement to footways, crossing points and review of carriageway space allocation. To complement the mixed priority scheme to the north.	100	400	0
Bellenden Road area	Peckham Rye	Area to the west of Rye Lane. Focus on improving permeability through the Bellenden Road / Lyndhurst Way area. Building on previous proposals. First year to include comprehensive community consultation to build consensus. Supports PNAAP and Mayor's Vision for Cycling.	335	0	0
West Camberwell area	Camberwell	Area to the south west of the town centre bounding border with Lambeth. Focus on footway improvements and speed management on border roads. Improvement to walking and cycling links to the town centre and between green spaces.	50	226	0
Coleman Road area	Camberwell	Area bounded by St Georges Way, Wells Way and Southampton Way. Focus on safety issues at the 'triangle' and measures to support planned flood alleviation works in the Coleman Road area.	320	0	0
North Peckham area	Peckham	Meeting House Lane area north of Peckham High Street. Localised environmental and accessibility improvements. Focus on walking routes to Queens Road station and Peckham Square and identified cycle link.	50	425	0
Lower Road	Rotherhithe	Match funding towards planned changes to the road layout in the Surrey Quays area to support the CWAAP.	50	350	0

			Cost £000		
Scheme review	Borough wide	Safety audits and minor scheme amendments resulting	100	100	100
Drummond Road area	Bermondsey	Area bounded by Southwark Park Road, Jamaica Road, St James Road and the railway. To complement residential development at the Biscuit Factory site and meet demand for improved walking and cycling links. Focus on walking routes to Bermondsey tube and Southwark Park and proposed Quietway cycle link to support the Mayor's Vision for Cycling as well as general accessibility improvements to Southwark Park Road.	0	25	425
Ilderton Road	Bermondsey	Corridor scheme to improve safety and accessibility including review of road space allocation and treatment of key junctions.	0	34	360
Elmington area	Camberwell	Improving walking and cycling links through the area bounded by Bowyer Place, Southampton Way, Camberwell Church Street and Camberwell Road. Complements planned Quietway and green link designs.	0	25	350
Thurlow Street corridor	Walworth	Corridor scheme comprising Thurlow Street, Flint Street, Rodney Road and Rodney Place. Safety and accessibility improvements to link Burgess Park and New Kent Road. Supports Aylesbury regeneration plans and Mayor's Vision for Cycling proposals.	0	50	500

	2015/16	2016/17	2016/17
<b>Totals</b>	3,147	3,147	3,147
<b>Corridors and neighbourhoods</b>	2,202	2,202	2,202
<b>Supporting measures</b>	300	300	300
<b>Discretionary funding</b>	100	100	100
<b>Principal Road Renewal</b>	545	545	545



<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval Southwark Works Employment Commissioning Framework	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Communities, Employment & Business	

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

Building a strong local economy is of the highest importance for the council, and in support of our new Fairer Future promises, the council has set a target in the new Council Plan to support 5,000 more local people into jobs and create 2,000 new apprenticeships. We believe that this is achievable if we make the best use of the wealth of opportunities in Southwark and in the London jobs market, and invest in the skills and employability of Southwark residents, particularly where they need extra help to get over barriers holding them back in an extremely competitive labour market. This proposal sets out how we will support Southwark people – and employers - by filling gaps for those people who do not get the right support from national employment services and training provision, and put them on track to get a job, stay in work, and develop their skills and earning power.

## **RECOMMENDATIONS**

1. That cabinet approve the procurement strategy outlined in this report for the Southwark Works Employment Commissioning Framework for four years at an estimated maximum contract value of £5.275m.

## **BACKGROUND INFORMATION**

2. Supporting people into jobs is a key priority for the council. In July 2014, cabinet adopted a new council plan, which identified the importance of building a strong local economy as a key priority theme. The plan also sets out ten new Fairer Future promises that the council will deliver over the next four years to 2018, one of which is that “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”. The approval of this procurement strategy for the council’s employment commissioning framework is a significant milestone in the delivery of that promise.
3. The delivery of the commitment to support 5,000 more local people into jobs and create 2,000 new apprenticeships is a challenging target and represents a significant uplift in the ambition of the council to support a strong local economy. The target also comes at a point that follows a review of current employment support across the council to ensure that we continue to provide value and quality in provision.

4. Increasingly the council will be working across organisational boundaries to deliver the framework set out in this report. The procurement strategy is therefore designed to deliver a 'one council' approach that supports local people into employment and more generally improve the skills of local residents so they are able to access a wider range of job opportunities locally and so help achieve a fairer future for all.
5. The target of 5,000 local people into jobs also comes at a time when the council is increasingly working across borough boundaries, most notably through our innovative community budget with Lambeth and Lewisham, in particular to help support those people who are furthest from work back into employment.
6. The review of current employment commissioning, alongside the work with other boroughs, has therefore been a fundamental part in informing the design of a new local framework and the procurement strategy proposed.

### **Summary of employment commissioning review**

7. The council has been providing employment support to Southwark residents since 2004 under the title of "Southwark Works", a brand which has been both recognised and trusted among users and local partners. With a focus on unemployed and economically inactive residents, Southwark Works fills gaps in mainstream employment services by combining tailored employment support for people with barriers to employment and access to job opportunities through employer engagement.
8. Following procurement of the existing Southwark Works provision in October 2013, the council's local economy team carried out a systematic review of local employment support provision. This has informed the strategy for the next phase of delivery following the end of contracts in March 2015. The primary objective of the review was to assess the most effective and suitable means of achieving employment outcomes of the council's economic wellbeing strategy.
9. The review analysed:
  - levels of demand for employment support (numbers of unemployed and economically inactive residents, and levels of benefit claimants)
  - barriers to employment that prevents residents from competing for jobs
  - types of support that are most effective at overcoming identified barriers to employment
  - existing gaps in existing support provision
  - the impact of welfare reform and changes in national employment support programmes.
10. The review assessed all aspects of existing employment support provision and provided options on future investment decisions by the council on provision of employment support. The framework proposed in this report is designed on the basis of these findings.

### **Review findings**

11. Despite a recent reduction in the numbers claiming out of work benefits, the current employment rate in Southwark (66.3%) remains lower than the London rate (70.5%) and a disproportionately high number of Southwark residents

remain out of work or under-employed despite recent improvements in job numbers. Further, evidence shows that nationally commissioned employment programmes delivered through Jobcentre Plus and the Work Programme are ineffective for residents furthest from the labour market (*Alright for Some? Fixing the Work Programme, Locally* – IPPR North, 2014).

12. The table below shows the numbers of working age Southwark residents claiming benefits. It can be seen that the numbers of claimants of Jobseekers Allowance and health-related benefits (Employment Support Allowance (ESA) and Incapacity Benefit) remain high.

**Table 1: Working-age client group – benefit claimants (February 2014)**

<b>Claimants</b>	<b>Southwark (numbers)</b>
<b>Total claimants</b>	<b>29560</b>
<b>By benefit group:</b>	
Jobseekers Allowance (JSA)	8160
ESA and Incapacity Benefit	13050
Lone parents	3530
Carers	2020
Others on income related benefits	820
Disabled	1770
Bereaved	210

(Nomis, 2014)

13. Other findings include:
- Nearly half of JSA claimants who have been claiming for over 12 months are aged between 50-64
  - Nearly half of the claims made for ESA and IB over the last ten years in Southwark have been related to mental health issues
  - 2090 JSA claimants in Southwark have between 1 and 5 children
  - Black & minority ethnic claimants are over-represented in the JSA claimant figures
  - The DWP Work Programme is noted as being ineffective at supporting those with high needs (long term unemployed, those affected by health issues, ex-offenders) into work
  - Qualification levels of the working age population in Southwark are polarised. 30% of the workless population in Southwark are qualified to level 4 but a higher proportion of residents have low-level or no qualifications in comparison to London.
14. The review also found that the most effective interventions are those that address individual needs combined with support to identify relevant job opportunities. For a programme to be effective, it must be strongly focused on achieving sustained employment, offering employers well-prepared and work-ready clients for particular jobs.
15. In addition to the local review, research carried out as part of the Southwark, Lambeth and Lewisham Community Budget work identified six characteristics of effective employment support. These were:
- Customer-centric (designed around the needs of individuals)

- Well defined, strongly linked partner network (specialist services co-operating and cross-referring customers according to customer need)
- Clear catalogue of services and navigation (clear criteria for eligibility and referral)
- Flexible to local employment needs (skills and support that are appropriate for local job seekers and relevant employment opportunities)
- Single point of contact (i.e. no wrong door for customers seeking support regardless of the type of need)
- Tailored customer journey (with relevant progress measures and clear outcomes to aim for)

### **Proposed model**

16. Help to find and keep a job is of paramount importance to an increasing number of residents in the face of welfare reform and an increasingly competitive labour market; conversely, there is evidence of gaps in national, mainstream employment services and the work programme. Since 2004, the council has commissioned employment support on an annual basis, provided through a network of providers under the brand of Southwark Works.
17. The proposed framework will establish a network of providers that can deliver employment support over a four year period. This will be commissioned through a process that allows inclusion of services specified by those council departments that have identified employment outcomes as a high priority for their client groups. Support purchased via the framework will form a whole council commissioned employment support network from April 2015.
18. The framework will drive service improvements by increasing the use of common standards and success measures for employment support across the council and therefore make achievements against council plan outcomes easier to demonstrate, track and deliver.
19. A council wide framework offers an opportunity to refresh existing provision, seek innovation through an outcomes-based approach, and establish a flexible and responsive portfolio of employment support by:
  - testing the market for proposals to deliver specialist packages of employment support
  - undertaking an assessment of proposals to establish preferred suppliers
  - mini-competitions or single-supplier negotiations leading to call-off contracts with the preferred suppliers.
20. In accordance with the findings of the review, providers will be asked to submit bids for service provision according to a set of service types and matched to "lots" within the specification. These lots will define needs and outcomes required for priority groups, and will include opportunities for services based on specialist knowledge of employment and training in particular employment sectors. The range of services and priority groups will include:
  - Outreach and engagement of participants
  - Customised job-specific pre-employment preparation with bespoke training and support needed to gain employment
  - Employer engagement to improve the candidates' knowledge and understanding of a specific role or sector.

- Work placements & work trials (when required by employers)
- In-work support (or supported employment) to support job retention and progression
- Brokerage and screening
- Soft skills, confidence building, mentoring, coaching & motivation
- Careers advice
- Functional skills (numeracy, literacy, information technology and training in English for speakers of other languages)
- Incentives – such as training which includes work experience and/or a guaranteed interview
- Access to benefits/housing/debt/money management/childcare advice in relation to starting work and/or increasing hours

### **Priority groups**

21. This support offer will provide support for the following priority groups identified in the review:

- Young people (aged 18-24)
- Long term unemployed, including those aged 50-plus
- People with mental health problems
- People with health conditions (including learning difficulties and physical and learning disabilities)
- Lone parents
- People in need of ESOL provision
- Offenders and ex-offenders
- People with substance abuse problems
- Homeless people (or at risk of homelessness)
- People in a gang or at risk of being in a gang

### **Priority sectors**

22. All available jobs will be assessed as relevant opportunities within the framework. Based on a combination of knowledge of Southwark-based developments and regeneration schemes, and research commissioned by the Lambeth, Lewisham & Southwark community budget partnership (Centre for Economic & Social Inclusion, 2014), the employment sectors below will be prioritised. These sectors have been identified as growth areas where London's employers are forecast to increase demand for employment and skills, and are therefore likely to lead to sustained employment, wage growth and career progression opportunities:

- Construction
- Hospitality
- Health & social care
- ICT
- Retail
- Business administration
- Marketing

### **A four year, flexible framework**

23. In contrast to the current annual commissioning of employment support which requires a constant cycle of renewal with the associated bureaucracy, a 4-year framework will allow for longer contracts and enable better planning in service

delivery and innovation. A 4 year framework also aligns well with the current council plan cycle, creating a very clear association between the outcomes planning to be achieved in terms of jobs and the framework and process that supports those outcomes.

24. A 4-year framework will also give the council greater flexibility to respond to changing labour market needs by purchasing services quickly and efficiently through call-off contracts. In addition to allowing for fresh market testing and encouraging outcomes-based innovation, it will replace the current resource-intensive, annual open tender commissioning that is currently undertaken.
25. Additional benefits of the framework include:
  - a stable strategic mechanism for buy-in by a range of council services to procure employment support for the delivery of the Economic Wellbeing Strategy, Fairer Future promises and council plan priorities
  - better understanding of the impact employment support interventions can have on improving outcomes in statutory service delivery
  - more effective integration of council services seeking employment outcomes for their customer groups
  - support for a more standardised approach to securing employment support outcomes, better performance and common measures.

#### **Framework value**

26. The framework will have an estimated maximum value of £5.275 million over 4 years. The maximum value for an individual contract will be £0.5m. Contract lengths will vary according to the type of intervention. The maximum contract duration will be 2 years initially, with optional extensions for one plus one year. Extensions will be based on performance and evidence of continuing need.

#### **Operation of the framework**

27. Providers will be invited to join the framework via a two-stage process. The first stage of the process will be a pre-qualification questionnaire (PQQ) to establish eligibility. The second stage will involve an invitation to tender (ITT). Further details on the tender evaluation process are provided in section 54-59 below. In the ITT, providers will be assessed on their ability to provide quality services that deliver value for money based on a weighting of 80:20 (quality:price). Providers will submit bids for individual lots (i.e. priority groups).
28. Successful bidders at ITT stage will be selected as approved providers on the framework. The specification and the tender documentation will set out clear rules governing contract award through use of direct call-off contracts and mini-competitions with other providers in their 'lot' to establish quality and value. Being an approved provider on the framework is by itself no guarantee of a contract to deliver employment support services for the Council.

#### **Market considerations**

29. Tenders will be actively sought and encouraged from locally based voluntary and community sector organisations, which often hold much expertise on the most effective support for priority groups. Generally, providers from both public and private sectors, including social enterprises, will be sought from amongst known

providers already delivering support for a range of commissioning bodies including the DWP, the Skills Funding Agency, the Ministry of Justice, the City Corporation and other local authorities.

30. Partnership and consortium bids will be encouraged in order to secure the most effective combinations of support and opportunities for smaller, specialist providers.

### **Branding**

31. Since 2004, the council has commissioned employment support on an annual basis, provided through a network of providers under the brand of Southwark Works. Southwark Works is a recognised and trusted brand that is viewed by users as a preferred alternative to mainstream provision delivered by Jobcentre Plus or the Work Programme. It is therefore proposed to retain the Southwark Works brand to deliver future employment support and jobs brokerage.

## **KEY ISSUES FOR CONSIDERATION**

### **Options for procurement route including procurement approach**

32. Officers considered the range of options below in detail. The proposed procurement route – a commissioned framework – is proposed as the most suitable option for the reasons set out in paragraphs 23 to 25. A number of other options, although considered, were rejected. These were:
33. **Option 1: Alliance.** An alliance contract sees a number of parties enter into an agreement to work collaboratively to share risk and reward, measured against set performance. It allows the commissioner to enter into a single supplier negotiation with a range of providers that have been deemed best placed to deliver the specification/outcomes required. This arrangement has been rejected due to a lack of evidence of successful use to secure employment on the scale set out in the new council plan (e.g. 5,000 local people into work) and apparent suitability for highly specialist small-scale interventions.
34. **Option 2: Annual tendering.** This is the current commissioning model, but it is rejected as it is resource intensive and because of its inherent instability and uncertainty for smaller providers from one year to the next.
35. **Option 3: In-house delivery.** The delivery of a service of this nature requires extensive recruitment, management and development of specialist staff; the council does not currently employ sufficient staff with the required range of skills.
36. **Option 4: Single provider.** Few providers dispose of sufficient capacity and cash reserves to take on the whole package of employment described in the framework; and those who do would be unlikely to have the local knowledge and contacts required for successful delivery.

### **Proposed procurement route**

37. The preferred option of a 4-year commissioning framework offers longer contracts and enables better planning in service delivery and innovation, greater flexibility to respond to changing labour market needs by purchasing services quickly and efficiently through call-off contracts. In addition to allowing for fresh

market testing and encouraging outcomes-based innovation, it will replace the current resource-intensive, annual open tender commissioning.

38. Whilst the services comprising the proposed framework are considered to be part B services under the EU Procurement Regulations (meaning the council is not legally compelled to comply with EU advertising requirements), in order to attract the widest possible interest the EU restricted tendering procedure will be followed, which comprises two stages:

- **Stage one:** Interested providers express an interest by requesting and completing a Pre Qualification Questionnaire (PQQ)
- **Stage two:** providers short listed at stage one will be invited to submit a tender. We will aim to invite at least 5 tenders to bid as per EU guidelines.

39. All providers appearing on the framework will have satisfied the cabinet standards in relation to health and safety, equalities, financial health. When conducting mini-competitions, officers will be able to focus on selecting the most appropriate proposal for a particular project which will mean that the procurement process will be much quicker and easier.

#### Identified risks for the procurement

No.	Risk	Risk Level	Mitigating Action
<b>Procurement process</b>			
1.	Delays in contracting timetable	Medium	<ul style="list-style-type: none"> <li>• Temporary reallocation of officer resources to keep the process on track; reducing other areas of the timetable that can be shortened.</li> </ul>
2.	Not enough tenders received	Low	<ul style="list-style-type: none"> <li>• The framework will be advertised widely and targeted at providers across the region</li> <li>• Contracting timetable allows for sufficient time to submit high quality bids.</li> </ul>
3.	Changes in welfare and employment policy and funding (regional and national)	Medium	<ul style="list-style-type: none"> <li>• Additional engagement with providers to refine the specification requirements/avoid duplication/ensure effective targeting of project activity</li> </ul>
4.	Changes to market capacity due to structural changes in national and regional provision/commissioning)	Medium	<ul style="list-style-type: none"> <li>• Service specification will have substantial scope for an outcome-led approach, therefore flexible enough to allow negotiation of outcomes with providers where capacity can be identified</li> </ul>
<b>Service delivery</b>			
3.	Timing – deviations from planned timetable	Low	<ul style="list-style-type: none"> <li>• Project start up requirements for this service will be minimal and contract monitoring will identify any emerging issues.</li> <li>• Project outputs are known to be deliverable within stated</li> </ul>



No.	Risk	Risk Level	Mitigating Action
			timescales and to specified volume and quality criteria. <ul style="list-style-type: none"> <li>Staged payments will provide an incentive for the contractor to deliver against key milestones.</li> </ul>
4.	Barriers caused by national or local changes in regulations, policy or priorities	Low	<ul style="list-style-type: none"> <li>A break clause will be included in the contract to allow for changes to service delivery in response to any unexpected national/ regional changes.</li> </ul>
5.	Budgetary changes affecting indicative budget for 2015-2019	Low	<ul style="list-style-type: none"> <li>Break clause allows for contract break or variation in response to budgetary constraints affecting the Council</li> </ul>
6.	Cost overrun/ underperformance	Low	<ul style="list-style-type: none"> <li>Staged payments, with phasing based on successful delivery of outputs gives the council control over expenditure and will ensure costs do not exceed contractual limits. This also removes the need for performance bonds or parent company guarantees.</li> </ul>

### Key/non-key decisions

40. As a strategic procurement costing more than £0.5m per year, the decision to approve the proposed procurement strategy is deemed to be a key decision under the council constitution.

### Policy implications

41. In July 2014, cabinet adopted a new council plan with a set of Fairer Future promises, among which Fairer Future Promise 8 states: 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; and under the theme "Building a strong local economy" states the aim that the council should "make sure local residents benefit from new jobs and apprenticeships."
42. The core aims of the cabinet Economic Wellbeing Strategy 2012-20 include supporting local people into employment and mitigating against financial challenges:
- Ambition 1: Employment – narrowing the gap with the London employment rate
  - Ambition 4: Promoting financial wellbeing and independence
43. The EWS further states in support of ambition 1: *We therefore aim to make better use of London's opportunities, and close this gap by supporting Southwark residents into work and off benefits, enabling people to stay in jobs and progress beyond entry level low-paid work. We remain committed to making support into employment inclusive.*

44. By providing a unified 4-year framework for council-led employment activity the framework supports the achievement of objectives in the Children and Young People's Plan, the Joint Health and Wellbeing Strategy, the emerging Housing Strategy and the Safer Southwark Partnership Action Plan.

#### Procurement Project Plan (Key Decisions)

Activity	Complete by:
Forward Plan (if Strategic Procurement)	01/08/2014
DCRB Review Gateway 1	04/08/2014
CCRB Review Gateway 1	14/08/2014
Notification of forthcoming decision – despatch of cabinet agenda papers	02/09/2014
Approval of Gateway 1: Procurement strategy report	16/09/2014 (cabinet)
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/09/2014
Completion of tender documentation	26/09/2014 (PQQ)
Advertise the contract in OJEU	29/09/2014
Closing date for expressions of interest	29/10/2014
Completion of short-listing of applicants	26/11/2014
Invitation to tender	01/12/2014
Closing date for return of tenders	23/01/2015
Completion of evaluation of tenders	06/03/2015
Approval of Gateway 2 reports:	March 2015
Contract awards following mini-competitions and call-off	April 2015 onwards
Place award notice in Official Journal of European (OJEU)	24/04/2015
Contract starts	From April 2015 onwards
Contract completion break date (2 yrs +1 +1)	From 31/03/2017
Contract completion date – (if extension(s) exercised)	31/03/2018, 31/03/2019

#### TUPE implications

45. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply on a service provision change where activities cease to be carried out by a contractor on the cabinet behalf and are instead carried out by another contractor on its behalf, where there is an organised grouping of employees whose principal purpose is the carrying out of that activity, and where the activity is to be carried out otherwise than in connection with a single specific event or task of short-term duration. Only those employees assigned to the transferring activity will transfer.
46. There are no TUPE implications for the council as an employer because the council does not deliver these services directly.
47. TUPE will not apply on appointment to the framework. If TUPE does apply it will be at call off, either on an initial call-off or subsequent call-off where a contract is awarded to a new provider who undertakes fundamentally the same activities as an existing provider.

48. The activities which will be carried out under the new framework cannot be defined with certainty until the bids are considered therefore it is not possible at this stage to say whether or not TUPE will apply and if so to which contracts.
49. 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 tender process commences as its results need to be included in the tender pack. Tenderers will be directed in the tender documentation to seek their own independent advice and no warranties will be given as to the application of TUPE. In these circumstances, TUPE considerations may apply and consequently responsibility would rest on the current contractor to surrender a range of details to a new provider in order to facilitate the smooth transition of staff. However, such circumstances would not involve the transition of staff to or from the council and responsibility rests with the cabinet contractors to adhere to employment law in this case. Nevertheless, the council has sought legal advice on this matter and will clearly identify that TUPE considerations may apply both to current contractors as well as to potential providers throughout this procurement process. By doing this, while responsibility to adhere to the law rests on contractors rather than the council itself, the council will ensure that it takes all reasonable steps to ensure that current contractors are aware of and comply with their obligations.
50. Workforce information will be obtained from current providers prior to the tendering round and will be provided to bidders in an anonymised format so that all bidders can properly assess their potential employment liabilities. This information will be explained fully in the tender documents.

#### **Development of the tender documentation**

51. The PQQ and ITT are being developed in line with the council's procurement and legal guidelines and with advice from relevant council officers. The specification, evaluation criteria, pricing documents and the conditions of contract have been developed by officers with specialist knowledge of employment support services.
52. The number of contractors to be commissioned through this tendering process has not been predetermined, however we expect that bidders will tailor their employment support service bids to support one or two of the priority client groups listed in paragraph 17 and that those bidding will focus on more than one sector to deliver their services. The geographical basis of the service will be the whole area of the borough.

#### **Advertising the contract**

53. The contract will be advertised through direct issue to employment support providers ensuring a particular focus on those operating in Southwark, but also using knowledge of providers from other commissioning bodies and local authorities. It will be advertised through OJEU, through local government networks and partnerships such as London Councils, Central London Forward, and Community Action Southwark and sent to council commissioning managers to distribute to their provider networks.

#### **Tender evaluation**

54. The evaluation of responses at PQQ stage will consist of two elements:

- A preliminary compliance check
  - Detailed evaluation
55. The detailed evaluation will be based on the following criteria:
- Company information
  - Technical Questions
  - Financial Information
  - Contracts
  - Quality Assurance
  - Equal Opportunities
  - Safeguarding
  - Health and Safety
  - Information Check and Checklist of Documents
  - Undertaking
56. The PQQ will be assessed on a pass/fail basis. The technical questions section will require providers to provide more information about their ability to deliver against the selected lots (the priority groups listed in paragraph 21) and their track record. This section will be scored and the methodology for evaluation will be set out in the PQQ instructions.
57. After the pre-qualification process short-listed applicants will be provided with detailed tender documentation including the following:
- Letter of invitation to tender
  - Instructions to applicants with details of the evaluation criteria
  - Standard conditions of contract
  - Service specification
  - Evaluation information
  - Pricing schedule
  - Any other relevant documents
58. The ITT will not duplicate assessments made at the PQQ stage but will concentrate on assessment of specific proposals to deliver employment outcomes for the lots they apply for. Providers will be asked to complete a set of questions which will assess quality and price (at a ratio of 80:20) and value for money. This weighting is required due to the need to ensure a high standard of service for a range of vulnerable groups, whose likelihood of securing employment could be actively harmed by an inappropriate intervention; at the same time a degree of rigour in assessing against price is retained in this way.
59. The framework will be divided into lots based on particular client groups with defined needs as identified in the review of employment provision and the Lambeth, Lewisham and Southwark Community Budget research,
60. Once the framework is established, individual contracts will be either called off directly or through a mini-competition between providers admitted to the framework. These contracts will be let in accordance with contract standing orders and according to the maximum contract value and duration set out in paragraph 24. A set of framework rules will be devised for issue with the tender documentation.

### **Community impact statement**

61. This programme targets a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. It seeks to bridge the gap in mainstream service provision provided largely by Jobcentre Plus and the Work Programme
62. By focusing attention of these groups this service specifically aims to meet the needs of protected characteristics groups, in line with the council's published Equalities Approach. Due regard has been paid to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 specifically; to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity; though providing the means to engage in the labour market and improve socio-economic outcomes and wellbeing, and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics specifically supported through this provision are age, disability, race and sex.
63. In order to most effectively address identified needs, the specification, the tender assessment process and measurement of project performance will be designed to take into account explicitly the findings of the employment support review and the community budget research in relation to addressing inequality in accordance with the Public Sector Equality Duty. Each provider's approach to equalities will be assessed as a gateway requirement.
64. All services procured through the framework will seek to ensure that local employment opportunities are made available to Southwark residents.
65. Community benefits will accrue through the direct outputs of this project (principally through measurement of numbers in defined groups entering employment)
66. Service specifications will encourage bids from Southwark-based specialist providers of employment support services in the voluntary and community sector.

### **Economic considerations**

67. This proposal explicitly seeks to increase employment of Southwark residents. An increasing number of residents accessing employment will also directly reduce the demand for work-related benefits, for out of work support and or services which for unemployed residents, as well as indirect reduction of demand for other public services related to poor health and homelessness for example. Full consideration is given in the sections above on policy and market implications, and particular efforts will be made to encourage bidding by Southwark-based providers.

### **Social considerations**

68. The aim of this programme is to increase the employability of target client groups who are unemployed or under-employed (less than 8 hours per week) and who in many cases experience multiple barriers to employment. Access to a job, improved skills, increased hours and/or progression in work will also strengthen the financial independence and resilience of these individuals and is likely to improve health and wellbeing. Employers who recruit through the council's

employment support framework will also gain access to a local candidate pool that will assist the diversification of their own their workforce.

69. Research conducted by officers and the Lambeth, Lewisham and Southwark Community Budget Pilot has been used to inform this procurement and will continue to be fed into the development of the framework specification and tender documentation. The research was based on consultation with users, providers, and commissioners of employment support from the all of the priority groups targeted in this framework and findings have been built into the development of the framework.
70. The contracts will specify that all providers (and their partners or sub-contractors) pay their employees the London Living Wage. Providers will be encouraged to negotiate the London Living Wage with employers when clients successfully secure employment through Southwark Works.

### **Environmental considerations**

71. Service providers will be required to supply details of all environmental sustainability initiatives they will employ during the delivery of the service.
72. This project is based on one-to-one and some one-to-many contacts between employment advisors and members of the public, and as such has few direct environmental impacts and minimal scope for carbon reduction. One-to-many events are likely to be held in the venues nearest to transport hubs to permit easy access by public transport.

### **Monitoring and management of the framework**

73. The framework and contracts will be managed and monitored within existing staff resources within Corporate Strategy. Contract monitoring arrangements in line with council procedures and established processes will include:
  - Payment related to performance
  - Quarterly monitoring of outputs and outcomes
  - Regular meetings with contractors appointed Project Managers to review and manage performance
  - Regular review of costs
  - Consultations with internal customers of this project to monitor its contribution to Council-wide policies and priorities
  - Management and oversight of ongoing risks and staging of payments following the completion of project phases.
74. Payments will be made on a quarterly basis in arrears subject to achievement of defined performance output measures by the contractor.
75. In addition to the contract management arrangements, arrangements for the framework will include monitoring of all contractors admitted to the framework to ensure that PQQ criteria continue to be met throughout the life of the framework regardless of when or whether a contract is awarded, and to future contract decisions throughout the life of the framework are based on accurate and current information.

**Staffing/procurement implications**

76. There are no direct staffing implications.

**Financial implications**

77. The total value of the framework is estimated to be a maximum of £5.275m over four years, funded largely through section 106 and general fund contributions. It is noted that in setting this figure the general fund continues to remain under pressure across the council. In the event that available resources reduce a break clause will allow the council the flexibility to reduce the cost.

**Investment implications**

78. None

**Legal implications**

79. TUPE considerations may apply and appropriate steps have been taken to ensure that the council supports its existing contractors to meet their statutory responsibilities in this matter. Paragraphs 37 to 42 set out further detail on key points for consideration with regard to TUPE

**Consultation**

80. Research conducted by the Lewisham, Lambeth and Southwark Community Budget pilot tested the views of service users, providers and commissioners and established the 10 priority groups for whom this proposal will provide services. Additional lessons from this research on what makes an effective pathway into employment for these groups will be used in the definition of outcomes and service standards in the specification and performance measures for all services commissioned.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Head of Procurement**

81. This report is seeking approval of the procurement strategy for an employment commissioning framework. The framework shall be divided into lots based on particular client groups with defined needs.

82. The report explains the benefits of a four year framework to enable contracts to be called off from, in comparison to the current strategy of procuring contracts on an annual basis.

83. With a contract of this size and nature, EU regulations apply. The report confirms that a restricted (2 stage) procurement process will be followed which is in line with the regulations and satisfies the council's contract standing orders.

84. The timeline for the project is achievable provided appropriate and adequate resources are available on the procurement when necessary.

85. The evaluation methodology for setting up the framework will be on the basis of the most economically advantageous tender and in determining this shall use a

quality/price ratio of 80:20. Whilst this is not in line with the cabinet current approach, the justification for this is contained within the report.

86. The report explains that once the framework is established individual contracts will either be called off directly or through a mini competition process and confirms that a set of framework operating rules will be issued with the tender documentation.
87. With the report being silent on governance arrangements for this procurement, it is assumed that appropriate overview of key tender documentation will be in place to ensure the successful delivery of this procurement.

### **Director of Legal Services**

88. This report seeks approval of the procurement strategy involving the establishment of a framework for the provision of employment support services. The report also seeks approval of the delegation of a future decision to appoint successful tenderers to the framework.
89. Although the services comprising the proposed framework are classed as “Part B” services under the current EU Procurement Regulations (meaning that the council is not obliged to adhere to the prescribed requirements for tendering under those Regulations) a contract notice will be published in the Official Journal of the European Union (“OJEU”) in order to attract the widest possible interest in the framework and the director of legal services will advise and assist in connection with that exercise and throughout the procurement process. The procedure summarised in paragraphs 29 and 30 meets all relevant requirements of the EU Regulations and the council’s Contract Standing Orders (“CSOs”). The procurement strategy is also consistent with corporate policy.
90. The report confirms the advice which has been provided by the director of legal services (corporate team) regarding the possible application of the TUPE Regulations to the procurement of the framework.
91. The Community Impact Statement explains how the proposed procurement is intended to satisfy the Public Sector Equality Duty prescribed by the Equality Act 2010, both in relation to bidders and service users. Paragraph 55 indicates that an equality analysis has been undertaken, which assists in demonstrating compliance with the statutory duty. The estimated value of the proposed framework is such that the decision to approve the procurement strategy is one which is required to be taken by the cabinet under CSOs.

### **Strategic Director of Finance and Corporate Services (FC14/020)**

92. This report seeks cabinet approval to the procurement strategy for the council’s Employment Commissioning framework contract for four years at an estimated maximum contract value of £5.275m. The financial implications are contained within the body of this report.
93. It is noted that some funding is subject to further agreement and that annual budgets continue to be under increased pressure. In the event that available resources reduce a break clause will allow the council flexibility to reduce costs.
94. Staff costs associated with implementing this decision can be contained within existing resources.



**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Economic Wellbeing Strategy	160 Tooley Street, London SE1 2QH	Graham Sutton 020 7525 5456
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/347/economic_development/2024/economic_wellbeing_strategy">http://www.southwark.gov.uk/info/347/economic_development/2024/economic_wellbeing_strategy</a>		
Research report: Alright for Some? Fixing the Work Programme, Locally – IPPR North, 2014	160 Tooley Street, London SE1 2QH	Graham Sutton 020 7525 5456
<b>Link:</b> <a href="http://www.ippr.org/publications/alright-for-some-fixing-the-work-programme-locally">http://www.ippr.org/publications/alright-for-some-fixing-the-work-programme-locally</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Communities, Employment & Business	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Graham Sutton, Principal Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	4 September 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
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	4 September 2014	

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Quarter 1 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24	
<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**

I am happy to report that the capital programme is proceeding as planned and as indicated in this report. This is the first report for 2014/15 and we will continue to review progress against this programme through the course of this year.

### **RECOMMENDATIONS**

That cabinet:

1. Notes the general fund capital programme for the period 2014/15 to 2023/24 as at Quarter 1 2014/15, as detailed in appendix A and D.
2. Notes the housing investment programme for the period 2014/15 to 2021/22 as at Quarter 1 2014/15, 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 projected expenditure for 2014/15 and future years for both the general fund and housing investment programmes as detailed in Appendix A, B and D and also note the resources available for the capital programme based on latest information available at Quarter 1 2014/15.

### **BACKGROUND INFORMATION**

5. On 22 July 2014, the 2013/14 capital outturn report was presented to the cabinet. This reported the capital outturn position of £63.5m on the general fund programme and £118.2m on the housing investment programme for the financial year 2013/14
6. At that meeting, cabinet also approved the re-profiling of the expenditure and resources for the financial year 2014/15 in light of the 2013/14 outturn position for both the general fund and housing investment programme and noted that

further re-profiling will be required during 2014/15 based on more up to date information available.

7. The scale of the capital programme is immense and with a total forecast spend of approximately £1.9billion; 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 re-profiled budget and forecast outturn position for 2014/15 for the General Fund and the Housing Investment Programme (HIP).

## **KEY ISSUES FOR CONSIDERATION**

### **General Fund Capital Spend**

10. The 2013/14 capital outturn report showed expenditure of £63.5m against a total budget of £100.4m on the General Fund. The 2014/15 budgets has been re-profiled in light of the 2013/14 outturn position and the revised budgets for 2014/15 indicate a forecast spend of £90.3m. The summary position and the programme details by departments are reflected in Appendix A and D respectively.

### **Housing Investment Programme Spend**

11. The 2013/14 capital outturn report showed expenditure of £118.2m against a budget of £126.7m on the Housing Investment Programme. The 2014/15 budget has been re-profiled, taking into account the latest information available on contract procurements, scheme progress and possible slippages. The total re-profiled budgets on the Housing Investment Programme for 2014/15 is £187.8m and a forecast spend of £185.6m is expected for the year. The majority of the expenditure on the Housing Investment Programme relates to the numerous works on the Warm, Dry and Safe programmes which is forecast to spend £90m in 2014/15. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

### **Resource implications**

12. 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
13. The capital programme is influenced by resource timing and availability. Over the life of the programme, all commitments must be met from anticipated resources. The final funding requirement will be based on the final actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks and officers undertake regular reviews as part of the process for preparing quarterly monitors to assess income to date, forecasts and changes.
  14. Each department forecasts its programme as accurately as possible to minimise the need for re-profiling. Where this does occur, the requirement is flagged as early as possible and budgets re-profiled in line with anticipated spend. Given the general complexity of capital projects, it is common to see some variation in the profile of the actual programme against the forecast. The impact of this is mitigated through regular formal monitoring, departmental reviews and access to a resource base wide enough to cope with change.
  15. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources, to identify new resources or to make changes to the use of resources at an organisational level as projects complete or new projects appear.

### **Section 106 and Community Infrastructure Levy (CIL)**

16. The council can enter into a Section 106 (S106) agreement, otherwise known as a planning obligation, with a developer where it is necessary to provide contributions to offset the deemed negative impacts caused by construction and development. Contribution requirements can take several forms and range from provision of affordable homes and new open space to funding of school places or community facilities. Depending on the agreement, developers may deliver works directly or choose to make payments to the council to undertake work.
17. Use of S106 funding has been forecast in the programme, which is provided through existing balances and new funds anticipated from future agreements. Some changes to the use of S106 planning obligations are anticipated resulting from the adoption of the Community Infrastructure Levy (CIL) regime and the council is proposing to update its S106 planning obligations statutory planning document to the same timescale as development and adoption of the CIL.
18. The CIL is a levy which local authorities can choose to charge on new developments occurring in their area, with the funds raised being used to deliver infrastructure required by the council, local community and neighbourhoods. Use of the levy as a potential funding source for capital schemes was outlined in a report considered by cabinet on 17 July 2012.
19. A draft charging schedule was published in April 2013, followed by consultation.

The council is working towards an end of 2014 adoption date for its own CIL. The capital programme will be subject to future refresh and pending finalisation of the charging schedule for CIL this may be used to support appropriate schemes.

### **New Homes Bonus**

20. The New Homes Bonus (NHB) is intended to support local authorities and communities where growth in housing stock occurs. The allocation formula matches the level of council tax paid on each new home for six years, with an additional £350 per affordable unit. The grant is not ring-fenced so no restrictions apply to its use.
21. Payments for NHB amounted to £8.9m in 2013/14, of which £1.5m was allocated to fund revenue expenditure, with the balance earmarked to fund capital expenditure. This was in accordance with a cabinet decision of 21 June 2011 that all NHB resources not committed to the revenue budget should be allocated to corporate resources to fund future capital expenditure.
22. The council's budget setting process for 2014/15 committed the full 2014/15 NHB amounts to revenue and there are also some changes expected in the financing arrangement for the New Home Bonus Scheme. These changes will be identified as part of the future revenue budget setting process and any resulting impact on the capital programme will be reflected in the capital monitoring reports.

### **Contributions from Earmarked Reserves**

23. Reserves are funds set aside from favourable variances in the revenue and capital budgets. They can also be planned contributions to meet contractual commitments or future expenditure plans which may include risks or liabilities that arise at a later date. The three reserves which have relevance for funding the capital programme are outlined below:
  - modernisation reserve supports one-off expenditure or multi-year projects designed to modernise and further improve the operational efficiency of Southwark's service provision.
  - the regeneration and development reserve funds one-off expenditure and multi-year projects delivering regeneration and development across the borough. Relevant projects include the Aylesbury Estate Regeneration, Canada Water, and Elephant & Castle Regeneration.
  - compliance and planned preventative maintenance reserve which may be used to support activities upgrading the wider council estate in line with legislative and/or preventative maintenance requirements.

### **Capital Receipts**

24. The council operates a ten-year disposals programme and the planned disposals generate capital receipts which the council can use as a funding source to finance capital expenditure.

25. The disposals programme is subject to ongoing review by officers to mitigate the risk of funding unavailability due to timings or amounts received in year. The capital receipts forecasts together with other sources of funding will be monitored on a regular basis to ensure adequate funding for the capital programme. In the event that in-year funding generated by disposals is insufficient to meet the level of expenditure, alternative short term sources of funding may need to be accessed or projects deferred or re-profiled. Short term sources of funding include use of earmarked reserves and/or accelerating the disposals programme.

### **Capital Grants**

26. The council uses of a range of grants to fund capital expenditure and the grants tend to be programme or project specific with each grant having some form of conditions.
27. Grants may be provided as a sole funding source, or as one of several funding sources depending on project requirements. In each case, funding conditions are met to demonstrate that grants have been applied for the purposes given and audit trails are maintained.

### **Resourcing to Quarter 1 2014/15**

28. The 2013/14 capital outturn report provided details of the balances carried forward from the 2013/14 outturn position that can be applied in 2014/15 in addition to the resources received in year.
29. As at Quarter 1 2014/15, capital receipts of £13.9m and £420k had been received from the housing and general fund receipts respectively for the financial year 2014/15.
30. At the end of Quarter 1 2014/15, £8.8m grant had been received including £1.6m of education related grants and £6.7m secured through S106 agreements.
31. The above resources will be monitored and applied as appropriate to schemes in 2014/15.

### **Programme position at Quarter 1 2014/15**

32. Attached at Appendix A is a summary of the general fund programme position as at Quarter 1 of 2014/15. This shows a total expenditure budget of £449.2m budgeted over the programme from 2014/15 to 2023/14.
33. Attached at Appendix B is a summary of the housing investment programme position as at Quarter 1 of 2014/15. This shows a total expenditure budget of £1,433.9m over the programme from 2014/15 to 2021/22.
34. Appendix C shows the budget virements and variations arising in quarter 1 of 2014/15.
35. Appendix D shows a more detailed view of the general fund programme on

individual projects or groups of projects over the period 2014/15 to 2023/14.

36. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

### **Departmental Updates**

37. The sections below provide commentary on the budget position by departments for 2014/15.

### **GENERAL FUND (APPENDIX A)**

#### **Children's and Adult Services**

38. In summary the capital programme across Children's and Adults' Services is £115.7m; with an annual 2014/15 revised budget of £17.2m and expenditure incurred of £447k.

#### Children's Services

39. The revised capital programme for 2014/15 to 2023/24 has increased by £500k grant for Universal Infant Free School Meals and £2.5m DfE maintenance grant making an overall programme of £96.7m. The annual budget for 2014/15 is £13.7m.
40. The majority of the £400k spend at quarter one is for temporary expansion for September 2014 and permanent enlargement at Bessemer primary school. In 2014/15, the main areas of capital investment are Southwark Park Primary school, permanent expansion at Bessemer Grange, Lyndhurst and Dulwich Wood primary schools.

#### Adults' Services

41. The revised capital programme for 2014/15 to 2023/24 is £19.0m; the annual budget for 2014/15 is £3.6m.
42. To date no expenditure has been incurred. The main areas of capital investment scheduled for this financial year include major refurbishment of properties and investment in Centre of Excellence.

#### **Southwark Schools for the Future**

43. The overall budget for the period 2014/15 to 2023/24 is £37.3m; the annual revised budget for 2014/15 is £11.2m and this has been re-profiled to reflect the updated programme of delivery of £8.2m projected for the year.
44. To date £2m expenditure has been incurred on the St Michael's and All Angels/Highshore (SMAAH) new school and the University Engineering Academy South Bank (UEASB). In 2014/15, the main areas of capital investment are SMAAH, SILS KS3/4 and the refurbishment of the new UEASB opening in September 2014

## Finance and Corporate Services

45. The capital programme of this department focuses on two key areas: information technology infrastructure projects and improvements to council buildings.
46. The departmental capital programme stands at £56.7m with a budget of £10.4m for 2014/15. Spend and commitments at quarter 1 are recorded as £1.24m, however the longer term forecast for the year is that the budget will be fully consumed. Should it become clear that this will not be the case, approval will be sought from Cabinet to reprofile budgets in future monitoring reports.
47. The council's information technology managed service supplier is delivering a series of projects to modernise provision of IT services. Against an agreed budget of £5m for the upgrade of the infrastructure and enabling core works, £3.4m was spent in 2013/14 and the remaining £1.6m is on target to be delivered in 2014/15. In addition to this project work, the capital programme now includes a £1m per annum budget for an information technology planned maintenance service scheduled to commence during 2014/15.
48. The future procurement of the second major facilities management (FM) services supplier to include the delivery of selected capital works projects has been approved by cabinet which will see a four-year contract being awarded. In addition to this and to address future facilities management capital requirements, an approved budget of £10m is included in the capital programme. This reflects the anticipated cost of completing a comprehensive planned improvement and maintenance programme to the council's operational estate.
49. The council also continues with its programme of work to its front line council buildings to ensure that they meet the requirements of the Disability Discrimination Act.
50. In March 2013, the Walworth Road Town Hall was damaged by fire and since then work has been undertaken in phases to secure, protect and prepare this historic listed building for the longer term aim of reinstatement and delivery of a new facility. Costs of £2.7m were identified and reported in the 2013/14 capital outturn report of which £1.7m was incurred in 2013/14. Expenditure continues and the remaining £1m is expected to be fully consumed in 2014/15.

## Environment & Leisure

### Summary

51. The total value of the departmental capital programme for the period 2014/15 to 2023/24 is £150.8m. The Departmental Capital Review Board continues to scrutinise the forecasts of all projects and their profiling at end of each quarter to check their robustness and arrive at a more realistic estimate of expenditure for the year. As a result, the projected spends for the year is estimated to be £28m against the latest capital budget for 2014/15 of around £40m. The overall net variance which arises from re-profiling of the expenditure is proposed to be carried forward into 2015/16.



52. The progress of major schemes are outlined below.

#### Public Realm

53. 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 to allow for completion of detailed site investigations and further consultations on new burial areas by March 2015 to enable the required works to start in 2015/16. The spend for this year will also include refurbishment of the lodges and replacement of polluting cremators.
54. The Non-principal road programme will spend approximately £5.4m against a budget of £6.5m. The aim for this year is to build capacity within both the client and contractor teams and to develop a three year programme for agreement with the Cabinet lead member before March 2015. The re-profiling reflects longer lead in times to ensure more effective design and allocating of works than in previous years. The priority in 2014/15 will be dealing with the backlog of previously agreed works.
55. Cleaner Greener Safer spending is on forecast to spend £2.1m by year end. This is around 10% less than 2013/14 but reflects the change in profile and type of projects funded. Budget of £1.7m being carried over to 2015/16 relates to projects which are not programmed to complete within the current financial year.
56. The 20mph programme funding will now be spread over three years. Against the initial estimate of £1m required for the signage for the 20mph borough, the department has been able to both reduce costs and attract TfL funding. As a result, the substantial bulk of the allocation is now to be retained to undertake any additional physical measures that may be required in areas where signage alone is not sufficient to reduce speed. This work will be planned once the 20mph borough signage has been in place for 12 months and monitored for its effectiveness and thus the retained element is most likely to be committed in 2016/17. These changes are reflected in the revised profiling of the expenditure.

#### Culture, Libraries, Learning & Leisure

57. The £500k refurbishment of Peckham Library will commence with works to the roof and other vital major works this year. The lifts will be replaced in 2015/16.
58. Works to bring Southwark Athletics Centre back into use will commence by September 2014. Designs for the track have been finalised and reports required for the procurement of works have been prepared. The planning application has been drawn up and will be submitted in August 2014. The planning and consultation has started for the pavilion work to commence in 2015/16 and the budgets have been re-profiled to reflect the phased implementation of the project.
59. A phased approach is being taken to investing £2.3m in Peckham Pulse. Phase one works will be completed in June 2014, including a new boiler and 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 2015/16.

60. Investment in self service technology is a key component of the libraries modernisation programme and installation of such equipment is essential in supporting the savings agreed in the libraries review. RFID has been implemented at Blue Anchor Library, with the library reopening on 12th May 2014. RFID for Camberwell was planned for 2014/15 but with the library opening planned for spring 2015, this may be incurred early in 2015/16. There will be a temporary library at Elephant and Castle from late summer 2014. The structure is in place and furniture has been commissioned. The revised phasing of expenditure to bring forward £1m reflects the latest time table.
61. The Thomas Calton Centre refurbishment of £520k was delayed due to planning application issues. 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.
62. Olympic Legacy Fund – The allocation of £1.5m for legacy funding in the capital programme will enable further improvements at Homestall Road, Southwark Sports Ground grass pitches and other potential projects. Plans are being developed for these projects to be rolled out over two financial years.

#### Community Safety & Enforcement

63. The Housing CCTV refresh programme is in the main, completed. The programme covered CCTV systems on 19 housing estates that fell within the priority crime areas identified by crime analysis data prepared in August 2012. The unit is currently undertaking site acceptance tests before final payment is made.
64. The £61k balance on the account is earmarked for the completion of CCTV works on Gloucester Grove and Tustin Estates.

#### Housing Renewal

65. The total budget for Housing Renewals for the year is £6.1m. It includes £2.1m slippage brought forward from 2013/14. The slippage was mainly due to the need to re-profile the stock within the East Peckham and Nunhead renewal area to take account of rising property values and to aid the completion of external stock condition surveys to identify final housing repair projects. It was also due to work undertaken on shortlisted roads and to staff shortages following the divisional re-organisation, meaning there were fewer surveyors available to process renewal and disabled facilities grants and loans.
66. Brayards Road has been selected as the final housing group repair project as well as an area wide home security initiative which are both going through the gateway process. It is anticipated that gateway approval and project tendering will take place by September 2014. After that, residual budgets for East Peckham and Nunhead will be amalgamated to fund the Brayards improvement zone group repair scheme project.
67. The statutory Disabled Facilities Grant (DFGs) annual budget of £1.5m includes an annual subsidy of approximately £460k from central government. This will be

used for a variety of adaptations such as wet-room installations, through floor lifts, hoists and stair-lifts.

68. The new housing renewal policy has also been agreed and marks a shift in housing renewal assistance from grants to loans, which although have a longer lead in and processing time, means any loan repayments can ultimately be added back to the capital programme which can then be recycled. It is expected the majority of spend on repair grants and loans will take place between October 2014 and March 2015.

#### Environmental Services

69. The remaining £2m on this account is a contingency fund for planning related costs which may be payable to planning and highway authorities (LBS and TfL). It is conditional on the results of a number of road traffic surveys. The second GLA roads survey report was submitted in October 2012. There has not been a request from TfL for any mitigation works, however TfL have 24 months (i.e. October 2014) after submission of the second survey to request yet another survey, the Third GLA survey.
70. Should the GLA request the third survey, the potential liability will remain for a further five years after the date of the survey.

#### Chief Executive's Department

71. The capital budget for Chief Executive's department over the 2014/15-2023/24 period is £85.1m with forecast expenditure of £23.1m for 2014/15, £26.4m for 2015/16 and the balance of £35.6 profiled over 2016/17-2018/19. These forecasts would be subject to ongoing review as the programme evolves and new information becomes available. .
72. Planning projects team within planning division has a budget of £11.2m with forecast expenditure of £2.6m for 2014/15 and £8.6m over 2015/16-2018/19. The team will continue to deliver various environmental and public realm improvement projects across the Borough during 2014/15. Works recently completed include the cleaning, painting and lighting of the railway bridge across Ewer Street in conjunction with adjacent Mount Anvil development on Union Street. The second phase of environmental improvements will commence shortly.
73. A number of other projects are also on site. These include improvements to Winchester Palace garden; environmental improvements and repairs on behalf of Housing Department to Quentin House. The team is also working closely with the 'Friends of' group to improve All Hallows gardens; with Lambeth council to improve Hadfield's public realm and park; and with Bankside Open Spaces Trust (BOST) on Christchurch Gardens.
74. In the south of the borough, the team is currently on site improving shop fronts along Queens Road, Peckham and will soon let the contract to design the complimentary public realm improvements. Works are continuing with the final phase of the Outer London Fund programme in Nunhead, following the success of the pop-up shop and the well received festivals programme.

75. A number of schemes have been developed and will be commencing shortly. These include another phase of works on the Fair Street estate; Great Guildford Street cleaning, lighting and painting of the railway bridge, and the prestigious triangle site in Tooley Street where works include the conservation and cleaning of the two statues.
76. Two S106 programmes have been agreed by Planning Committee for Bermondsey and Peckham and Nunhead areas and a third for Rotherhithe is due later in the year. Collectively, these will see investment of some £5m S106 funds towards various schemes. A number of schemes are already being developed with local ward members and residents.
77. The team will also be developing proposals and delivery plans for projects in Meeting House Lane, Brayards (working closely with colleagues in Transport and Group Repair) and the Walworth Road and ILRE capital programmes in the current financial year. Delivery of these projects is programmed to start in 2015/16. In particular work will be carried out to shortlist and identify sites for the new phase of ILRE, tendering of contracts and setting the parameters for each parade.
78. The planning and transport division has a budget of £14.9m with forecast expenditure of £7.8m in 2014/15, and the balance of £7.1m profiled for 2015/16 and 2016/17. The budget is largely funded by Transport for London (TfL) to deliver various transport improvements related projects.
79. The 2014/15 programme includes completion of works started last year to improve the accessibility of the borough's bus stops and bring all Southwark bus stops up to standard - this project has been awarded £700k from TfL this year. TfL have also allocated £931k to principal road renewal, improving six of the boroughs principal roads.
80. New schemes beginning this year include five 'neighbourhood schemes' which look holistically at a local area in order to make a range of transport improvements. 2014/15 is also the first year of TfL's Borough Cycling Programme in which a number of initiatives are taking place including design work on the new Quiet ways and Central London grid.
81. The Regeneration division has a budget of £59m with forecast expenditure of £12.8m in 2014/15 and £46.3m in 2015/16 -2018/19. The construction of the Castle Centre (formerly known as Elephant & Castle Leisure centre) a new community centre in Nunhead and ultra modern library in Camberwell are progressing with completion of the Castle Centre scheduled for this year.
82. Other key projects include the construction of a new play facility for children in Peckham Rye; regeneration of parks and open spaces in Elephant & castle, refurbishment of Walworth Road Town Hall and improvement works to void commercial and retail properties following the success of the Improving Local Retail Environment Programme (ILRE).

### **Housing General Fund**

83. The total projected spends for 2014/15 is £3.3m against a budget of £3.4m and any remaining budget is expected to be carried forward into 2015/16.
84. 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 final phase of the scheme is one site and due to complete by the end of the summer 2014.
85. Ilderton traveller's site - Awaiting the outcome of lengthy negotiations between Southwark Legal Services and Network Rail over responsibility for the repairs required to make the embankment wall safe. It is likely that responsibility will be shared, certainly in terms of costs.
86. Affordable Housing Fund agreement with Guinness Partnership for the development at the Elephant is known as Stead St. The funding of this particular scheme is part of a long-term commitment in the Elephant & Castle area. 84 units on the scheme will be affordable housing units of which 18 will be directly financed by Southwark's AHF and will be available at social rent, and Southwark will have 100% nomination rights to the initial lets. The £2.6m from the Affordable Housing Fund is financed from developers' contributions from other developments and the donor schemes located in the Borough, Bankside and Walworth Community Council area.

### **Housing Investment Programme (APPENDIX B)**

87. The total value of the Housing Investment Programme for the period 2014/15 to 2023/24 is £1,433.9m. The re-profiled budget for 2014/15 is £187.8m and spend of £185.5m is projected for the year. 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**

88. The spend target of £80m that was set for 2013/14 has been achieved with spend of £82.5m. An increased spend target of £90m has been set for 2014/15. As with previous years, spend in quarter 1 is steady and is expected to accelerate through the year. Spend in the first quarter was just under £16m with almost half of that spend on the WDS 2014 major works programme as some of this programme was brought forward. Accurate long term forecasting has proved challenging as the extent of works required to meet the WDS standard is generally higher than the provision made in the programme and due to the size of this years programme detailed surveying is expecting to continue until September.
89. The 2 year programme is complete except for 3 schemes that will complete in 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 will mean that that the programme has incurred

delays and additional overall costs that have been met from the WDS contingency fund. A total provision of £76m was made for the two year programme, carry over schemes and the original FRA works within the original WDS budget. The final outturn is expected to be around £80m for delivering these schemes.

90. 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 stock condition survey and the WDS contingency fund is being used to meet the budget shortfall. £36.9m 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).
91. 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 is also delayed pending a decision on how to proceed with works 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).
92. Some WDS 2014 major works schemes works were brought forward using the Decent Homes Backlog funding. Currently £32m is committed against an original WDS allocation of £10m for these committed schemes.
93. 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.
94. The trend of schemes requiring more resources than the stock condition survey estimate has continued, meaning that there is no unallocated contingency within the WDS budget to commit the remaining programme and the WDS 2015 budget is now being used to commit projects where they are above the estimated original budget.
95. 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.
96. 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.
97. 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 have now also started. The main Abbeyfield scheme is now due to start on site in 2015/16. The HINE allocation for Four Squares was increased by £10.8m following structural issues and the scope of works required to complete the scheme.

98. All the remaining WDS district heating schemes programmed up to 2013/14 are now on site. The remaining programmed 2015/16 WDS district heating schemes are being brought forward to start in 2014/15. The ongoing individual and plant boiler programmes require an estimated £5.2m of additional resources to the end of 2015/16 for the investment required due to the age of the boiler systems. This will form part of the capital bid will be put forward to the Housing Investment Board.
99. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. All but one of the higher moderate risk high rise blocks are also complete except for works being completed to coincide 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 are also being completed in 2014/15 alongside planned WDS works. Sidmouth has also been added to the programme.
100. 2,173 homes fell into non-decency at the start of 2013/14 meaning the Decency level fell from 62.66 % at 2012/13 year end to 56.88%. The decency level of at the end of quarter 1 was 57.74%.

#### Aylesbury PPM

101. Spend in Quarter 1 is £0.8m and the Aylesbury mains is now progressing well and is expected to complete in 2014/15.

#### Regeneration Schemes 2014/15

102. The East Dulwich Estate regeneration programme comprises of four elements:
- 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 6 of the 9 units created now sold. Phase 2 commenced in Feb 2014 and is due to be handed over in July 2014;
  - 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. Costs for these works are currently being developed.
  - 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. Construction works are due to start on site in October 2014.
  - Environmental Works – An environmental works programme including health and safety works. The latter is currently underway.
103. 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.
- The refurbishment works to existing blocks have been completed.

- The rehousing of tenants to achieve vacant possession for new build is still on track for Phase 3 with 4 tenants remaining. Likewise The Edmund Street development is also on target with the social housing element due for handover in August 2014.
  - Landscaping works are currently underway on the Benhill Road
  - Nature Garden and is due to complete in September 2014.
104. Eleven new Hidden Homes units of varying sizes are currently on site throughout the borough and are scheduled to complete by late autumn 2014. This programme is being funded through a mix of S106 funding of approx £700k and GLA Building the Pipeline grant of £228k.
105. The council's Direct Delivery Programme is underway. Phase 1 comprising of 9 sites is currently in various stages of development. Willow Walk which will deliver 21 general needs housing and a 54 short stay accommodation started on site in February and is scheduled to complete in early 2015. Enabling works have been completed on 4 sites and construction due to commence in mid autumn 2014. The Direct Delivery programme will initially be forward funded with capital resources of £26.7m as approved by Cabinet in March 2014. Other sources of funding for the programme include Right To Buy retained receipts, S106 affordable housing funds and GLA Building the Pipeline grant of £6m.

### **Resource Re-profiling**

106. The budgets across the capital programme have been profiled based on the latest information as at Quarter 1 2014/15. However, due to the 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. Some of the forecasts will require further re-profiling as the programme will be subject to on-going 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.

### **Community impact statement**

107. This report describes the current capital position on the council's capital programme. The projected expenditure reflects plans designed to have a beneficial impact on local people and communities, which will be considered at the time the services and programmes are agreed. It is important that resources are used efficiently and effectively to support the council's policies and objectives.
108. Each project within the capital programme will be considered with regard to its impact on age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
109. The council's capital programme is designed to deliver projects of value to local people.

### **Resource implications**

110. This report forms part of the council's budget framework and outlines the current



position on the capital programme.

111. Staffing resources are generally contained within the council's current establishments and where additional or specialist resources are needed these will be subject to separate reports.

### **Legal implications**

112. The legal implications of this report are identified in the concurrent report of the Director of Legal Services.

### **Financial implications**

113. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at Quarter 1 of 2014/15. The report also presents an updated position on the refreshed capital programme over the period 2014/15 to 2023/24 on the predicted resources and expenditure across this period.

### **Consultation**

114. 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**

115. 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.
116. 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>
Quarterly Capital Monitoring Outturn Report for 2013/14 and Capital Programme Refresh for 2013/14-2023/24 (Item 22)	160 Tooley Street, London SE1 2QH	Jay Nair, Senior Finance Manager, Finance and Corporate Services

Background Papers	Held At	Contact
<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

No.	Title
Appendix A	General fund summary monitoring position
Appendix B	Housing investment programme summary monitoring position
Appendix C	Budget virements and variations at quarter 1 2014/15
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 Manager, Finance and Corporate Services	
<b>Version</b>	Final	
<b>Dated</b>	4 September 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>	4 September 2014

Department	2014/15				2015/16			2016/17+			Total Programme 2014/15-23/24		
	Budget	Spend to date	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Total Budget @ 01/04/2014	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	17,267	447	17,267	0	52,475	52,475	0	46,000	46,000	0	115,742	115,742	0
Southwark Schools for the Future	11,168	1,991	8,173	(2,995)	70	3,065	2,995	26,107	26,107	0	37,345	37,345	0
Finance and Corporate Services	10,434	117	10,434	0	6,705	6,705	0	39,544	39,544	0	56,683	56,683	0
Environment	40,497	1,797	27,972	(12,525)	23,480	30,007	6,527	86,861	92,859	5,998	150,838	150,838	0
Housing General Fund	3,427	128	3,300	(127)	0	127	127	0	0	0	3,427	3,427	0
Chief Executive	23,135	1,366	23,135	0	26,410	26,410	0	35,613	35,613	0	85,158	85,158	0
<b>TOTAL</b>	<b>105,928</b>	<b>5,846</b>	<b>90,281</b>	<b>(15,647)</b>	<b>109,140</b>	<b>118,789</b>	<b>9,649</b>	<b>234,125</b>	<b>240,123</b>	<b>5,998</b>	<b>449,193</b>	<b>449,193</b>	<b>0</b>
<b>FINANCED BY:</b>													
Corporate Resource Pool	63,973	540	58,520	(5,453)	48,518	54,413	5,895	173,896	166,527	(7,369)	286,387	279,460	(6,927)
Reserves	4,656	0	4,656	0	4,019	4,019	0	1,532	1,532	0	10,207	10,207	0
Revenue	1,054	0	1,054	0	0	0	0	0	0	0	1,054	1,054	0
Capital Grants	22,016	1,087	21,338	(678)	34,737	35,415	678	42,444	42,444	0	99,197	99,197	0
Section 106 Funds	7,804	113	7,362	(442)	4,948	5,390	442	282	282	0	13,034	13,034	0
External Contributions	1,064	17	1,064	0	54	54	0	0	0	0	1,118	1,118	0
<b>TOTAL RESOURCES</b>	<b>100,567</b>	<b>1,757</b>	<b>93,994</b>	<b>(6,573)</b>	<b>92,276</b>	<b>99,291</b>	<b>7,015</b>	<b>218,154</b>	<b>210,785</b>	<b>(7,369)</b>	<b>410,997</b>	<b>404,070</b>	<b>(6,927)</b>
<b>Forecast variation (under)/over</b>	<b>5,361</b>	<b>4,089</b>	<b>(3,713)</b>	<b>(9,074)</b>	<b>16,864</b>	<b>19,498</b>	<b>2,634</b>	<b>15,971</b>	<b>29,338</b>	<b>13,367</b>	<b>38,196</b>	<b>45,123</b>	<b>6,927</b>

Project description	2014/15				2015/16		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	7	0	7	0	0	0	0
WDS 2-year programme	2,130	396	2,130	0	3,470	3,470	0
WDS 2012 major works	17,847	2,769	17,847	0	3,856	3,856	0
WDS 2013 major works	11,254	1,390	11,254	0	23,733	23,733	0
WDS 2014 major works	31,242	6,752	31,242	0	25,962	25,962	0
WDS 2015 major works	2,600	4	2,600	0	25,400	25,400	0
FRA works	2,192	111	2,192	0	1,193	1,193	0
Additional FRA Works	2,087	0	2,087	0	2,300	2,300	0
M&E electrical	790	82	790	0	967	967	0
M&E heating	9,886	681	9,886	0	4,767	4,767	0
M&E lifts	2,339	424	2,339	0	773	773	0
WDS voids works	4,147	384	4,147	0	4,000	4,000	0
WDS Leathermarket JMB	746	0	746	0	1,100	1,100	0
WDS Unallocated Budget	1,409	45	1,409	0	2,108	2,108	0
Housing Stock - New Programme	0	0	0	0	0	0	0
HINE WDS works	4,456	2,661	4,456	0	10,413	10,413	0
HINE additional works	15,054	1,958	15,054	0	14,707	14,707	0
Aylesbury Estate PPM works	3,730	848	3,730	0	1,149	1,149	0
Aylesbury Estate regeneration	7,547	1,349	7,547	0	8,301	8,301	0
Bermondsey Spa refurbishment	673	73	673	0	75	75	0
East Dulwich Estate	6,094	602	6,094	0	225	225	0
Elmington Estate	3,428	425	3,428	0	446	446	0
Heygate Estate	8,077	2,719	8,077	0	1,017	1,017	0
Hidden Homes	555	0	555	0	0	0	0
Hostels new build	1,465	1,618	1,465	0	1,328	1,328	0
Local authority new build	2,750	40	2,750	0	1,100	1,100	0
Misc regen, acquisitions and home loss	510	39	39	(471)	150	150	0
Direct Delivery - New Council Homes	18,658	1,294	18,658	0	7,980	7,980	0
Adaptations	2,250	433	2,250	0	2,000	2,000	0
Affordable housing through commuted sums	704	1	704	0	0	0	0
Cash incentive & Home owner buy back scheme	830	0	830	0	232	232	0
Digital switchover	242	19	242	0	0	0	0
Disposals costs	864	8	864	0	500	500	0
Energy	200	0	200	0	200	200	0
Installation of Sprinkler & Smoke detectors	3,588	2	3,588	0	7,691	7,691	0
Fire damage reinstatement	1,056	19	1,056	0	200	200	0
Group repairs	272	0	272	0	0	0	0
Hostels accommodation	1,102	91	1,102	0	737	737	0
Leasehold / freehold acquisitions	1,205	0	1,205	0	300	300	0
Major voids	1,663	42	1,663	0	1,000	1,000	0
Office accommodation	0	0	0	0	250	250	0
Scheme management costs	1,751	0	0	(1,751)	1,000	1,000	0
Security	0	0	0	0	300	300	0
Sheltered accommodation	398	0	398	0	302	302	0
T&RA halls	2,363	131	2,363	0	1,753	1,753	0
Heating Energy Efficiency Measures	7,651	0	7,651	0	2,100	2,100	0
	<b>187,812</b>	<b>27,410</b>	<b>185,590</b>	<b>(2,222)</b>	<b>165,085</b>	<b>165,085</b>	<b>0</b>
<b>FINANCED BY:</b>							
Receipts b/fwd	70,186	70,186	70,186	0			0
Housing Receipts for year	21,154	3,169	21,154	0	33,000	33,000	0
Depreciation charge (MRA)	46,800		46,800	0	46,400	46,400	0
Major Repars Reserve (MRR)	2,800	2,800	2,800	0	2,800	2,800	0
Revenue Contribution	21,600		21,600	0	18,600	18,600	0
New Homes Bonus	1,500	1,500	1,500	0	938	938	0
Grants (DH backlog funding)	32,100		32,100	0	0	0	0
Section 106 Funds & Grants	5,847		5,847	0	0	0	0
External Contributions	10,000		10,000	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>211,987</b>	<b>77,655</b>	<b>211,987</b>	<b>0</b>	<b>101,738</b>	<b>101,738</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>(24,175)</b>		<b>(26,397)</b>	<b>(2,222)</b>	<b>63,347</b>	<b>63,347</b>	<b>0</b>

Project description	2016/17 - Future Years			Total Programme 2013/14 - Future Years		
	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	7	7	0
WDS 2-year programme	0	0	0	5,600	5,600	0
WDS 2012 major works	0	0	0	21,703	21,703	0
WDS 2013 major works	84	84	0	35,071	35,071	0
WDS 2014 major works	403	403	0	57,607	57,607	0
WDS 2015 major works	0	0	0	28,000	28,000	0
FRA works	0	0	0	3,385	3,385	0
Additional FRA Works	0	0	0	4,387	4,387	0
M&E electrical	0	0	0	1,757	1,757	0
M&E heating	0	0	0	14,653	14,653	0
M&E lifts	0	0	0	3,112	3,112	0
WDS voids works	0	0	0	8,147	8,147	0
WDS Leathermarket JMB	0	0	0	1,846	1,846	0
WDS Unallocated Budget	0	0	0	3,517	3,517	0
Housing Stock - New Programme	985,089	985,089	0	985,089	985,089	0
HINE WDS works	0	0	0	14,869	14,869	0
HINE additional works	2,976	2,976	0	32,737	32,737	0
Aylesbury Estate PPM works	0	0	0	4,879	4,879	0
Aylesbury Estate regeneration	53,749	53,749	0	69,597	69,597	0
Bermondsey Spa refurbishment	122	122	0	870	870	0
East Dulwich Estate	0	0	0	6,319	6,319	0
Elmington Estate	0	0	0	3,874	3,874	0
Heygate Estate	0	0	0	9,094	9,094	0
Hidden Homes	0	0	0	555	555	0
Hostels new build	0	0	0	2,793	2,793	0
Local authority new build	1,000	1,000	0	4,850	4,850	0
Misc regen, acquisitions and home loss	0	0	0	660	189	(471)
Direct Delivery - New Council Homes	2,800	2,800	0	29,438	29,438	0
Adaptations	12,000	12,000	0	16,250	16,250	0
Affordable housing through commuted sums	0	0	0	704	704	0
Cash incentive & Home owner buy back scheme	0	0	0	1,062	1,062	0
Digital switchover	0	0	0	242	242	0
Disposals costs	0	0	0	1,364	1,364	0
Energy	0	0	0	400	400	0
Installation of Sprinkler & Smoke detectors	21,203	21,203	0	32,482	32,482	0
Fire damage reinstatement	0	0	0	1,256	1,256	0
Group repairs	0	0	0	272	272	0
Hostels accommodation	0	0	0	1,839	1,839	0
Leasehold / freehold acquisitions	0	0	0	1,505	1,505	0
Major voids	0	0	0	2,663	2,663	0
Office accommodation	0	0	0	250	250	0
Scheme management costs	0	0	0	2,751	1,000	(1,751)
Security	0	0	0	300	300	0
Sheltered accommodation	0	0	0	700	700	0
T&RA halls	1,600	1,600	0	5,716	5,716	0
Heating Energy Efficiency Measures				9,751	9,751	0
	<b>1,081,026</b>	<b>1,081,026</b>	<b>0</b>	<b>1,433,923</b>	<b>1,431,701</b>	<b>(2,222)</b>

<b>FINANCED BY:</b>						
Receipts b/fwd			0	70,186	70,186	0
Housing Receipts for year	160,500	160,500	0	214,654	214,654	0
Depreciation charge (MRA)	278,400	278,400	0	371,600	371,600	0
Major Repars Reserve (MRR)	5,600	5,600	0	11,200	11,200	0
Revenue Contribution	103,200	103,200	0	143,400	143,400	0
New Homes Bonus	1,100	1,100	0	3,538	3,538	0
Grants (DH backlog funding)			0	32,100	32,100	0
Section 106 Funds & Grants			0	5,847	5,847	0
External Contributions			0	10,000	10,000	0
<b>TOTAL RESOURCES</b>	<b>548,800</b>	<b>548,800</b>	<b>0</b>	<b>862,525</b>	<b>862,525</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>532,226</b>	<b>532,226</b>	<b>0</b>	<b>571,398</b>	<b>569,176</b>	<b>(2,222)</b>

GENERAL FUND AND HOUSING INVESTMENT CAPITAL PROGRAMME 2014/15 QTR 1										APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL										
	Children's and Adult Services	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
<b>Outturn report</b>	112,725	37,345	56,683	150,715	826	88,077	446,371	378,423	1,054,638	1,879,432
<b>BUDGET AS AT 2013/14 Outturn</b>	112,725	37,345	56,683	150,715	826	88,077	446,371	378,423	1,054,638	1,879,432
<b>New Bids approved at Outturn</b>										
							0			
							0			
							0			
<b>BUDGET AS AT 2014/15</b>	112,725	37,345	56,683	150,715	826	88,077	446,371	378,423	1,054,638	1,879,432
<b>Restructure of departmental budgets</b>										
							0			0
<b>RESTRUCTURED BUDGETS</b>	112,725	37,345	56,683	150,715	826	88,077	446,371	378,423	1,054,638	1,879,432
<b>Outturn - Virements to be approved</b>										
Cathedral Square Improvements						(17)	(17)			(17)
Dickens Square						(21)	(21)			(21)
East Peckham Queens Road						106	106			106
East Peckham & Nunhead Station						(106)	(106)			(106)
Tower Bridge Anti-Idling						(60)	(60)			(60)
Tower Bridge Anti-Idling						60	60			60
E&C Dust Suppressant at E&C						(134)	(134)			(134)
E&C Dust Suppressant at E&C						134	134			134
DICKENS SQUARE PROJECT				21			21			21
CATHEDRAL SQUARE PROJECT				17			17			17
Walworth Academy		(129)					(129)			(129)
St Michael's PFI		36					36			36
SMAA		(1,444)					(1,444)			(1,444)
STAC PFI St Thomas the Apostle college		31					31			31
New School Aylesbury		(36)					(36)			(36)
Rotherhithe (CW new school)		(19,622)					(19,622)			(19,622)
Notre Dame (VA)		(4)					(4)			(4)
Sacred Heart PFI		21					21			21
Bredinghurst (budget loaded on KS3)		3					3			3
SSSO (VA) St Saviours and St Olaves		(20)					(20)			(20)
KS3/ KS4 SILS (budget loaded on Bredinghurst)		(2,246)					(2,246)			(2,246)
ICT		(178)					(178)			(178)
Rotherhithe deferred (no grant rec'd)		19,622					19,622			19,622
Phase 3 rescope (no grant rec'd)		6,485					6,485			6,485
Unallocated Projects		(2,519)					(2,519)			(2,519)
WDS 2012 major works								1,458		1,458
WDS 2013 major works								6,830		6,830
FRA works								(54)		(54)
WDS Unallocated Budget								(8,351)		(8,351)
Aylesbury Estate PPM works								117		117
Elmington Estate								138		138
Misc regen, acquisitions and home loss								(138)		(138)
Adaptations								175		175
Scheme management costs								(238)		(238)
T&RA halls								63		63
<b>Total virements to be approved at Q1</b>	0	0	0	38	0	(38)	0	0	0	0
<b>PROGRAMME FUNDED VARIATIONS</b>										
<b>Q1 - Variations to be approved</b>										
Leyton Sq Project				23			23			23
Bells Gardens Ball C				45			45			45
Cathedrals ward - Borough & Bankside CGS				3			3			3

GENERAL FUND AND HOUSING INVESTMENT CAPITAL PROGRAMME 2014/15 QTR 1											APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL											
	Children's and Adult Services	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	
Chaucer ward - Borough & Bankside CGS				10			10			10	
Newington ward - Walworth CGS				2			2			2	
Rye Hill estate hall				2			2			2	
Wadding Street and Stead Street					2,600		2,600			2,600	
Globe Environment Schemes						0	0			0	
Traffic Calming in Decima Street						(10)	(10)			(10)	
160 Tooley St Public Realm Projects						(1)	(1)			(1)	
Nunhead Outer London Fund						112	112			112	
Waste Facility Environs						297	297			297	
Ilderton Primary School Lighting						43	43			43	
Weber St Public Realm Improvements						23	23			23	
Barons Place Shared Surface Scheme						(1)	(1)			(1)	
Tooley Street Environmental Improvement Projects						46	46			46	
Blackfriars Rd: Environmental Improvement(D&P)						12	12			12	
Legible London-Bermondsey						(18)	(18)			(18)	
Bermodsey Tourism						3	3			3	
Mint Street Park & Bankside Openspace Trust Improvements						41	41			41	
Great Suffolk Street BUP Project						30	30			30	
Borough & Bankside Tourism Infrastructure						25	25			25	
Grt Guildford North						(3)	(3)			(3)	
Lavington & Great Guildford Streets South						(7)	(7)			(7)	
EP&N Queens Road						14	14			14	
Asylum Road						13	13			13	
Astbury & Colls						15	15			15	
Brayards Road						45	45			45	
Queens Road Plaza						6	6			6	
Revitalise Camberwell(holding Code)						(3,895)	(3,895)			(3,895)	
Cycle Safety Checks						(1)	(1)			(1)	
Cycle Parking						(6)	(6)			(6)	
Air Quality Awareness						(100)	(100)			(100)	
Principal Road Renewal						386	386			386	
Bridge Assessment & Strengthening						30	30			30	
Central Grid additional seed funding(see spreadsheet)						20	20			20	
DfE Maintenance grant 2014/15	2,523						2,523			2,523	
DfE UIFSM 2014/15	494						494			494	
<b>Further agreed Bids</b>										0	
										0	
T&RA halls								863		863	
										0	
										0	
<b>Total to be approved at Q1</b>	<b>3,017</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>2,600</b>	<b>(2,881)</b>	<b>2,821</b>	<b>863</b>	<b>0</b>	<b>3,684</b>	
<b>REVISED BUDGETS</b>	<b>115,742</b>	<b>37,345</b>	<b>56,683</b>	<b>150,838</b>	<b>3,426</b>	<b>85,158</b>	<b>449,192</b>	<b>379,286</b>	<b>1,054,638</b>	<b>1,883,116</b>	
<b>VARIATIONS REQUESTED TO BE APPROVED</b>											
<b>FINANCED BY:</b>											
Capital Receipt							0			0	
Major Repairs Allowance							0			0	
Reserves							0			0	
Revenue							0	863		863	
Capital Grant	3,017			45		(3,566)	(504)			(504)	
Section 106 Funds				23	2,600	685	3,308			3,308	
External Contribution				17			17			17	
Internal Borrowing							0			0	
							0			0	
<b>TOTAL RESOURCES</b>	<b>3,017</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>2,600</b>	<b>(2,881)</b>	<b>2,821</b>	<b>863</b>	<b>0</b>	<b>3,684</b>	

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 -	Total Programme 2014/15 -	Total Programme 2014/15 -
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENVIRONMENT</b>									
Kingswood House Refurbishment	0	0	0	250	250	0	250	250	0
Thomas Calton Centre refurbishment	510	425	(85)	0	96	96	510	521	10
Camberwell Leisure Centre Phase 2	9	0	(9)	0	0	0	9	0	(9)
Pynners Sports Ground reinstatement works	0	10	10	0	0	0	0	10	10
Seven Islands Leisure Centre Refurbishment	2,990	500	(2,490)	5,000	7,490	2,490	7,990	7,990	0
Southwark Park Sports Complex OLF allocation	2,494	815	(1,679)	500	2,179	1,679	2,994	2,994	0
Other OLF Projects	190	150	(40)	0	26	26	190	176	(14)
RFIDs	193	299	106	0	124	124	193	423	230
Grove Vale Library	360	0	(360)	0	160	160	360	160	(200)
Canada Water Public Art	72	0	(72)	0	72	72	72	72	0
Peckham Pulse Option 1 & 2	1,950	1,000	(950)	0	950	950	1,950	1,950	0
Leisure centres Lifecycle maintenance	295	248	(47)	1,350	1,350	0	1,645	1,598	(47)
Livesey Museum	54	74	20	0	0	0	54	74	20
Community Safety	61	61	0	0	0	0	61	61	0
SDM Essential H & S Requirements	341	341	0	1,000	1,000	0	1,341	1,341	0
Parking contract upfront capital costs	21	21	0	0	0	0	21	21	0
Walworth Road	38	38	0	0	0	0	38	38	0
Street care - Non Principal Roads Programme	6,626	5,473	(1,153)	37,800	38,953	1,153	44,426	44,426	0
Principal Road Programme	0	0	0	3,000	3,000	0	3,000	3,000	0
Street metal works - Lamp column replacement	549	549	0	4,500	4,500	0	5,049	5,049	0
Newington Park Improvements	436	436	0	10	10	0	446	446	0
Cemetery Burial Strategy	3,708	1,120	(2,588)	1,510	4,098	2,588	5,218	5,218	0
GMH Park accommodation refurbishment	113	113	0	0	0	0	113	113	0
Other parks projects	610	610	0	0	0	0	610	610	0
Parking Design Projects	89	89	0	0	0	0	89	89	0
Southbank accessibility improvements	205	50	(155)	0	155	155	205	205	0
Connect 2	1	1	0	0	0	0	1	1	0
Other public realm projects funded by S106	515	306	(210)	0	210	210	515	515	0
Cleaner Greener Safer programme	3,837	2,117	(1,720)	16,920	18,640	1,720	20,757	20,757	0
Integrated Waste Solutions Programme	1,959	1,959	0	0	0	0	1,959	1,959	0
Southwark Heat Network	7	7	0	0	0	0	7	7	0
Housing Renewal	6,139	6,139	0	14,346	14,346	0	20,486	20,486	0
Further implementation of RFID in libraries	100	100	0	0	0	0	100	100	0
Refurbishment at Peckham Library	200	200	0	350	350	0	550	550	0
Temporary library at Elephant and Castle	200	1,200	1,000	1,000	0	(1,000)	1,200	1,200	0
Cuming Museum fit out of temporary premises	75	0	(75)	0	75	75	75	75	0
Olympic Legacy Phase 2	500	500	0	1,000	1,000	0	1,500	1,500	0
Energy efficiency - operational estate	250	250	0	2,250	2,250	0	2,500	2,500	0
Flood prevention ( Highway drainage gully replacement )	245	245	0	2,205	2,205	0	2,450	2,450	0



Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 -	Total Programme 2014/15 -	Total Programme 2014/15 -
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Burgess Park Revitalisation Project	441	441	0	6,000	6,000	0	6,441	6,441
Additional Replacement Tree Planting	100	60	(40)	500	540	40	600	600	0
Park Infrastructure Capital programme	1,500	600	(900)	8,500	9,400	900	10,000	10,000	0
Monuments & memorials in the Public Realm	250	25	(225)	650	875	225	900	900	0
20 mph Zone and safety cameras	1,000	138	(862)	200	1,062	862	1,200	1,200	0
Cycling Infrastructure Fund	500	500	0	1,500	1,500	0	2,000	2,000	0
Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works	150	150	0	0	0	0	150	150	0
Installation of photovoltaic arrays for renewable energy generation	612	612	0	0	0	0	612	612	0
<b>Environment Total</b>	<b>40,495</b>	<b>27,972</b>	<b>(12,524)</b>	<b>110,341</b>	<b>122,866</b>	<b>12,525</b>	<b>150,837</b>	<b>150,838</b>	<b>0</b>

FINANCE AND CORPORATE SERVICES									
Information Services	285	285	0	919	919	0	1,204	1,204	0
Upgrade of IT infrastructure	1,583	1,583	0	0	0	0	1,583	1,583	0
Property Works Programme	168	168	0	450	450	0	618	618	0
Works to Council Buildings - DDA	644	644	0	880	880	0	1,524	1,524	0
Essential upgrade of Carefirst system	2,800	2,800	0	0	0	0	2,800	2,800	0
PPM & Compliance Programme	0	0	0	10,250	10,250	0	10,250	10,250	0
IT Planned Maintenance Programme	1,000	1,000	0	9,000	9,000	0	10,000	10,000	0
Planned Preventative Maintenance	2,750	2,750	0	24,750	24,750	0	27,500	27,500	0
Walworth Road Fire	1,004	1,004	0	0	0	0	1,004	1,004	0
Municipal Agency Bond	200	200	0	0	0	0	200	200	0
<b>Finance and Corporate Services Total</b>	<b>10,434</b>	<b>10,434</b>	<b>0</b>	<b>46,249</b>	<b>46,249</b>	<b>0</b>	<b>56,683</b>	<b>56,683</b>	<b>0</b>

CHIEF EXECUTIVE									
Public Realm & Open Spaces Improvements	1,202	1,202	0	2,202	2,202	0	3,403	3,403	0
Borough & Bankside Streetscape Improvement	95	95	0	62	62	0	157	157	0
Bermondsey Streetscape Improvements	632	632	0	0	0	0	632	632	0
Improvements to Local Retail Environments	119	119	0	174	174	0	293	293	0
Tourism Infrastructure	13	13	0	283	283	0	295	295	0
Transport Infrastructure & Public Realm Improvements	6,218	6,218	0	1,166	1,166	0	7,384	7,384	0
Regeneration of Camberwell Town Centre & Surrounds	45	45	0	2,665	2,665	0	2,710	2,710	0
Major Schemes	194	194	0	2,000	2,000	0	2,194	2,194	0
Construction of a new ultra modern library & Civic Space	1,292	1,292	0	1,300	1,300	0	2,592	2,592	0
Canada Water Library	8	8	0	546	546	0	553	553	0
Bermondsey Spa Public Realm Improvements	596	596	0	0	0	0	596	596	0

<b>Capital Programme 2014/15 - 2023/24</b>									
	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 -	Total Programme 2014/15 -	Total Programme 2014/15 -
<b>Description of Programme / Project</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Asset management strategies for Council's Voluntary & Construction of a Community Centre	0	0	0	1,031	1,031	0	1,031	1,031	0
Refurbishment of Office Accomodation	518	518	0	0	0	0	518	518	0
Lease of New Office Accomodation	5	5	0	0	0	0	5	5	0
Costs associated with decommissioning of surplus assets	200	200	0	0	0	0	200	200	0
Acquistion of New Office Accomodation	0	0	0	1,624	1,624	0	1,624	1,624	0
Construction of Elephant & Castle Leisure Centre	282	282	0	0	0	0	282	282	0
Regeneration of Peckham Rye station and surrounds	8,907	8,907	0	10	10	0	8,917	8,917	0
Housing/Area Renewal	0	0	0	9,905	9,905	0	9,905	9,905	0
Elephant & Castle Open Spaces	457	457	0	908	908	0	1,365	1,365	0
Hatfields Streetscape Improvements	1,160	1,160	0	4,800	4,800	0	5,960	5,960	0
ILRE Phase 2	127	127	0	89	89	0	216	216	0
Mint Street Adventure	0	0	0	2,000	2,000	0	2,000	2,000	0
Pullens Yard Improvements	0	0	0	2,000	2,000	0	2,000	2,000	0
Revitalise Camberwell (Southern Ent, Burgess PK,	210	210	0	242	242	0	452	452	0
Revitalise Peckham Rye	554	554	0	2,572	2,572	0	3,126	3,126	0
Void Shops & Council Owned Parade	0	0	0	1,896	1,896	0	1,896	1,896	0
Walworth Road South(Missing bit of the Jigsaw)	300	300	0	1,700	1,700	0	2,000	2,000	0
Walworth Town Hall	0	0	0	2,850	2,850	0	2,850	2,850	0
	0	0	0	20,000	20,000	0	20,000	20,000	0
<b>Chief Executive Total</b>	<b>23,134</b>	<b>23,134</b>	<b>0</b>	<b>62,025</b>	<b>62,025</b>	<b>0</b>	<b>85,156</b>	<b>85,156</b>	<b>0</b>
<b>CHILDREN'S AND ADULTS SERVICES</b>									
Children's Centres	243	243	0	100	100	0	343	343	0
3 Primaries	4,292	4,292	0	679	679	0	4,971	4,971	0
Cherry Garden Special School	500	500	0	11,964	11,964	0	12,464	12,464	0
Lynhurst expansion and refurbishment	2,652	2,652	0	500	500	0	3,152	3,152	0
Rotherhithe (BSF)	0	0	0	10,000	10,000	0	10,000	10,000	0
Primary Temporary Expansion	1,152	1,152	0	0	0	0	1,152	1,152	0
Carbon Reduction in schools	272	272	0	500	500	0	772	772	0
Capital Works for Free Healthy School Meals	102	102	0	50	50	0	152	152	0
Other primary projects	92	92	0	0	0	0	92	92	0
Youth Services Projects	142	142	0	200	200	0	342	342	0
Troubled Families	50	50	0	188	188	0	238	238	0
Misc projects & primary strategy programme	629	629	0	40,255	40,255	0	40,884	40,884	0
DfE Basic Needs and Maintenance Grants	41	41	0	12,485	12,485	0	12,525	12,525	0

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 -	Total Programme 2014/15 -	Total Programme 2014/15 -
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Other grant allocations	47	47	0	975	975	0	1,022	1,022
Bessemer	2,000	2,000	0	758	758	0	2,758	2,758	0
Dulwich Wood (Langbourne)	1,500	1,500	0	1,358	1,358	0	2,858	2,858	0
DfE Maintenance grant 2014/15	0	0	0	2,523	2,523	0	2,523	2,523	0
DfE UIFSM 2014/15	0	0	0	495	495	0	495	495	0
Southwark Resource Centre	259	259	0	0	0	0	259	259	0
Adult PSS Capital Allocations	350	350	0	1,745	1,745	0	2,095	2,095	0
Adult PSS Orient Street	830	830	0	200	200	0	1,030	1,030	0
Transformation of Learning Disability Care	1,115	1,115	0	0	0	0	1,115	1,115	0
Centre of Excellence	1,000	1,000	0	1,500	1,500	0	2,500	2,500	0
Adult Autism Provision	0	0	0	12,000	12,000	0	12,000	12,000	0
<b>Children's Services Total</b>	<b>17,268</b>	<b>17,268</b>	<b>0</b>	<b>98,475</b>	<b>98,475</b>	<b>0</b>	<b>115,742</b>	<b>115,742</b>	<b>0</b>

SOUTHWARK SCHOOLS FOR THE FUTURE									
Walworth Academy	100	100	0	0	0	0	100	100	0
St Michael's PFI	36	36	0	0	0	0	36	36	0
St Michaels and All Angels (SMAA) & Highshore	1,786	1,786	0	0	0	0	1,786	1,786	0
New School Aylesbury	879	879	0	0	0	0	879	879	0
Notre Dame (VA)	430	430	0	0	0	0	430	430	0
Bredinghurst / KS3 SILS	4,436	1,751	(2,685)	0	2,685	2,685	4,436	4,436	0
ICT	2,271	1,960	(311)	70	381	311	2,341	2,341	0
Contingency & Retention payments	1,231	1,231	0	0	0	0	1,231	1,231	0
Rotherhithe deferred	0	0	0	19,622	19,622	0	19,622	19,622	0
Phase 3 rescope	0	0	0	6,485	6,485	0	6,485	6,485	0
<b>Southwark Schools for the Future Total</b>	<b>11,169</b>	<b>8,173</b>	<b>(2,996)</b>	<b>26,177</b>	<b>29,173</b>	<b>2,996</b>	<b>37,346</b>	<b>37,346</b>	<b>0</b>

HOUSING GENERAL FUND									
Ilderton travellers site wall	300	300	0	0	0	0	300	300	0
Springtide travellers site	527	400	(127)	0	127	127	527	527	0
Wadding Street and Stead Street	2,600	2,600	0	0	0	0	2,600	2,600	0

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 -	Total Programme 2014/15 -	Total Programme 2014/15 -
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing General Fund Total	3,427	3,300	(127)	0	127	127	3,427	3,427	0

Capital Programme 2014/15 - 2023/24	Total General Fund Programme								
Total Expenditure	105,927	90,281	(15,647)	343,267	358,915	15,648	449,191	449,192	0
Total Resources	100,567	93,994	(6,573)	310,430	310,076	(354)	410,997	404,070	(6,927)
Forecast variation (under)/over	5,360	(3,713)	(9,074)	32,837	48,839	16,002	38,194	45,122	6,927

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revenue Monitoring Report for Quarter 1, 2014/15, 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**

In February council assembly agreed a balanced budget for this financial year which required the council to deliver almost £30m of savings in our annual revenue spending. As a cabinet it is our role to monitor the implementation of this agreed budget - this report covers the first quarter of the financial year and provides forecasts of the expected spend for the year.

I'm pleased to report that as at the end of June we are on track overall to deliver those savings and stay within our budget across both the General Fund and the Housing Revenue Account. However, we are still early in the year and within that overall picture there are sizeable variations and risks which we must continue to monitor.

There is also good news on the income side of our finances where we currently estimate that we will benefit from £2.3m of additional council tax. We will continue to keep business rates under review in the context of uncertainty around future collection compared to government targets, and arising from outstanding appeals.

## **RECOMMENDATIONS**

1. That the cabinet notes:
  - the general fund outturn forecast for 2014/15 and forecast net movement in reserves by department;
  - the housing revenue account's (HRA) forecast outturn for 2014/15 and resulting forecast movement in reserves;
  - the treasury management activity for the first three months of 2014/15.
2. That the cabinet notes the forecast performance for the collection of council tax.
3. That the cabinet notes the forecast 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 £250,000, as shown in Appendix A.

## **BACKGROUND INFORMATION**

5. The purpose of this report is to provide a forecast for the end of the financial year 2014/15, using predictions based on the experience to date and

knowledge as at the end of quarter one (June 2014). Work continues throughout the council to ensure that a balanced position is achieved by the end of the year.

6. The council agreed a balanced general fund budget of £308.2m on 26 February 2014 based on a nil council tax increase, and £6.2m use of reserves, giving a budget of £314.4m. This budget was set in the context of further significant overall cuts in government funding.
7. The council also approved budget decisions including reductions of some £25.9m within general fund for 2014/15. Performance on achieving these savings is closely monitored and significant variances will be included in departmental narratives.

### Housing revenue account

8. Cabinet set tenants' rents and service charges on 28 January 2014, an increase of 2.7%. The budget included a £3.9m savings target for 2014/15. 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

### Current forecast position: General fund

9. Table 1 below shows the current forecast outturn position for quarter one (as at 30 June 2014) by department. These estimates are based on three months' experience and action by all strategic directors will continue to ensure that they deliver their services within budget. Progress for each department is shown in paragraphs 13 to 40 below.

**Table 1: General fund forecast outturn position for 2014/15 as at Q1**

General fund	Original budget	Budget movements	Revised budget	Forecast Spend in year	Reserve movements	Total use of resources	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and adults services	203,079	(2,540)	200,539	202,339	(1,800)	200,539	0
Environment and leisure	72,063	(117)	71,946	71,946	0	71,946	0
Housing and community services	36,519	690	37,209	38,057	0	38,057	848
Chief executive's department	18,396	(541)	17,855	17,855	0	17,855	0
Finance and corporate services	38,342	3,239	41,581	40,605	0	40,605	(976)
Support cost recharges	(57,956)	(731)	(58,687)	(58,687)	0	(58,687)	0
Contingency	4,000	0	4,000	4,000	0	4,000	0
<b>Total general fund services</b>	<b>314,443</b>	<b>0</b>	<b>314,443</b>	<b>316,115</b>	<b>(1,800)</b>	<b>314,315</b>	<b>(128)</b>

**Note:** Explanations of this quarter's budget movements are provided in Appendix A.

10. The forecast includes estimates 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.

11. As shown in Table 1, within services there is a forecast favourable variance of £128k based on the information available at the end of June. This takes account of expected movements to and from reserves in relation to services.
12. Table 1 reflects budget movements to the end of quarter one. Appendix A details the quarter one movements for cabinet to approve or note as is appropriate.

### **Children's and adults services**

13. The total budget for Children's and Adults Services is £101.7m and the forecast is a balanced budget overall, with Children's Services adverse variance of £1.5m being offset by a compensating matching favourable variance in Adults' Services.

### **Children's Services**

14. Children's Social Care budget for 2014/15 was increased through growth bids and use of a one-off reserve which has improved the financial position of the service in comparison to the previous year. The current adverse variance is forecast at £1.3m. For 2014/15, Looked After Children placements for Residential and Agency fostering, while running at above historical levels, no longer appear to be rising. Further, although there remains an overspend for the No Recourse to Public Funds budget, the rate of new cases so far this year has slowed as a result of the management action being undertaken such as more rigorous checks undertaken of new cases. An adverse variance is arising due to staffing overspends whilst staff move into the new social work matters team structures. This is offset in part by the favourable budget variance for the Youth Offending Service due to the lower number of remand placements. The Children's Social Care budget is funded from a planned use of £1.8m of reserves and therefore this presents a potential 2015/16 budget pressure.
15. Education Services cost pressures arising in Special Educational Needs arising from the implementation of the Children's and Families Act are being offset by a significant one-off Dedicated School Grant contribution towards these costs and some DfE grant.
16. Strategy, Commissioning and Business Improvement are currently predicting a small overspend of £200k arising from the extension of free fruit pledge to all primary aged children from September 2014.

### **Adults Services**

17. Adult's Services forecast a budget favourable budget variance of £1.5m, this is due to contingencies arising from NHS transfers which are currently uncommitted as pressures are being managed through a series of modernisation initiatives. However, there are budget pressures in Learning Disability placements, Non Recourse (mental health clients), accommodation costs and Older People homecare costs. These are mitigated by underspends in Physical Disabilities Nursing. Further, Adult's Services budgets are meeting the part year impact of the implementation of the Ethical Care Charter associated with the re tendering of the two main Home Care Contracts.

### **Schools budget**

18. It is anticipated that a favourable variance of £2.0m will arise on the Dedicated Schools Grant due to the ongoing capacity building of two year olds. This year, is the final year of “trajectory funding” for two year olds. In 2015/16 this funding will be based on participation resulting in lower DSG funding.

### **Savings**

19. The Children’s and Adults’ savings targets are £4.4m and £6.9m for 2014/15. These savings are currently forecast to be on track for delivery, with the exception of delays in progressing the Learning Disabilities redesign. Work is underway to increase the pace of change to deliver this saving.

### **Environment and leisure**

20. The department is currently forecasting an overall balanced budget of £72m for 2014/15. This will require management action to mitigate financial pressures to be within budget for the year.
21. There is a potential £300k adverse variance in the Community Safety division due to the non alignment of budgets for Substance Misuse Services. Alternative savings are being identified to close the funding gap. In addition, as a result of changes in pension regulations, the Hygiene services are facing additional costs of £173k. It is anticipated that this can be funded centrally since it was identified as an unavoidable commitment during budget planning.
22. The budget will be closely monitored for the remainder of the year with the aim of identifying potential savings that can help to mitigate any other emerging pressures in the department. The department has already implemented most of the savings proposed for this financial year.

### **Housing and community services (H&CS)**

23. Early forecasts show an adverse variance of £848k at quarter 1 including one-off redundancy costs and planned drawdown of earmarked reserves. The forecast is based on a number of assumptions and best estimates and whilst management is committed to delivering a net neutral outturn within the prevailing constraints, the forecast should be viewed with caution at this point.
24. Temporary accommodation continues to present the greatest budget threat for H&CS. Whilst Southwark is recognised as a leader in homeless prevention, it is simultaneously facing the challenge of increasing homeless demand and restrictions on the supply-side, necessitating the use of more expensive bed and breakfast accommodation. Private sector leased accommodation is no longer cost neutral as registered providers struggle to maintain the financial viability of schemes, exacerbated by the impact of welfare reforms. In addition, there is a marked reduction in the availability of estate voids as vacant possession is sought on the early regeneration phases of Aylesbury.
25. Based on demand/activity during the year, the outturn forecast is necessarily cautious at this stage. Whilst everything is being done to minimise the impact of bed and breakfast usage, it remains a constant and enduring pressure over which the council has only limited control within the constraints of current policy and the current forecast is that costs will not be able to be contained within the



base budget. This has budgetary implications beyond the current year. However, this situation was anticipated during the budget planning process with reserves being earmarked as a contingency against exceptional demand/cost pressures. This will be reviewed over the coming months in line with revised outturn forecasts. Given that the number and mix of accommodation available for homeless clients has changed, the budget will be re-aligned for Q2 in line with current projections to more accurately reflect activity.

26. Delivery of the customer service centre (CSC) was successfully brought in-house during 2013 with consequent budget reductions in H&CS of £3.3m over the period 2013/14–2014/15. This has provided the opportunity to transform customer access and service delivery across the council but requires investment to modernise legacy systems and processes in order to reap the full financial benefit over the longer-term. The outturn for the CSC is currently neutral, but within that there are pressures in terms of staffing costs that are expected to be contained through underspends elsewhere and infrastructure upgrades and efficiency projects that are not deemed to be a ‘business as usual’ operating cost and will be met from earmarked reserves. Going forward, further cost savings will be deliverable as council services are re-configured/rationalised and the drive towards more cost effective transaction routes and customer access channels continues.
27. 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 outturn forecast for the division as a whole is neutral at this point notwithstanding the specific budget pressures and risks identified. The mobile alarm service continues to develop and expand its client base in conjunction with adult social care, enabling vulnerable residents to be supported in their own homes for longer and thereby mitigating the high cost of residential provision. However, this is giving rise to additional expenditure through the replacement and upgrading of alarm equipment and security measures, essential for the safety of vulnerable residents. It is currently assumed that these costs will be met from corporate reserves, or where appropriate charged to capital.

#### **Chief executive’s department**

28. Chief Executive’s department is reporting a forecast outturn of £17.9m which is a nil variance.
29. This departmental budget takes into account the 2014/15 base budget savings of £1.421m for the department which have been incorporated into the budgets and are projected as fully achievable.
30. The department has earmarked reserves to fund some of the on-going schemes or programmes especially within the modernisation agenda in the department. However, at this point in the monitoring cycle any such potential reserve movements are unquantifiable and therefore have been excluded from the forecasts.
31. The revenue budgets continue to be closely monitored during the year to identify areas of potential savings and also address any emerging additional budget pressures.

### **Finance and corporate services**

32. The finance and corporate services net revenue budget is £39.4m. There are early indications that the department will be able to meet this target as a very minimum or come in under budget.
33. The department delivers corporate IT services, facilities management, revenues and benefits in addition to finance and legal services.
34. The budget is dependant on each of the above divisions contributing to the delivery of £2m efficiency savings. This will be achieved through transformational reviews of each service area concentrating particularly on contract efficiencies, realignment of services, employee self serve and use of technology. At quarter 1 the expectation is that these savings will be delivered.
35. Certain activities within the department have traditionally be funded through reserves, for example those costs associated with decommissioning former operational buildings in preparation for sale / disposal.
36. The budget also includes a contingency budget which in recent years it has been possible to set aside in reserves to meet the costs of continued modernisation of the council and it's services. The expectation at quarter 1 is that the council will continue to set this resource aside.
37. As the year progresses and as has been the case in previous years, funding may become available to the council that it could not assume in setting the budget. In many instances this is further grants from central government which dependant on timing will also need to be set aside in reserves to be drawn upon in future years.

### **Public health**

38. Since 1 April 2013 the council has had new responsibilities to improve the health of residents and reduce health inequalities in Southwark. These Public Health activities are funded through a ring fenced grant from the Department of Health, which for 2014/15 is £22.9 m.
39. Public health activities are delivered through children's and adults' services and environment and leisure. The vast majority of this expenditure is on third party service providers and there is a continuing budget pressure resulting from increased demand in sexual health services. First call for funding any pressures would be the budget held to mitigate financial risk.
40. A budget of £3.2m within the chief executive's department covers both the staffing costs for the shared specialist public health team and a budget held to mitigate for the financial risks associated with activity/costs for public health. Expenditure on the shared service is forecast to be on budget. At this stage the contingency budget for financial risk has not been fully committed. Any unspent budget at year end can be carried forward in to the next financial year for use on public health activities.

### **Contingency**

41. The 2014/15 budget includes £4m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors

are unable to contain. At quarter one no significant pressures have been identified that will require a call against this contingency.

## Capital

42. 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 will be asked to approve or note these contributions in Appendix A. At quarter one no proposals have been made.

## Housing revenue account (HRA)

**Table 2: HRA forecast outturn position for 2014/15 as at Q1**

Services	Net Expenditure		
	Full Year Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Operations	34,231	34,250	19
Tenant Rents & Service Charges	-207,995	-207,995	0
Maintenance & Compliance	48,731	48,918	187
Major Works	1,629	1,629	0
Specialist Housing Services	-40,709	-41,171	-462
Customer Experience	1,866	1,853	-13
Community Engagement	2,097	2,039	-58
Regeneration Initiatives (CEX)	1,122	1,032	-90
Heating Account	12,198	12,198	0
Strategic & Corporate Services	130,353	130,353	0
Direct Revenue Funding of Capital	15,002	15,002	0
Appropriations to/(from) Reserves	1,475	1,892	417
<b>Total HRA</b>	<b>0</b>	<b>0</b>	<b>0</b>

43. Given the size and complexity of the HRA, the forecast should be viewed with a degree of caution at this early juncture, but all indications are that the outturn will be broadly neutral based on known budget pressures/commitments, with planned reserve movements in line with expectations. In summary, the key budget headlines are:
44. The need to spend on landlord services is relentless and remains a constant budget pressure. Robust contract management and control of high volume, high value budgets, such as repairs, engineering and heating continue to deliver greater value for money to mitigate the pressure and £27.6m of efficiency savings have been delivered over the medium-term to meet new and emerging budget pressures and to augment investment in the stock. There remains a requirement to review service provision and continue to deliver efficiency savings regardless of the underlying budget position to optimise service delivery.
45. Under self-financing, income has assumed paramount importance for the sustainability of the HRA and delivery of landlord services to residents, particularly tenant rents and service charges. Mainstream residential rent debit

over the first quarter is tracking to plan and rent collection performance is 98.83% at week 13. Whilst this is currently below the budget target, it shows resilience despite the generally weak economic conditions and impact of the spare room subsidy, and improvement over the same period last year. However, risks remain given the impending impact of the wider welfare reforms and uncertainty over government funding for discretionary housing payments, which could be detrimental to collection and arrears. Notwithstanding this, the HRA maintains adequate provisions to meet potential losses of this nature in the event.

46. Homeowner service charges represent the second largest income stream to the HRA and are fully recoverable under the terms of their lease in order to prevent cross-subsidy from tenants. The value of rechargeable capital works is intrinsically linked to the housing investment programme, but is not linear. The scale of investment and delivery of the WDS, FRA and other programmes has accelerated rapidly in recent years, which was reflected in higher billing in 2013/14 and is expected to be repeated in the current year, although it is too early to predict to what extent. In collection terms, extrapolating the combined performance over the first quarter (£7.3m including service charge loans), would suggest a full-year figure of £29m against a target of £24m.
47. Besides home ownership, the specialist housing services division comprises a diverse range of functions including, tenant management (TMO), the commercial and garage portfolios and sheltered housing and temporary accommodation. Given the budget pressure that homelessness presents for the council, the use of hostels and estate voids are maximised as a cost neutral means (within the HRA) of mitigating the cost of homelessness in the general fund. The recent reduction in estate properties available for temporary accommodation as vacant possession is sought on the early phases of Aylesbury has impacted, but will gradually build again as later phases come on stream.
48. The strategic and corporate services activity accounts for over half of the gross HRA and comprises key budgets pertaining to departmental/corporate overheads, financing, revenue contributions to capital, depreciation, arrears write-offs/provisions and major projects, such as Heygate, Aylesbury, etc., the revenue impact of which falls outside the mainstream operational budgets due to their exceptional nature. There are a number of known pressures and commitments in the pipeline, the extent of which are not yet fully quantified, but are expected to be contained without recourse to the use of reserves.
49. Two tranches of high interest rate debt (at around 9%) were able to be repaid during 2013/14, providing greater budget flexibility and borrowing headroom. Internal borrowing used to part-finance the repayment will be repaid over the medium-term (between 5 to 8 years), arising from the revenue interest savings, along with premia costs which will be fully amortised by 2015/16. Increasing the council's borrowing headroom through debt repayment remains a key strategic aim of the business plan as predicated in the self-financing settlement.
50. Under IFRS (International Financial Reporting Standards), local authorities are required to adopt a component based approach to calculate depreciation. Transitional arrangements exist to permit a Major Repairs Allowance (MRA) based approach to continue, which is more in line with existing budget provision. However, it is necessary to prepare for this upcoming commitment (estimated at c.£5m per annum), through the budget planning process for

2015/16. Whilst the revenue impact is acute, the corollary is an increase in capital resources to support the council's investment programme.

51. The ring-fenced nature of the HRA requires that deficits or surpluses are carried forward between years. Earmarked reserves of £23.5m were brought forward, following the application of funds during 2013/14 to meet exceptional expenditure items (primarily the repayment of housing debt). In line with the medium term resource strategy (MTRS), the level of 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. An estimated £1.9m will be contributed in the current year, based on the current outturn forecast.

### **Reserves**

52. 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.
53. 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.
54. As the year progresses, departments will naturally be better placed to more accurately forecast their outturn position. Any unfavourable variances will be offset by favourable ones at departmental level before the need to call on reserves.
55. The Children's and Adult Services 2014/15 budget included savings funded from a contribution from reserves of £1.8m. Provision for this was made by setting aside underspends from Children's and Adult Services in 2013/14. The reported Children's and Adult services balanced outturn position includes the drawdown of these reserves in 2014/15.
56. The budget approved by council for 2014/15 included a planned release of reserve of £6.2m. This call on reserves provided some flexibility in terms of budget setting and the savings that the council identified in the Policy and Resources Strategy 2014-17. It is currently assumed that this call on reserves will have to be made in full.

### **Business rates retention scheme**

57. As reported previously the localisation of business rates represented 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.

58. 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.
59. 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**

60. The collection fund covers both council tax and business rate collection.

### **Council Tax**

61. Council tax cash collection continues to perform well when compared to the same period last year. Although, the council's policy on discounts and exemptions has increased the amount of council tax to be collected, the council still expects to meet its collection target for the year. The service is actively pursuing non payers of council tax and is working proactively to assist customers in genuine need of support.
62. The council tax account is estimated to make a surplus of £3.090m, and the council's share is £2.327m. This is mainly because the council tax collectable has increased compared to the estimate when the council tax was set in January, and at the same time the 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.

### **Business rates**

63. 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.
64. 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.
65. 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.
66. 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.

67. It is not uncommon, that when a new property is valued by the valuation office, the owners appeal against the valuation. This is then referred back to the valuation office for review. While the review is being undertaken, the owner pays business rates based on the original valuation. If the appeal is upheld, the valuation will be reduced, and bills / business rates income will be adjusted accordingly, back to the date of appeal.
68. Before 2013/14 the government held the responsibility for business rate appeals. The government managed the impact of these appeals by limiting the amount of NNDR redistributed to local authorities.
69. At the time of local authorities taking responsibility for business rates, they also inherited pre 2013/14 appeals, for Southwark this amounts to some £31.4m (Southwark's 30% share being £9.4m), some of which dates back as far as 2005. No resources were given by the government to meet the reduced income if these appeals are upheld by the valuation office. The only concession given by the government was that local authorities would be able to spread the cost of these appeals over five years.
70. The affect of the appeals has an effect on the collection fund, At quarter one, the NNDR account is estimated to make an "in year" surplus of £6.710m (Southwark's share £2.0m), this becomes a deficit of £4.5m (Southwark's share £1.3m) after accounting for the impact of NNDR appeals and its backlog.

### **Business rate supplement**

71. 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**

72. The council holds its cash in money market instruments diversified across major banks and building societies and in bonds and bills issued by the UK government or supranational entities (such as the European Investment Bank and the International Bank for Reconstruction and Development (the "World Bank"). 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 quarter to June 2014 the sum invested averaged £220m and as at 30 June 2014 stood at £232m. The balance with each counterparty and the maturity profile are set out in the tables below. Investments are liquidated as needed to meet spending.

INVESTMENT COUNTERPARTY AND RATINGS - 30 JUNE 2014									
EXPOSURE £m	FUND				Ratings				
COUNTERPARTY	Aberdeen	Alliance Bernstein	In-House	£m	Long	Short	Sup- port	Sovereign	Sovereign Rating
COMMONW BANK AUSTRALIA	-	-	15.0	15.0	AA-	F1+	1	AUSTRALIA	AAA
TORONTO DOMINION	-	2.0	-	2.0	AA-	F1+	1	CANADA	AAA
NORDEA BANK FINLAND	3.5	-	-	3.5	AA-	F1+	1	FINLAND	AAA
CREDIT INDUST ET COMRCL	3.5	-	-	3.5	A+	F1	1	FRANCE	AA+
SOCGEN	3.5	-	-	3.5	A	F1	1	FRANCE	AA+
BANQUE NATIONAL DE PARIS	3.5	2.0	10.0	15.5	A+	F1	1	FRANCE	AA+
DEUTSCHE BANK	-	2.0	15.0	17.0	A+	F1+	1	GERMANY	AAA
RABOBANK	-	2.0	-	2.0	AA-	F1+	1	NETHERLANDS	AAA
ING BANK	3.4	2.0	15.0	20.4	A+	F1+	1	NETHERLANDS	AAA
ABN AMRO BANK	3.5	2.0	-	5.5	A+	F1+	1	NETHERLANDS	AAA
EUROPEAN INV BANK	7.0	6.5	-	13.5	AAA	F1+		SUPRANATIONAL	AAA
INT BANK RECONST DEVT	3.5	6.8	-	10.3	AAA	F1+		SUPRANATIONAL	AAA
SVENSKA	3.3	-	15.0	18.3	AA-	F1+	1	SWEDEN	AAA
SKANDINAVISKA	3.5	2.0	-	5.5	A+	F1	1	SWEDEN	AAA
CREDIT SUISSE	3.5	2.0	-	5.5	A	F1	1	SWITZERLAND	AAA
NATIONWIDE BSOC	3.3	-	15.1	18.4	A	F1	1	UK	AA+
RBS/NATWEST	-	-	15.4	15.4	A	F1	1	UK	AA+
SANTANDER UK	2.0	-	-	2.0	A	F1	1	UK	AA+
UK TREASURY	-	21.1	-	21.1	AA+	F1+		UK	AA+
BARCLAYS BANK	-	-	15.0	15.0	A	F1	1	UK	AA+
LLOYDS BANK	0	0	15.1	15.1	A	F1	1	UK	AA+
BNY MELLON	0.1	0	0	0.1	AA-	F1+	1	US	AAA
BANK OF AMERICA	3.5	0	0	3.5	A	F1	1	US	AAA
Total £m	50.6	50.4	130.6	231.6					

INVESTMENT MATURITY PROFILE AND LONG TERM RATING - 30 JUNE 2014				
Yr Band	A	AA	AAA	Grand Total
Up to 1 Yr	63%	21%	4%	88%
1-2 Yrs			4%	4%
2-5 Yrs		5%	3%	8%
Grand Total £m	63%	26%	11%	100%

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 (The UK government and its treasury bonds are rated AA+ by Fitch, Aaa by Moody's and AAA by Standard & Poor's)	

73. The return for the year is expected to be around 0.50% reflecting the cheap money policies which central banks across major economies still have in place. Here in the UK, base rates are 0.50%, which is where they have been since 2009 and no rise is expected until late 2014 or early 2015.
74. 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 end of June 2014 stands at £472m (£101m General Fund and £371m HRA). £5.7m General Fund loans fall for repayment in 2014/15, of which £2.5m fell due in April 2014. No HRA loans fall due until 2018.
75. Having received indicative funding of £3m from councils across the country, the



Local Government Association is proceeding with plans to launch the Municipal Bond Agency and issue its first bond in the first half of 2015. In common with other large councils, Southwark has pledged funding of £200,000, by way of capital investment in the agency, subject to agreeing formal terms. The agency offers the prospect of less expensive borrowing and an alternative to the PWLB which currently dominates local authority lending. However any borrowing Southwark itself needed in the future would be from whichever source was the cheapest.

### Community impact statement

76. This report monitors expenditure on council services, compared to the planned budget agreed in February 2014. 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
Policy and Resources 2014/15 to 2016/17: cabinet 28/01/14 (Item 11)	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4554&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4554&amp;Ver=4</a>		

### APPENDICES

No.	Title
Appendix A	Budget movements to be approved, £250k and above and movements to be noted.

## 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>	4 September 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>		4 September 2014

## Budget Movements

## APPENDIX A

## Interdepartmental movements to be approved for Quarter 1-

Department from	Amount £'000	Department to	Amount £'000	Reason
SCR Income	(730,550)	F&CS	730,550	Housing finance & procurement budgets to GF for recharging back to HRA
Finance & Corporate Services	(402,000)	Housing	402,000	One Off Cleaner Greener Safer
Various	(2,816,592)	F&CS	2,816,592	Update to the depreciation budgets based on 2013/14 outturn

## Interdepartmental movements to be noted for Quarter 1-

Department from	Amount £'000	Department to	Amount £'000	Reason
Chief Executive	(75,000)	Housing	75,000	Transfer of homelessness prevention funding to H&CS
Housing	(50,000)	F&CS	50,000	Transfer of budget related to bank charges
Children's and Adults	(91,137)	Housing	91,137	Transfer of targeted advice services from Children's and Adults to the community engagement team.
Environment	(99,451)	Housing	99,451	Environment & Ecology Grants
Housing	20,000	Chief Executive	20,000	Research Officer within Policy & Programmes
Housing	(43,959)	F&CS	43,959	Transfer of 1.5 FTE posts to FTSS from Specialist Housing Services
Environment and Leisure	(30,000)	Housing	30,000	Transfer of responsibility of administering Black history month to community engagement.
Chief Executive	(82,285)	Housing	82,238	Housing initiatives

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Kipling Garages, Weston Street, Bermondsey, SE1 - Grant of Long Lease	
<b>Wards affected:</b>		Grange	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Strategy and Performance	

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

I am delighted to bring forward this report which seeks to further our partnership working with the Leathermarket JMB by enabling them to bring forward a ground breaking resident led, genuinely affordable housing development project on the Kipling Estate.

This is a prime example not only of our commitment to build more genuinely affordable homes in the borough, but also enabling council tenants and homeowners to take greater control over their homes and local area.

### **RECOMMENDATIONS**

That the cabinet authorises

1. The head of property to both enter into an agreement for lease and grant of a long leasehold interest in two parcels of land on the Kipling estate, Weston Street, London SE1 ("the Property"), as shown edged black on the plan attached at appendix A, to the Leathermarket Community Benefit Society (CBS) on the terms outlined below; Any minor variations to be delegated to the Head of Property to agree.

### **BACKGROUND**

2. Lessee: Leathermarket CBS  
The Term: 125 years  
The Reserved Rent: One peppercorn  
Permitted Use: Residential Social Rent  
Costs: Each party to be responsible for their own costs.
3. The property comprises two triangular shaped parcels of land fronting onto Weston Street, SE1 on the fringes of the Kipling estate. The estate is currently managed by the Leathermarket Joint Management Board (JMB) and comprises a mixture of low rise and high rise buildings constructed in the mid 1960's. The larger parcel is currently occupied by 20 'lock up' single domestic garages which are currently let on licence agreements which can be terminated at any time. The other parcel of land is vacant open land. These parcels of land comprise 820m<sup>2</sup> and 162m<sup>2</sup> respectively.

4. In 1996 Southwark Council outsourced the management of around 1500 homes in North Bermondsey to the Leathermarket JMB. This decision proved successful as the Leathermarket JMB has had three successful continuation ballots with the latest seeing a 76% turnout and a 93% approval of secure tenants. Subsequently the council agreed to make the JMB the country's first self financing Tenant Management Organisation.
5. The JMB is seeking to build on the confidence of the council and its residents and support Southwark to deliver 11,000 new genuinely affordable homes. They propose a development of up to 30 units all of which will be let at 'target' social rents.
6. The JMB has identified that by working with local residents, designing homes that meet local needs, in a way that is sympathetic to the immediate neighbours and allocating a large proportion of these to residents on the estate, they can achieve much greater levels of local support than an outside developer would achieve. This enables the JMB to unlock contentious sites and hidden homes
7. Following the last continuation ballot and concerns expressed at that time, the JMB undertook a detailed housing needs survey of the entire JMB estate. This housing needs survey identified a significant number of LMB tenants (30%+) who wish to move to larger or smaller properties. If the JMB can enable under occupying tenants to downsize, this will release larger properties, which will in turn meet the needs of tenants who are overcrowded.
8. Through a process of analysis of the JMB estate, in conjunction with professional advisors, a number of potential development sites have been identified which include the Property.
9. The JMB has secured pre development funding from a number of sources which has enabled the establishment of the CBS and the appointment of a professional team who have worked with the community to work up proposals and take the project forward. The bulk of this funding has come from the Greater London Authority – Community Right to Build (CRTB) Fund. Other funders include the United Saint Saviours Charity and the National Community Land Trust (CLT) Network.
10. The establishment of the Leathermarket CBS enables the JMB to continue focussing on its core activities of managing and maintaining its existing housing stock. The CBS is the first of its kind to be established in the country and is governed by a board of directors.
11. A professional team has been appointed by the Leathermarket CBC and includes Igloo Regeneration as development managers and Southwark based Bell Phillips as architects.
12. Much of the due diligence has been completed on the Property. A number of surveys have been undertaken including measured, archaeological and topographical. The architects have also undertaken massing exercises.
13. The principle heads of terms have already been agreed, subject to cabinet approval and a legal framework (lease and agreement for lease) approved with lawyers appointed for both parties.

14. The Leathermarket CBS is still exploring funding options. Any gap in funding may be bridged by monies from the council's affordable housing fund, but this will need to be subject to a formal decision at a later date when the state of the scheme finances are finally known. This is likely to be subject to a finance agreement with a suitable payback period.

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

15. Southwark is committed to delivering 11,000 new council homes. The grant of the lease of the Property will enable this important partner organisation to contribute to this overall objective by the provision of up to 30 social rented units for Southwark residents.
16. The exact number of units and a firm proposal have yet to be agreed upon and are still subject to a detailed design process.
17. The Leathermarket CBS intends to gain planning permission to build the homes through a Community Right to Build Order ("CRBO") pursuant to Schedule 11 of the Localism Act. This process will require the holding of a referendum of local residents in order to support and endorse the proposal. This is why it is vital that there is regular community engagement and local ownership of the project. The decision to go down this route is still being actively considered but if it proves too costly and timely then planning permission will be sought in the more usual way.
18. Social rented housing is officially defined as '.....rented housing owned and managed by local authorities and RSL's for which guideline target rents are determined through the national rent regime'.
19. The Property is held within the council's housing revenue account.
20. The grant of this long lease is subject to a declaration of surplus being obtained from the director of regeneration.
21. The parties will enter into an agreement for lease following which a lease will be completed once certain conditional matters have been fulfilled.
22. The conditional matters are
  - Satisfactory preliminary site investigations
  - Grant of satisfactory building consents
  - CBS having funding in place
23. The subsequent 125 year lease will then contain an obligation on the tenant to implement the building consents and to complete the development within a certain time. We are proposing a long stop date for completion of 5 years from the date of the lease.

#### **Next Steps and timetabling**

24. Bells Phillips architects are currently developing the preferred massing option from two possible alternatives. Both these options meet or exceed the required 24 minimum that have been identified through the housing needs survey. The next stage will see the design team finalise the shape, height, number of units and internal layout.

25. The following key project milestones have been set;
- Design development: now until November 2014
  - Build Order Referendum/Secure Permission : April/March 2015
  - Practical Completion of the homes: December 2016
26. These timings are dependant on both the availability of development funding and the planning route chosen by the Leathermarket CBS.

### **Policy implications**

27. The new units will be built to the standards of the Code for Sustainable Homes - Level 4. They will be both sustainable and energy efficient. This will help to reduce tenant fuel costs and minimise the risk of moving into fuel poverty.
28. The homes that will arise as a result of this project will support the council's commitment of building 11,000 new council homes.
29. The delivery of these homes will be consistent with the council's thirty year housing strategy vision that was agreed earlier this year. This long term vision has four principles the first of which is that ...'we will use every tool at our disposal to increase the supply of all kinds of homes across Southwark' and the third that 'we will support and encourage all residents to take pride and responsibility in their homes and local area'.

### **Community impact statement**

30. Southwark is a borough which has high levels of housing need. The 2014 Strategic housing market assessment 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.
31. Those tenants that will be dispossessed of these domestic garages will be found alternatives, where it is possible, either on the estate or nearby.
32. The provision of new homes will enable those under occupying their current homes, including many who are elderly, to downsize into smaller more appropriate sized accommodation whilst in turn releasing larger properties for those households that are currently overcrowded. At least 10% of the new units will be wheelchair accessible.
33. The proposals to develop new affordable homes have been subject to regular and comprehensive consultation with the local community. This will continue as the proposals are refined and finalised. The final proposals will be subject to statutory consultation.

### **Resource implications**

34. The grant of the lease will be at a nominal consideration. There will be no capital receipt. The council has approximately 8,000 single garages and parking spaces and so the impact of changing usage of 20 garages is immaterial to the council's asset register and rental income.

35. Officer time and costs needed to complete the grant of this lease will be met from existing service and budget provision.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

36. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 is a pre-commencement statute which imposes limitations on the council's power of disposal.
37. As the Property falls within the council's housing portfolio, the disposal can only proceed in accordance with section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
38. A number of general consents have been issued in the General Housing Consents 2013.
39. Consent A3.2 states "A local authority may dispose of vacant land".
40. The report indicates in paragraph 3 that one parcel of the Property is vacant and the other parcel is occupied by lock up garages held through [short term] licence arrangements which can be terminated at any time to ensure the Property is vacant prior to entering into a legally binding agreement.
41. The report indicates in paragraph 20 that a surplus declaration needs to be obtained. This recommendation is conditional on the surplus declaration being obtained before exchange of the agreement for lease.
42. Subject to paragraphs 39 and 40 of this report cabinet may proceed with the approval of the recommendation.

### **Strategic Director of Finance and Corporate Services (FC14/021)**

43. This report seeks cabinet authorisation to grant a long leasehold interest in two parcels of land on the Kipling estate. The financial implications are contained within this report.
44. The strategic director of finance and corporate services notes that this land will contribute towards the council's commitment to delivering 11,000 new council homes. The change of land use will be subject to the council's accounting and valuation policies and procedures.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		



**APPENDICES**

No.	Title
Appendix A	Ordinance Survey extract

**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>	Paul Davies, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	5 September 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	No
<b>Date final report sent to Constitutional Team</b>	5 September 2014	

# Draft pdf source

TITLE. Land at Weston Street, SE1.



DRAWING No. LBS\_3100

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Property Division

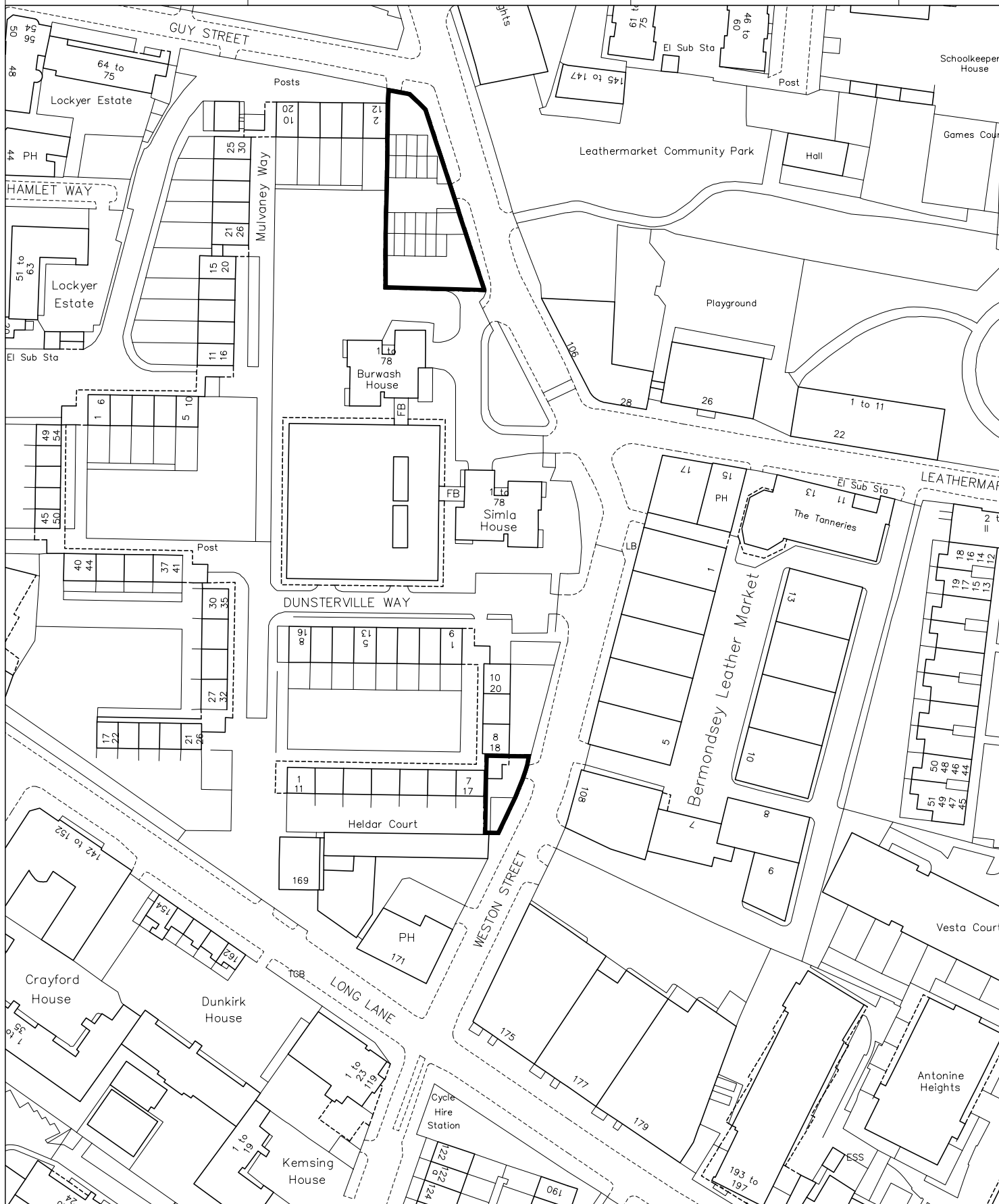
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<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 16 September 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		To re-approve the making of an application to the Secretary of State for a compulsory purchase order (CPO) to acquire the remaining leasehold properties within the Elmington Estate Phase 3 (known as sites C, D, E and G) SE5.	
<b>Ward(s) or groups affected:</b>		Camberwell Green	
<b>Cabinet member:</b>		Councillor, Mark Williams, Regeneration, Planning and Transport.	

**FOREWORD BY COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

The regeneration of Camberwell is now well underway. The leisure centre has been refurbished, the new library is being built and will open next year, the first of several pocket parks is now going through detailed design with local residents and many of the area's housing estates have received Warm, Dry, Safe works. We are also working closely with TfL on the improvements to the Camberwell Green junction and street layout, and the green itself will undergo significant improvements as well. To the north of the Elmington Estate there will also be work to greatly improve the southern entrance into Burgess Park from Camberwell.

The regeneration of the Elmington Estate is a key part of these wider improvements and is now proceeding apace with construction of Phase Two (sites A & B) well under way. This report requests that Cabinet re-confirms its previous decision to make the necessary Compulsory Purchase Orders to enable the remaining sites of the estate to be regenerated. These blocks are: Harris Street Neighbourhood Housing Office; 1-27 Benhill Road, 29-59 Benhill Road; 1-20 Houseman Way; 21-29 Houseman Way; 30-51 Houseman Way; 90-106 Benhill Road; 30-72 Lomond Grove; 1-20 Broome Way and 1-12 Flecker House.

**RECOMMENDATIONS**

1. That the cabinet agrees to re-approve that the council makes four or fewer Compulsory Purchase Orders (“Order[s]”) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 or in the alternative under section 17 of the Housing Act 1985 for the acquisition of the land and new rights within the areas edged on the Ordnance Survey plans at Appendix One for the purpose of securing the regeneration of the Elmington Estate in accordance with decisions to implement a new regeneration strategy taken by cabinet on the 22 March 2011 and 23 October 2012.
2. That the Director of Regeneration be re-authorised to:
  - a) determine the powers and implement the optimum number of Order[s] to deliver the overall regeneration aspiration;

- b) take all necessary steps to secure the making, confirmation and implementation of the Order[s] including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called;
- c) acquire all interests in land within the Order[s] areas either by agreement or compulsorily;
- d) approve agreements with land owners setting out the terms for the withdrawal of objections to the Order[s], including where appropriate seeking exclusion of from the Order[s];
- e) amend the boundaries of the areas **edged** on the Ordinance Survey plans at Appendix One; or
- f) amend the number of properties and leasehold acquisitions within the Order (s) area listed in the schedule in Appendix Two, should it be required.

### **BACKGROUND INFORMATION**

3. On the 22 March 2011, the cabinet approved the implementation of a new regeneration strategy as a result of which a number of blocks on the Elmington Estate have already been refurbished. It also resolved to seek development partners to undertake the redevelopment of sites C, D, E and G within Phase 3 of the Elmington regeneration scheme.
4. This followed a stock condition survey by Pellings and options appraisal for refurbishment and redevelopment of the blocks on the Elmington Estate, where those blocks identified as being beyond the reasonable cost of repair and refurbishment were included within the sites to be re-developed rather than refurbished. The schedule of properties to be acquired in the Order(s) areas are identified at Appendix Two.
5. Following a marketing exercise and short-listing of three consortia, Cabinet approved the selection of Family Mosaic Housing Association and Bellway Homes on the 17 July 2012 as the preferred development partners for the redevelopment of sites C, D, E and G by way of disposal of those sites and a requirement on the developer to rebuild a scheme approved by the council.
6. There are a total of 144 flats in the blocks to be demolished of which 113 were tenanted and 31 were owned by leaseholders. The council has successfully rehoused all bar 4 of the secure tenants to alternative accommodation and it expects to re-house the remaining 4 shortly. The council has acquired 12 leasehold interests to date by agreement but on the basis of compensation pursuant to compulsory purchase legislation; however, in the event that acquisition by agreement does not successfully buy out all the remaining leasehold interests, then the council will need to compulsorily acquire those interests in order to achieve its redevelopment strategy.
7. On the 23 October 2012, Cabinet approved the making of an application to the Secretary of State for a compulsory purchase order (CPO) to purchase the remaining leasehold properties within Phase 3 of the Elmington regeneration scheme (known as sites C, D, E and G).
8. Since 23 October 2012, the council has continued to engage with leaseholders to acquire the remaining leasehold interests by agreement and, as referred to in paragraph 6 above, 12 flats have been successfully acquired.

9. In March 2014, the council exchanged conditional contracts with Family Mosaic and Bellway Homes (“the development partner”) for the disposal of sites C, D, E and G. Under the terms of the contract (which is conditional on the Development Partner obtaining planning permission for its redevelopment scheme and on the council obtaining vacant possession of the sites) the Development Partner must submit a planning application for its redevelopment scheme by September 2014. The contract also requires the council to use its reasonable endeavours to achieve vacant possession, including using compulsory purchase powers should it be necessary.

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

10. Elmington phase 3 contains 144 dwellings; of which 31 were leaseholders with 19 remaining. Negotiations to acquire these leasehold interests by agreement have been taking place since August 2011 and have enabled a number of agreements to be made and acquisitions to be agreed. The council’s aspiration to deliver and complete the regeneration of this Phase cannot be achieved without acquiring all the leasehold interests as well as any remaining units occupied by secure or non-secure tenants. Negotiation will continue with leaseholders on a voluntary basis but without a compulsory purchase order it is unlikely that all these interests can be acquired.
11. The making, confirmation and implementation of four or fewer compulsory purchase order(s) is therefore recommended to achieve certainty of acquiring all the leasehold interests and other property within the envisaged timescale in the conditional contract and to mitigate risk to the project.
12. On 23 October 2012, Cabinet approved making, confirmation and implementation of relevant CPO’s and it is recommended that Cabinet re-approves the steps necessary for the making, confirmation and implementation of four or fewer CPOs.

#### **Underlying information in resolving to make these compulsory purchase orders**

13. The compulsory purchase procedure is complex and has regard to a variety of factors. Details of relevant procedural and legal matters are set out at Appendix Four to this report.

#### **Community impact statement**

14. The council’s Cabinet approved the implementation of mixed regeneration scheme for Elmington Estate on 22 March 2011 that included the redevelopment of sites C, D E & G with a number of surrounding blocks being retained and refurbished. It is envisaged that investment and renewal in the Elmington Estate will have a positive long term impact on all groups residing in those blocks being retained through the delivery of Warm, Dry and Safe works regardless of age, disability, faith/ religion, gender, race and ethnicity or sexual orientation and the impact and mitigation on these groups residing in the blocks to be redeveloped are addressed in the Equality Analysis at Appendix 3.
15. The overall effect of the programme of refurbishment on the Elmington Estate is to promote equal treatment by ensuring tenants and leaseholders across all the retained blocks receive the same standard of works and ensure that some of the most disadvantaged groups living in the council’s properties have homes that are

warm, dry and safe. This will also impact on the wider community by addressing some of the imbalance in living conditions in the borough.

16. For the redevelopment of sites C, D, E and G, the effect of the compulsory purchase orders will be to dispossess some persons of their rights in land. This is a necessary process to ensure that redevelopment of the Elmington Estate Phase 3 sites C, D, E, and G can proceed. The proposed new scheme to replace the 9 blocks currently on the sites will provide modern Warm, Dry and Safe homes as well as around 81 new residential units. Accordingly, it is considered acceptable to use compulsory purchase powers where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed. The council is achieving a quantitative and qualitative housing gain which will include new, improved affordable housing on the Estate.
17. All leaseholders that are dispossessed regardless of age, disability, faith/religion, gender, race, and ethnicity or sexual orientation have been and will continue to be treated fairly and equally throughout negotiations, and where appropriate, offered financial and housing assistance as well as being advised of their legal rights in accordance with statutory principles and council policy.
18. The regeneration of Phase 3 of the Elmington Estate is considered to have benefits to not only the immediate community but also the borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The individual rights under the Human Rights Act and Equalities Act 2010 have accordingly been considered and commented further upon in Appendix Three and Four to this report.
19. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities Policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Equalities Analysis**

20. In November and December 2010, a survey was undertaken by Open Communities to establish the composition of residents and how they might be affected by estate regeneration and how adverse effects might be mitigated. The resident make-up was addressed in the Cabinet Report, 22 March 2011. The suggested mitigation has formed part of the modus operandi of the officers working on the Elmington Regeneration project since 2010 and indeed prior to that date. Equalities issues have been kept under review, and will continue to be kept under review throughout the life of the Elmington regeneration project.
21. In September 2012, an information gathering exercise was carried out by the council aimed at the remaining leaseholders to establish the type of 'protected characteristics' across the estate. In June 2014, Open Communities (independent residents' advisory service) carried out a door knocking exercise to deliver an equalities information collection form (EICF) to get tenants and resident leaseholders to fill it in. Blackfriar's Advisory Service carried out a door knocking exercise to deliver the EICF to get temporary residents and non-resident leaseholders to fill it in. This exercise established to what extent resident composition has changed since the last survey and to establish what, if

any, adverse effects the scheme might have on the 'protected characteristics' identified in the Equalities Analysis.

22. In the 23 October 2012 report, it was mentioned that an equalities information collection form was issued to all remaining leaseholders on the Estate. At the time the council had purchased only 1 leaseholder out of 31 leaseholders in total. The council received 11 responses out of 31 units held on a long lease.
23. The cabinet will be aware of the equality duty which the council has. The Equalities Analysis annexed to this report at Appendix 3 is to make decision makers aware of the issues which need to be considered in this particular case. The Analysis 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 that have already been taken and will be reviewed on an ongoing basis.
24. The duration of the survey period is May to July 2014. 109 key service users (residents) affected by the decisions to regenerate the Estate were contacted. A total of 57 responded.

#### **Schedule of leaseholder ownership/ status as at the date of the report**

	Total	Owner occupation	Investors
Leaseholders	31	12	19
Completed purchases	12	3	9
Remaining leaseholders	19	9	10

#### **Consultation**

25. There has been extensive consultation with Elmington Estate residents (including tenants and leaseholders) via the Elmington Residents Steering Group (RSG), about the council's regeneration strategy. The Elmington RSG met regularly to discuss aspects of the regeneration proposal between 20 July 2010 and 23 February 2011. Open Communities worked extensively with tenants and residents via resident surgeries, face to face interviews and a postal survey to gauge resident support to the council's regeneration programme and they conducted a resident survey of the blocks affected by the regeneration proposals for Phase Three of the Elmington Estate over November and December 2010 as mentioned in paragraph 20.
26. In addition, leaseholders have been advised on redevelopment proposals and legal and procedural matters for the CPO via correspondence and face to face meetings with colleagues from Property and Housing Specialist Services since August 2011.

#### **Financial implications**

27. Leaseholders are entitled to the market value of their property, home loss and other reasonable disturbance payments for being dispossessed as a natural and direct consequence of the CPO and redevelopment. A home loss payment is 10% of the market value where the leaseholder resides at the property or 7.5% of the market value where the leaseholder is non-resident. The assessment of compensation is pursuant to, or undertaken in accordance with the

Compensation Code which is a collection of statutes and case law, the principal legislation being the Land Compensation Act 1961 (as amended).

28. These costs assume that remaining leasehold interests are acquired by negotiated agreement and do not include the costs of an application to the Lands Chambers of the Upper Tribunal in the event that an agreement cannot be reached with any of the leaseholders once the CPO has been confirmed or implemented. These costs also exclude Counsel's fees in relation to legal representation if a Public Inquiry is deemed necessary by the relevant Government Minister.
29. Non resident leaseholders have a limited claim for disturbance including the incidental costs of purchasing a replacement property. A non - resident leaseholder can claim compensation for a preferential (difference in interest rates) mortgage over the term from date of acquisition, in addition to other items where compensation can be claimed such as mortgage lenders' arrangement fee, mortgage brokers' commission, solicitors' fees and part Stamp Duty Land Tax on market value of purchase of replacement property .
30. Each item of a leaseholders' compensation schedule is validated on its relevance to the claim. The number of remaining non-resident leaseholders who may need to secure a replacement mortgage on less favourable terms is unknown due to reluctance to engage with the council on such financial matters at this stage in the process.
31. The acquisition price may vary due to market conditions but the professional fees to acquire all remaining leaseholder units is agreed in advance of an acquisition to enable a degree in certainty in the price. A change in residential market values will see a corresponding change in home loss payments attributable to the leaseholder and a change in variables or input assumptions such as market values and mortgage interest rates are a key determinant in assessment of overall compensation and to quantify incidental costs for purchasing a replacement property is very difficult without further financial information at this stage but these are kept constantly under review.
32. There is sufficient funding already budgeted and allocated to finance the acquisition of the remaining leasehold interests, associated disturbances costs and any third party interests within the council's Housing Investment Programme. The budget also includes a sum for procedural and legal matters to enable the making, confirmation and implementation of the compulsory purchase order.
33. There will be staff resource costs in taking the Order[s] to completion, relocating tenants and providing financial and housing assistance to tenants and leaseholders where appropriate as well as acquiring the leasehold interests; there is also provision for them in the overall project programme. There are sufficient uncommitted resources in the programme to meet the proposed costs.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

34. Since the cabinet decision to make a Compulsory Purchase Order(s) in respect of sites C, D, E and G of the Elmington Estate was made on 23 October 2012, Counsel's advice has been taken to ascertain whether the preferred power under which the Compulsory Purchase Order(s) should be made is s226(1)(a) of the



Town and Country Planning Act 1990 (“the 1990 Act”) or s17 of the Housing Act 1985 (“the 1985 Act”). Counsel advised using the 1990 Act although was not adverse to the 1985 Act being used should the council prefer.

35. Appendix Four sets out in more detail the requirements of each of the powers.
36. If the 1990 Act is to be used as is most likely, Cabinet should note from paragraphs 30-36 of Appendix Four to this report that consideration must be given to the well being objectives under Section 226 (1)(a) of the 1990 Act in relation to the council’s aspirations for the overall regeneration of the Elmington Estate. If it is considered that the regeneration of the area will assist the council in promoting and improving the economic, social and environmental well being of the Elmington Estate, there are adequate powers available to the council to acquire all the land and property interests in the sites either compulsorily or by agreement.
37. If in the alternative, the council decides to proceed by way of the 1985 Act it empowers the council, as a local housing authority, to acquire land, houses or other properties for the local provision of housing accommodation. This power is available even where the land is acquired for onward sale to another as long as the purchaser intends to redevelop it for housing purposes. The 1985 Act also empowers local authorities to acquire land compulsorily (subject to authorisation from the Secretary of State). Government guidance in ODPM circular 06/2004 requires a qualitative or quantitative housing gain and the council would have to demonstrate such gain when seeking Secretary of State Confirmation of any CPO.
38. Ancillary powers to create new rights are also provided under s13 of the Local Government (Miscellaneous Provisions) Act 1976. As noted at paragraph 44 of Appendix Four, the council also has power under Section 227 of the 1990 Act or Section 120(1) of the Local Government Act 1972 (“the 1972 Act”) to acquire interests on the Elmington Estate sites C, D, E and G by agreement with the owners. Further, by virtue of Section 120(2) of the 1972 Act, any properties acquired under the 1972 Act that are not required immediately for the purposes for which they have been acquired, can be used in the interim for the purpose of any of the council’s functions.
39. Part 3C of the council’s constitution reserves to cabinet decisions on the acquisition of land and property where the market value exceeds £100,000 and the acquisition of land and property which involves the use of compulsory purchase powers.

### **Strategic Director of Housing & Community Services - Specialist Housing Services**

40. The leaseholder re-housing assistance package referred to in paragraph 17 of the report and in the appendices to the report is administered by Specialist Housing Services (SHS). To date there have been four successfully concluded re-housing assistance applications from resident home owners affected by the regeneration scheme. The breakdown is as follows:
41. One household recommended for council or housing association tenancy and has moved to new council accommodation. Three households recommended for council or housing association tenancy and are registered to bid in Band 1 on Homesearch.

42. There is one further application in progress and awaiting an outcome. This application was received in July 2014 and is progressing without delay.
43. Two households have expressed an interest in applying, but have not yet provided the relevant information SHS requires in order to make an assessment.
44. One household applied for assistance, but their application was subsequently withdrawn as they did not qualify for assistance.
45. The council is striving to seek affordable housing solutions for affected home owners. In March 2014, the cabinet agreed to a variation to the re-housing assistance package. The scheme now allows for a new form of ongoing home ownership called "Shared Equity". Under this type of ownership, home owners that qualify can purchase a minimum of a 50% share in a council property but are not required to pay a shared ownership rent – making it more affordable and a more attractive option. This has been communicated to the resident leaseholders that have just applied or who are yet to apply for assistance.
46. The Head of Specialist Housing Services recognises that the making of a compulsory purchase order is a prudent and necessary step in achieving vacant possession where negotiated surrenders cannot be achieved. Given the timescales involved, it is anticipated that those applicants that have already made an application for assistance and are registered for re-housing will have moved before an order becomes effective. Officers from Specialist Housing Services regularly encourage engagement and are regularly on-site. Bidding support is provided by the Resident Services Officer in Housing Operations.

**Strategic Director of Finance & Corporate Services (FC14/022)**

47. This report is requesting cabinet to re-approve the making of an application to the Secretary of State for a compulsory purchase order (CPO) to acquire the remaining leasehold properties within the Elmington Estate Phase 3 (known as sites C, D, E and G) SE5. Background and details are contained within the main body of the report.
48. The financial implications section within the closed report provides details of the expected costs of the compulsory purchase costs and it is noted that the costs can be contained within the budgets allocated within the Housing Investment Programme.
49. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

**BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Mid Elmington Regeneration Programme – 22 March 2011  Disposal of the Council's freehold interest in Elmington estate sites C, D, E and G, Camberwell, SE5 – 17 July 2012  To approve an application to the Secretary of State for a compulsory purchase order (CPO) to purchase the remaining leasehold properties within the Elmington Estate Phase 3 sites C, D, E and G – 23 October 2012	Chief Executive's Department, 5 <sup>th</sup> Floor, hub 1, 160 Tooley Street, London SE1 2QH	Marcus Mayne 0207 525 5651
<b>Links:</b>		
22 March 2011 (Item 18) <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3339&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3339&amp;Ver=4</a>		
17 July 2012 (Item 18) <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4</a>		
23 October 2012 (Item 13) <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4247&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4247&amp;Ver=4</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Location plans showing redevelopment sites C, D, E and G within Elmington Estate Phase Three.
Appendix 2	Property schedule of blocks to be included in the redevelopment of Elmington Estate Phase Three
Appendix 3	Equalities Analysis
Appendix 4	Procedural and legal matters

**AUDIT TRAIL**

<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Marcus Mayne, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	4 September 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
Director of Finance & Corporate Services	Yes	Yes
Director of Housing & Community Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 September 2014

Draft pdf source

TITLE.

Site C - Elmington Estate, SE5.



DRAWING No. LBS\_2656(Layout5)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 5/9/2012

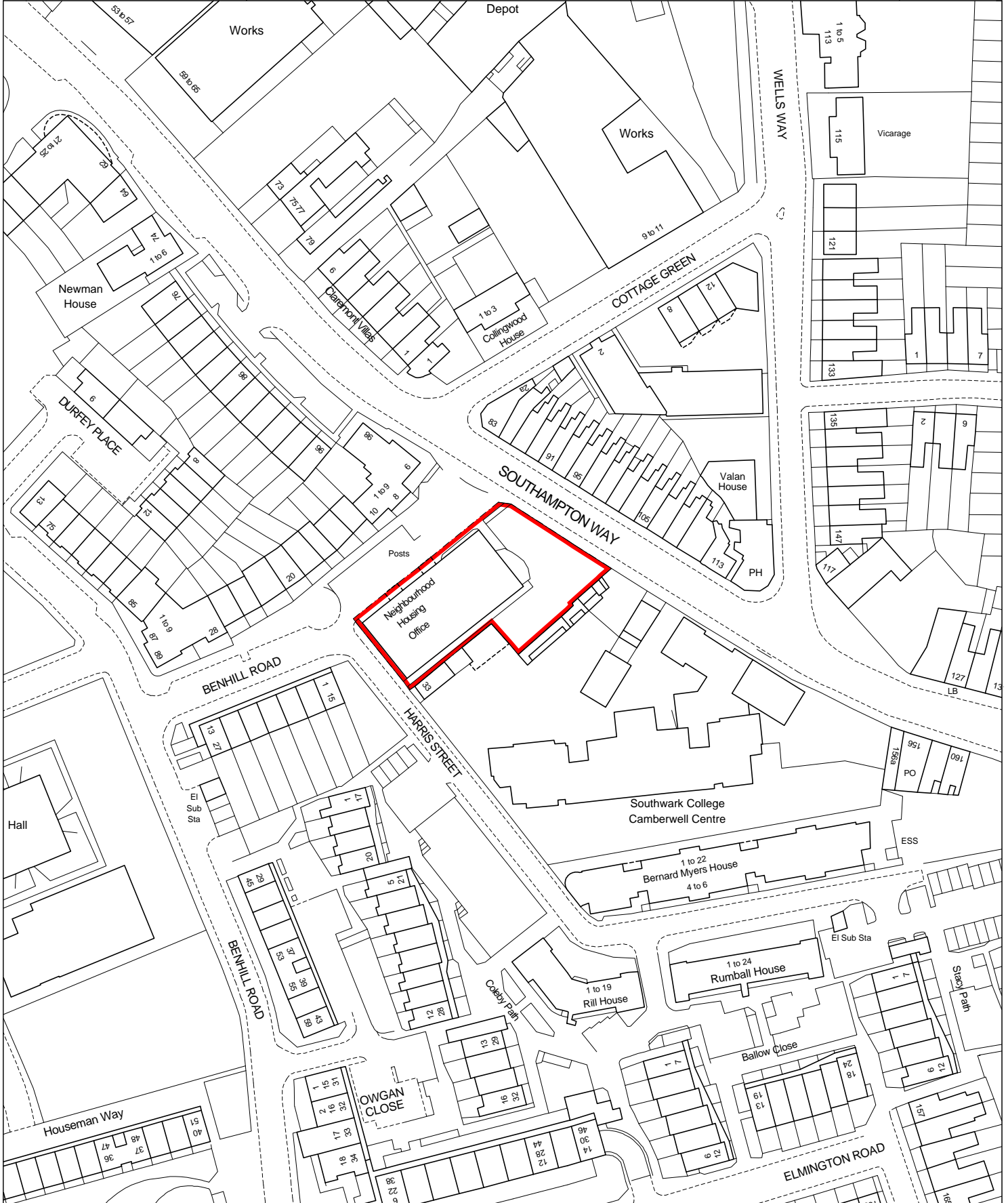
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TITLE.

Site D - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



DRAWING No. LBS\_2656(Layout6)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 5/9/2012

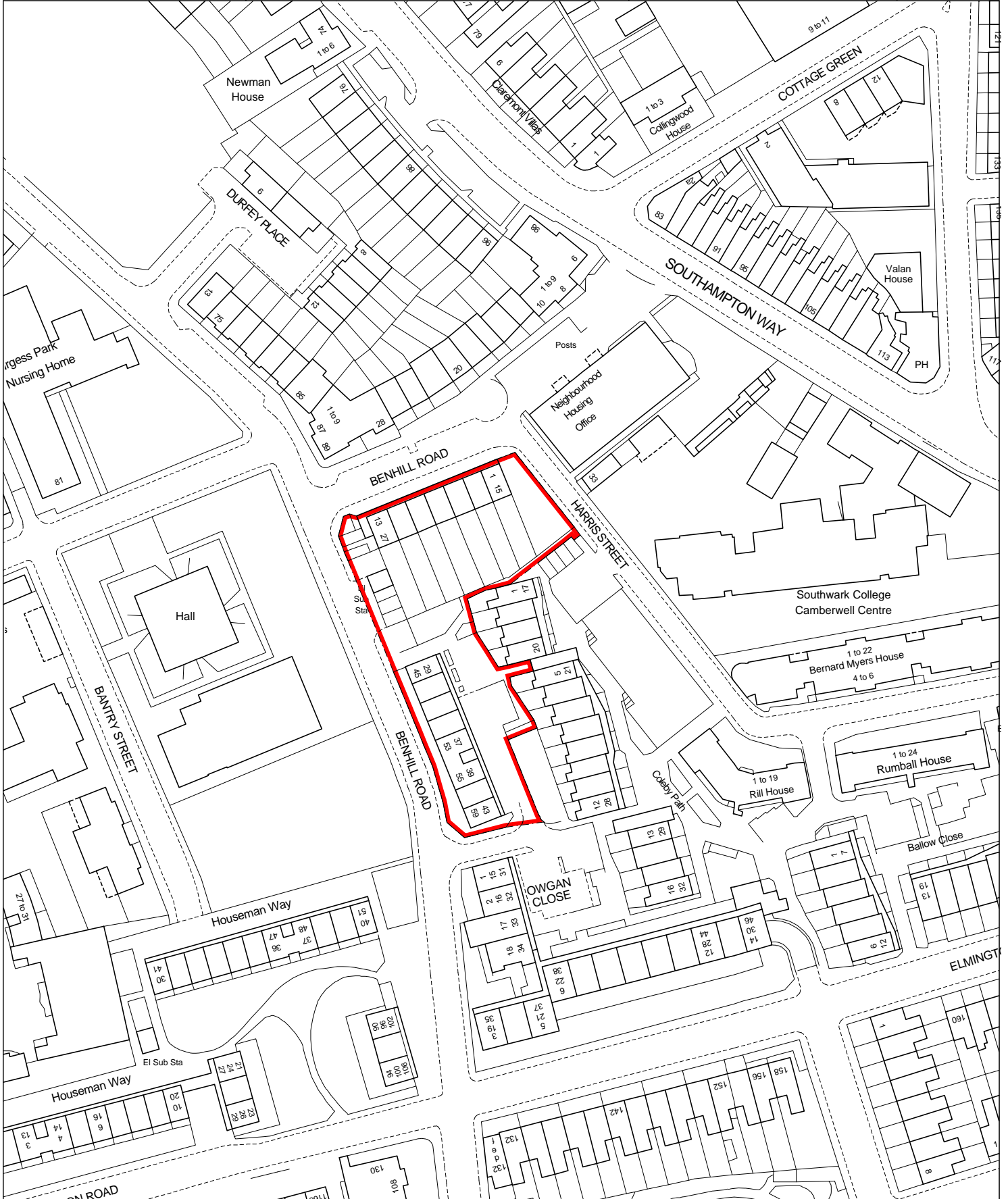
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TITLE

Site E - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



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Property Division

DATE. 5/9/2012

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TITLE.

Site G - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



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Property Division

DATE. 5/9/2012

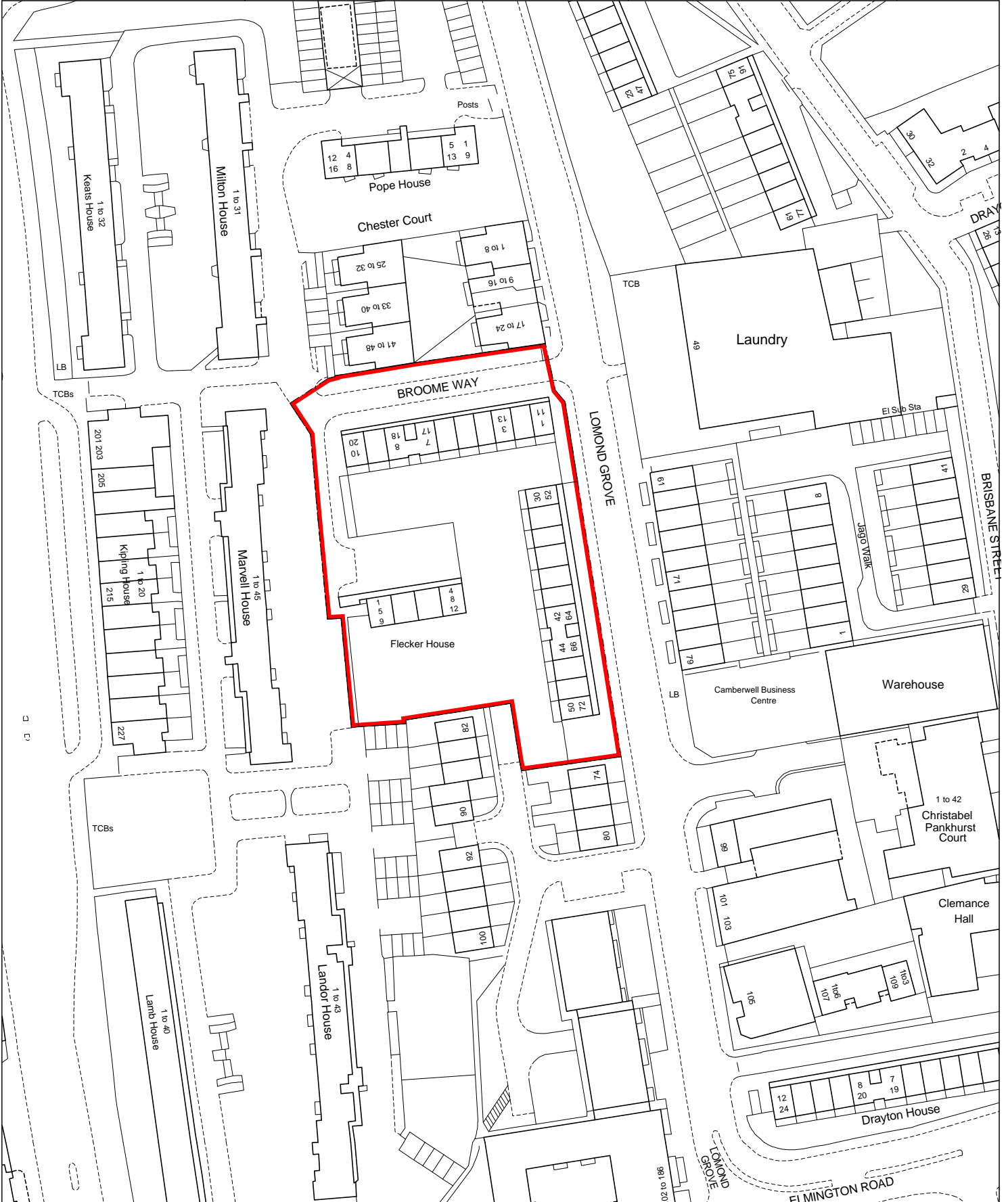
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**APPENDIX TWO****Elmington Estate Phase Three Compulsory Purchase Orders  
Property Schedule****Properties to be included in Orders' areas**

Site C	Address
	Harris Street Neighbourhood Housing Office

Site D	Address	Dwellings
	1- 27 Benhill Road	11
	29-59 Benhill Road	9
		20

Site E	Address	Dwellings
	1-20 Houseman Way	18
	21-29 Houseman Way	9
	30-51 Houseman Way	15
	90-106 Benhill Road	9
		51

Site G	Address	Dwellings
	30-72 Lomond Grove	13
	1-20 Broome Way	18
	1-12 Flecker House	11
		42

Sub - total dwellings 113
---------------------------

**Leaseholders in Orders' areas**

Site D	Address	Dwellings
	1- 27 Benhill Road	3
	29-59 Benhill Road	4
		7

Site E	Address	Dwellings
	1-20 Houseman Way	2
	21-29 Houseman Way	0
	30-51 Houseman Way	4
	90-106 Benhill Road	0
		6

Site G	Address	Dwellings
	30-72 Lomond Grove	4
	1-20 Broome Way	1
	1-12 Flecker House	1
		6

Sub-total dwellings 19
------------------------

Total dwellings 132
---------------------



**APPENDIX 3**

**Equality Analysis**

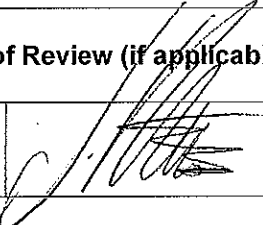
**Redevelopment of Elmington Estate Phase Three (known as sites C, D, E and G)**

**September 2014**

## Section 1: Equality analysis details

---

<b>Proposed policy/decision/business plan to which this equality analysis relates</b>	To re-approve the making of an application to the Secretary of State for a Compulsory Purchase Order (CPO) to acquire the remaining properties within the Elmington Phase 3 (known as sites C, D, E and G).
---	---

<b>Equality Analysis Author</b>	Nnenna Urum-Eke, Housing Regeneration and Delivery				
<b>Strategic Director:</b>	Stephen Platts				
<b>Department</b>	Chief Executive's	<b>Division</b>	Regeneration		
<b>Period Analysis Undertaken</b>	May to July 2014				
<b>Date of Review (if applicable)</b>	May to July 2014				
<b>Sign-off</b>		<b>Position</b>	Director of Regeneration	<b>Date</b>	2nd September 2014

---

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

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

In October 2009, the council's Cabinet agreed in principle, in continuation of the regeneration of Elmington Estate, that a mixed option of redevelopment and refurbishment be pursued on 14 residential blocks that had been identified as having a high investment need. Cabinet agreed those 9 blocks on sites known as D, E and G are redeveloped and that remaining blocks be refurbished as part of Housing Investment Programme. Cabinet also requested that officers carry out detailed consultation with residents on the implications of the mixed option and prepare a detailed implementation programme for the sites to be redeveloped. Then in March 2011, Cabinet agreed an indicative regeneration programme set out by officers, which projected vacant possession of these 3 sites by Spring 2015 although this date is under review and likely to be revised in view of legal and procedural matters addressed in Appendix 4.

There are a total of 144 flats in the blocks to be demolished of which 113 were tenanted and 31 were owned by leaseholders. The council has successfully re-housed all bar 4 of the secure tenants to alternative accommodation and it expects to re-house the remaining 4 shortly. The council has acquired 12 leasehold interests to date by agreement but on the basis of compensation pursuant to compulsory purchase legislation; however, in the event that acquisition by agreement does not successfully buy out all the remaining leasehold interests, then the council will need to compulsorily acquire those interests in order to achieve its redevelopment strategy.

To date the council has successfully re-housed 109 of the 113 tenants without resorting to use of possession orders and hopes to help the remaining 4 tenants move of their own volition. There are also approximately 90 non-secure tenants temporarily occupying void units who will be served a Notice to Quit and offered either a move to permanent accommodation or to another temporary facility. Any risk of non-secure and secure tenants refusing to leave can be fully mitigated by the use of compulsory purchase order(s).

On the 23 October 2012, Cabinet approved the making of an application to the Secretary of State for a compulsory purchase order (CPO) to purchase the remaining leasehold properties within the Elmington Estate Phase 3 (known as sites C, D, E and G).

Since 23 October 2012, the council has continued to engage with leaseholders to acquire the remaining leasehold interests by agreement. 12 flats have already been successfully acquired with 19 remaining.

In March 2014, the council exchanged conditional contracts with Family Mosaic and Bellway Homes ("the development partner") for the disposal of sites C, D, E and G. Under the terms of the contract (which is conditional on the Development Partner obtaining planning permission for its redevelopment scheme and on the council obtaining vacant possession of the sites) the Development Partner must submit a planning application for its redevelopment scheme by September 2014. The contract also requires the council to use its reasonable endeavours to achieve vacant possession, including using compulsory purchase orders should it be necessary.

The need to use CPO's and the resulting implications formed the basis of Cabinet's resolution in October 2012 in which an application to the Secretary of State to acquire all remaining leasehold and other property interests was agreed. Given the time that has lapsed since October 2012, it is necessary to up-date Cabinet on progress on the residential buy back programme and provide Analysis as to how residents might be affected by the CPO and mitigation actions to be taken.

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

<b>2. Service users and stakeholders</b>	
<b>Key users of the department or service</b>	<p>The key users that will be impacted by this decision are as follows:</p> <ol style="list-style-type: none"> <li>1. 19 remaining leaseholders of which 9 are resident leaseholders</li> <li>2. 4 remaining tenants</li> <li>3. 10 sub-tenants of the non-resident leaseholders</li> <li>4. 92 non secure tenants in temporary accommodation.</li> </ol> <p>Note: leaseholders and tenants are referred to as residents and non-secure tenants means temporary accommodation in this Analysis.</p>
<b>Key stakeholders were/are involved in this policy/decision/business plan</b>	<p>The key community stakeholders have been consulted about the decision to make a four or fewer CPO's are as follows:</p> <ol style="list-style-type: none"> <li>1. At the start of the scheme, residents of the effected blocks were informed about the intention to make a CPO in their re-housing information packs and were consulted about the initial Cabinet decision via the Residents Steering Group.</li> <li>2. The remaining residents and the resident associations (Mid-Elmington and Poets Corner) have been informed of the council's intention to seek another resolution and how they can engage with the process in the June 2014 regeneration newsletter.</li> </ol> <p>The key internal stakeholders involved in the Analysis and decision to make a CPO are as follows:</p> <ol style="list-style-type: none"> <li>1. Regeneration</li> <li>2. Specialist Housing Services</li> <li>3. Legal Services</li> <li>4. Property</li> <li>5. Corporate Strategy</li> </ol>

## 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.

**Age** - 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).

### Potential impacts (positive and negative) of proposed policy/decision/business plan

1. Majority of respondents are of working age; if they move outside of London, it may have an impact on their ability to find work.
2. For people aged 55+ moving or leaving their established community may have a negative impact on general well-being.
3. The impact of residents having to leave their current homes on the estate is likely to be greater for elderly residents as they may find packing, moving, and unpacking more difficult.
4. For older residents whose children have left home and who are now occupying a large unit which is over-occupied, the result could be that they are offered a smaller property as they no longer need to have a larger one.
5. Retired leaseholders who are mortgage free may not be able to raise another mortgage to buy a new home.
6. Primary school aged children who move outside the catchment of the local school (which is rated as outstanding by Ofsted) may be disadvantaged.
7. On a positive side people ages 18 – 54 have greater flexibility in housing options outside of L.B. of Southwark. Access to social housing may be limited through local residence criteria to access the Housing Register.
8. Furthermore, the provision of new homes would provide for better access (as regards common areas, lifts, and level access) which would benefit older residents with age related mobility impairments and also parents with young children.

### Equality information on which above analysis is based

A survey of remaining residents found that 98% of respondents had other family members in their households between 18 and 54 years of age while 14% had household members over 55 years of age.

### Mitigating actions to be taken

1. Through choice based lettings policy, tenants would have a certain degree of choice about where they can move to. Tenants have also been given the option to return.
2. Tenants and resident leaseholders (4% and 9% of respondents, respectively) are liable for re-housing support from Housing Management Services and Housing Specialist Services.
3. The council has adopted re-housing policies for homeowners affected by the redevelopment scheme which will include assistance to older persons with the physical demands of moving home through a dedicated re-housing officer who will be able to allocate additional support and services to this group.
4. Non-secure tenants (82% of respondents) will be offered suitable alternative housing by the Temporary Accommodation Team.
5. Sub-tenants (2% of respondents) made homeless as a result of a CPO are able to obtain alternative accommodation via Southwark if they qualify for housing assistance.

**Disability** - 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.

**Possible impacts (positive and negative) of proposed policy/decision/business plan**

1. Move would impact on residents who have mobility problems and have had their current home adapted to meet their disability. Their new home would need to be adapted for their use as well.
2. The impact previously identified of residents having to move home is greater for disabled residents as they will need assistance with packing, moving, and unpacking. The council will address this negative impact by allocating additional support to disabled persons to assist them in moving home.
3. Residents affected by a disability may need to re-establish, new medical support networks if the move disrupts their current support networks, such as hospital or doctor's surgery.
4. On a positive note residents affected by a disability could gain a home more suitable which complies with the requirements of the Equalities Act 2010 and built to Life Time Home Standards and/or adapted for wheelchair use.

**Equality information on which above analysis is based**

14% of survey respondents had household members with some form of disability or access need. Physical disability and lack of mobility accounted for 14% of the types of disability reported. A long term resident has been identified as being reliant on medical support networks closeby and there will be a need to adapt their new home and maintain these networks.

**Mitigating actions to be taken**

1. Choice based lettings will enable tenants' choice in finding a suitable property.
2. Leaseholders who qualify for re-housing assistance will be registered for the choice based lettings system. The council offers re-housing assistance through ownership or reversion to tenancy. Leaseholders who do not qualify for council assistance can choose their next home, in line with their housing needs, within the budget they have secured following buyout.
3. The council will work closely with elderly residents with a disability – in particular a long term resident with local medical needs - to ensure that it assists these groups to move to an area and property where access to existing, specialist medical services, and other support networks can be maintained. A dedicated re-housing officer will be able to allocate additional support and services to this group if necessary.
4. Tenants or leaseholders who can afford to purchase a shared ownership unit will be prioritised for the new builds within the estate footprint which will all be built to Lifetime Home Standards and will include 10% wheelchairs.
5. Non-secure tenants will be offered suitable alternative housing by the Temporary Accommodation team.
6. Sub-tenants made homeless as a result of a CPO are able to obtain alternative, accommodation via Southwark if they qualify for housing assistance.

**Gender reassignment** - The process of transitioning from one gender to another.

**Possible impacts (positive and negative) of proposed policy/decision/business plan**

Re-housing residents that have re-assigned their gender could expose them to harassment in their new community.

<b>Equality information on which above analysis is based.</b>
None of the respondents reported having a member of their household with a reassigned gender but should this group exist in future on the estate, the mitigating actions will be taken below.
<b>Mitigating actions to be taken</b>
<ol style="list-style-type: none"> <li>1. Both Southwark Housing Management and Housing Associations have policies and officers in specialist teams to deal with anti-social behaviour such as the Southwark Anti-Social Behaviour Unit.</li> <li>2. Choice based letting system, priority over new build and re-let units within the Elmington footprint will give residents a choice of where they can move to.</li> <li>3. Non-secure tenants will be offered suitable alternative housing by the Temporary Accommodation team.</li> <li>4. Eligible sub-tenants who wish to remain in the area can register on the council's housing waiting list.</li> </ol>

<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>
Just over one third of total respondents are married. However, a CPO together with the re-housing policy will not discriminate against residents who are either single, married or in a civil partnership.
<b>Equality information on which above analysis is based</b>
The survey found that 37% of the respondents were married while 53% confirmed they were single.
<b>Mitigating actions to be taken</b>
None proposed.

<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>
<ol style="list-style-type: none"> <li>1. The lettings policy does not take into account unborn children in determining housing need. However, babies under 26 weeks old would be considered when determining housing need.</li> <li>2. Leaseholders who are on maternity leave may have difficulty qualifying for a mortgage.</li> <li>3. Re-housed households with new babies may not have the same access to access to nursery places, childminders or family/support networks.</li> <li>4. The impact of residents having to leave their current homes on the estates is likely to be greater for pregnant women and women on maternity leave. The council will mitigate this by providing assistance with the physical requirements of a move.</li> </ol>
<b>Equality information on which above analysis is based</b>
42% of respondents have been pregnant or been on maternity leave in the past 2 years but this percentage is entirely from the sector of non-secure tenants. Accordingly, none of the tenants or leaseholders who have responded are in this sample of the survey.
<b>Mitigating actions to be taken</b>
<ol style="list-style-type: none"> <li>1. Choice based letting will enable secure tenants with young children to focus their search to areas with adequate, alternative nursery provision or close to support networks.</li> <li>2. Furthermore, new homes will have the opportunity for better access by way of common areas, lifts and access routes which will positively impact on pregnant woman and women on maternity leave.</li> <li>3. The impact previously identified of residents having to move home is greater for pregnant residents or residents with babies under 26 weeks old as they may need assistance with packing, moving, and unpacking. The council will address this negative impact by allocating additional support to pregnant women or women on maternity leave to assist them in moving home if necessary through a dedicated re-housing officer.</li> </ol>

**Race** - 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.

**Possible impacts (positive and negative) of proposed policy/decision/business plan**

Roughly, two-thirds of respondents were identified as Black. However, the CPO and re-housing policy (i.e. choice based letting, option to return and the leaseholder assistance package) will not disadvantage or discriminate against any race or ethnic group as both are applied fairly and equally to all groups throughout negotiations.

**Equality information on which above analysis is based**

63% of respondents were Black and 28% were confirmed as White overall. However, amongst the secure tenants and resident leaseholders, more than 50% were confirmed as White.

**Mitigating actions to be taken**

1. The council will work closely with residents of different nationalities or ethnicities to provide a translation service through community engagement for CPO and re-housing where English is a second language.
2. Residents might be reliant on specialist services or shops to purchase food and clothing in addition to recreational or leisure facilities in the locality. Choice based letting, priority over new build and re-lets and the option to return on the Elmington footprint will give residents the ability to remain in the area.

**Religion and belief** - 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.

**Possible impacts (positive and negative) of proposed policy/decision/business plan**

Residents, who are predominately Christian and Muslim, may have to move away from their preferred place of worship.

**Equality information on which above analysis is based**

58% of respondents said they were of the Christian faith while 28% said they were of the Muslim faith.

**Mitigating actions to be taken**

Choice based letting, priority over new build and re-lets and the option to return on the Elmington footprint will give residents the ability to remain in the area.

<b>Sex</b> - A man or a woman.
<b>Possible impacts (positive and negative) of proposed policy/decision/business plan</b>
The majority of respondents were female. However, the CPO and re-housing policy (i.e. choice based letting, option to return and the leaseholder assistance package) will not disadvantage or discriminate against any gender as it is applied equally to both groups throughout negotiations.
<b>Equality information on which above analysis is based</b>
75% of the respondents were female.
<b>Mitigating actions to be taken</b>
None proposed.

<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>
All respondents in the survey indicated that they are heterosexual. However, the CPO and the re-housing policy (i.e. choice based letting, option to return and the leaseholder assistance package) will not disadvantage or discriminate against sexuality as it is applied equally to all groups throughout negotiations.
<b>Equality information on which above analysis is based</b>
100% of the respondents were heterosexual.
<b>Mitigating actions to be taken</b>
None proposed.

### Human Rights

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

### Possible impacts (positive and negative) of proposed policy/decision/business plan

There is no "right to family life" impact as all household residents are re-housed together (including older children living with their families) although families with large bed needs can be more difficult to re-house.

### Information on which above analysis is based

There is no survey data on bed need; however, all of the effected units are 3 bedrooms or larger.

### Mitigating actions to be taken

1. Tenants have been given priority for new build and re-lets on the estate.
2. All of the proposed socially- rented new build units on the first development site to be constructed will be 3 bedrooms or larger.
3. Officers work closely with families to ensure their housing needs continue to be met through supportive, focussed face to face case work through a dedicated re-housing officer who will be able to allocated additional support and services to all affected groups.
4. Leaseholders are reimbursed the cost of appointing professional advisers to represent them in negotiations to secure market value in accordance with compulsory purchase legislation and guidelines for buyout. Resident leaseholders qualify for a 10% of the market value as a home loss payment as well as re-housing assistance for ownership or reversion to tenancy.
5. Leaseholders that cannot afford to buy elsewhere are offered re-housing assistance.
6. Re-housing policy was formulated with residents' input.

## 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	Identify sub-tenants in occupation at leasehold units	Requisitions to be issued to leaseholders by post and/ or in person	Oct 2014 onwards
2			
3			
4			
5			
6			
7			

<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>

## Elmington Estate Phase Three Compulsory Purchase Orders

### Procedural and Legal matters

#### Acquisition of Leasehold Interests

1. The council holds the freehold interest of all the land within the areas shown **edged** on the Plans at Appendix One. These four parcels of land contain a number of blocks of flats and maisonettes.
2. The Housing Act 1985 gives qualifying council tenants the right to buy their homes. Thirty one tenants at these properties purchased their homes under these provisions.
3. The council can only repurchase these leases in the following circumstances:
  - Where there is agreement with the leaseholder; *or*
  - Following a confirmed compulsory purchase order.
4. The statutory compensation code provides that a leaseholder is entitled to the following compensation following a compulsory acquisition:
  - the market value of the leasehold interest acquired;
  - a home loss payment: this is 10% of the market value where the leaseholder resides at the property or 7½% of the market value where the leaseholder is non-resident; and
  - a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include removal costs, legal fees and surveyors fees and costs of adapting a new property.
5. Where an acquisition takes place by agreement ahead of the exercise of compulsory purchase powers, the leaseholder is treated in the same way and with the same entitlements as would be the case if there was a compulsory purchase order.

#### Third party and statutory utility rights

6. Utility companies have legal rights across the sites that enable them to provide their infrastructure to the Estate. To enable regeneration to proceed these legal rights will have to be acquired or extinguished. It is also possible that persons may have acquired unregistered rights over the sites such as a right of access and these rights, if any, will need to be dealt with in the same way as those of the utility companies.
7. The remaining leaseholders on the Estate benefit from rights over the subject areas; the council's standard form of right to buy lease provides for them having rights over the whole Estate including roads, paths and gardens. These rights will have to be included within the Order[s] for extinguishment.

## OUTLINE OF COMPULSORY PURCHASE PROCEDURE

### Resolution

8. The Cabinet re-authorises a resolution to make the optimum number of Order(s). This is the purpose of this report.

### Referencing

9. The council assembles information that provides details of all owners, mortgagees, tenants, occupiers and those that may have acquired rights over each individual site. This is to identify what interests need to be acquired and who is entitled to receive a notification of the publication of the Order. This stage will enable the precise details of the Order areas to be determined. The boundaries shown **edged** on the plans at Appendix One may need subtle amendment in the light of this and it is recommended that the Director of Regeneration be given delegated authority to set the Order extents.

### Resolving planning and finance

10. In considering an Order the relevant Government Minister needs to be confident that the proposals behind it are likely to come to fruition. In this connection s/he will need to be satisfied that there are no significant town planning or financial obstacles that will frustrate it. The redevelopment proposed will be subject to obtaining planning permission and extensive pre-application discussion has already taken place between council officers from the Development Management, Property Team and development partners. Planning permission will need to have been achieved before the Order(s) is confirmed and the council's development partner are contractually bound to submit a planning application on all four sites by no later than end of September 2014. Financial robustness was a material consideration in the selection of the development partner to redevelop the four sites and the council is satisfied that Bellway Homes and Family Mosaic Housing Association have demonstrated the ability to carry out the scheme.

### Making the Order

11. The council makes the Order(s) to a defined format. A schedule accompanies the Order(s) identifying ownership details of all land within it. A Statement of Reasons must also be prepared to accompany the Order. This is a critical document that may be challenged by statutory or non-statutory objectors and therefore needs to be carefully drafted. In order for development to take place in the Order(s) areas **edged** on the Ordnance Survey plans, planning permission secured by the development partners and the confirmation that funding is available to carry out the development will need to be demonstrated in the Statement of Reasons for the redevelopment of Elmington Estate Phase Three sites C, D, E and G. The Statement of Reasons will state the use of compulsory Purchase powers that the council intends to use e.g s.226 Town & Country Planning Act (TCPA) 1990 to facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land; and demonstrate that there is a compelling case in the public interest and justification for requiring the order(s).

### Publication of the Order

12. The council serves notice of making of the Order(s) on all registered owners, mortgagees, tenants and occupiers affected by it. A notice of the making of the Order(s) has to be published for two successive weeks in a local newspaper.
13. The notices will advise that objections to it can be made to the relevant Government Minister and specify an address for this purpose. The Order(s) is then passed to the Government Minister for confirmation.

#### **Confirmation of the Order**

14. The Order(s) does not become effective unless confirmed by the relevant Government Minister. Where there are objections to the Order(s) they must be considered before confirmation. This is usually done by way of a public inquiry but can sometimes be dealt with by written representations.
15. After considering the objections [if there has been a public inquiry there will be an Inspector's Report] the relevant Government Minister may confirm, modify or reject the Order(s). If it is rejected that is the end of the process and the council will need to revisit its plans for redevelopment of sites C, D, E and G.
16. Following confirmation of the Order(s) or if it is modified, a notice advising of this must be published in the local newspaper and all leaseholders, tenants and occupiers should also have a notice served on them. A confirmed Order(s) should be implemented within three years to retain its validity.

#### **Taking Possession**

17. This can be achieved by either Notice to Treat/ Notice of Entry or by using General Vesting Declaration procedure. The latter is advised by Counsel to be the most appropriate use of compulsory purchase powers for the Elmington Estate Phase Three sites C., D, E and G as it transfers both the right to possession and title of the land to the Council.
18. It is anticipated that it will be a year to 18 months between making this resolution to obtaining possession; if there are complications it could be longer. It is assumed that there will be objections to the Order(s) and that these will require protracted negotiations and/or a public inquiry to resolve. If a public inquiry is deemed necessary, this will be called for and arranged by the relevant Government Minister so the council has little control over this process. Availability of resources at the Planning Inspectorate could cause a delay in scheduling than would be preferred and it is therefore a risk to be factored into project planning. If there are no objections or ones that are quickly able to be resolved, the period between publication and confirmation of the Order(s) could be significantly reduced.

#### **Number of Orders**

19. Elmington Estate Phase Three is a large area and includes four distinct, separate sites: C, D, E and G. Each site will be policy compliant in its own right with its own s106 and flexibility for individual or combined Compulsory Purchase Order (CPO). A planning application may be submitted individually on each site or all together.
20. A single Order is more administratively convenient; however, such an approach is inflexible because if there are objections it cannot become effective until all of



them have been dealt with. If individual Orders are made for the sites this is more flexible since objections on one site will not prevent an Order for another site without objections being confirmed.

21. It is therefore recommended that the Director of Regeneration be granted authority to review and amend the number of Orders as necessary.

### **Power to make a Compulsory Purchase Order**

22. Counsel's advice has been sought as to the preferred power under which the Order(s) should be made. Counsel advised that the preferred enabling provision for the purpose of compulsorily acquiring all the interests under which the Order(s) will be made is Section 226 of the Town and Country Planning Act (TCPA) 1990 rather than by s.17 of the Housing Act 1985. The TCPA 1990 contains more favourable provisions than the 1985 Act as it allows for rights, easements and covenants to be extinguished at the vesting date whereas the 1985 Act does not. The 1990 Act is not caught by the requirement to satisfy both the qualitative and quantitative objectives set out in the 1985 Act.
23. As Section 226 of the Town and Country Planning Act 1990 is recommended by Counsel as the enabling provision for the purpose of compulsorily acquiring all the interests required to progress the implementation of the regeneration of all four sites, the detailed application and use of this power is explained further below at paragraphs 30-36.

## **POLICY IMPLICATIONS**

### **Corporate**

24. The regeneration of the Elmington Estate is a long standing council policy. The making of the proposed Order[s] will underpin this.
25. The Elmington Estate Phase Three is the final part of the council's Elmington Estate initiative that started in 2000 when the Tower blocks were demolished and Phase One of new council housing was developed. Phase Two construction work is now well under way and completion of the first tranche of affordable accommodation is expected in October this year.

### **Planning**

26. The selected development partner for Phase Three sites C, D E and G have been through an extensive pre-application assessment prior to selection to establish that the proposals upon which their bid was based were planning compliant. The council's development partners are contractually bound to submit a planning application on all four sites by September 2014.

### **Housing Strategy**

27. The regeneration of the Elmington Estate is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme for the retained blocks. The successful delivery of Phase Three is the final part of the Elmington Estate regeneration programme.

### **Re-housing requirements**

28. The making of the Order[s] is in pursuance of a scheme that will give rise to the need to re-house some secure tenants in addition to remaining leaseholders. The planned timescale for the Elmington Phase Three re-housing takes into account the council's capacity within the overall social housing supply, including the replacement social and affordable housing that the scheme itself will provide. The re-housing process is being managed by use of a Housing Supply and Demand model which enables the balancing of competing high priority demands for housing across the period. Re-housing in regeneration schemes is regulated by the council's lettings policy. The policy provides a choice for remaining leaseholders and tenants between re-housing to a new housing association property built as part of the scheme or to an existing council owned property locally or elsewhere in the borough. Initially, re-housing will be managed through choice based lettings, i.e. tenants bidding (with the highest priority and in date order of their priority) under the council's Homeseach scheme, until programme requirements necessitate the use of pro-active re-housing, including if necessary, court proceedings.

### Property

29. The council has over the past two years been endeavouring to acquire by agreement the leasehold interests to move the scheme forward. The re-confirmation of this resolution will reinforce the council's intentions to complete its regeneration strategy and may encourage some of the remaining leaseholders to enter into meaningful negotiations. The Leaseholder Assistance Scheme (as specified in the Leaseholder's Toolkit that has been given to all leaseholders) provides guidance on increased options for leaseholders unable to make their own re-housing arrangements to enable them to move and CPO processes.

### Legal Implications

30. Section 226(1)(a) of the Town and Country Planning Act 1990 (the Act) (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) is advised by Counsel to be the appropriate power to secure the compulsory acquisition of remaining leasehold properties within the redevelopment sites D E and G.. Section 226(1)(a) enable authorities to exercise their compulsory purchase powers if they think that the land in question will:

*"Facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land."*

31. The council, in exercising its power under this Section must have regard to section 226(1a) which states:

*"(1a) But a local authority must not exercise the power under paragraph (a) of subsection (1) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects-*

- (a) The promotion or improvement of the economic well being of their area;*
- (b) The promotion or improvement of the social well being of their area;*
- (c) The promotion or improvement of the environmental well-being of their area."*

32. We are advised that the use of this section is the most appropriate having regard to the council's aspirations for Phase Three of the Elmington Estate regeneration. The interests to be acquired by the Order[s] are required in order to permit the redevelopment of Phase Three to take place and regeneration of the wider area to complete the regeneration programme. The proposal also satisfies the "well being" element of the Act in that the regeneration of Phase Three of the Elmington Estate is clearly required in order to provide a better standard of accommodation for residents compared to its current state and to create a sustainable and diverse community of mixed tenure homes. Thus the proposals will assist in promoting the social, economic and environmental well being of the area.
33. Appendix A of Circular 06/2004 ("Compulsory Purchase and the Criche Down Rules") ("the Circular") sets out the circumstances in which this power may be relied on by a local authority for the purposes of compulsorily acquiring land. It recognises that compulsory purchase powers under the Act provide a "positive tool" to local authorities in assisting them to acquire and assemble land where it is necessary to implement the proposals set out in the community strategies. It is now no longer the case that a planning permission is granted in order to justify the making of a compulsory purchase order under this section. As stated in paragraph 26, the development partners are contractually bound to submit a planning application - individually or a combined - by end of September 2014 before the Council proceeds with the Order(s) and indeed paragraph 15 of Appendix A of the Circular states:
- "It is also recognised that it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained, before proceeding with the Order."*
34. Instead the Circular advocates progressing and justifying a compulsory purchase order against a clear strategic framework and that the acquiring authority is able to confirm there are no planning hurdles or other impediments to the implementation of the scheme.
35. For the purposes of confirming a compulsory purchase order, the guidance identifies considerations which will be taken into account by the Secretary of State in making such a decision, namely:
- (a) *The purpose for the land being acquired fits in with the adopted planning framework for the area or where not such up to date framework exists, with the core strategy and any relevant Area Action Plan in the process of preparation in full consultation with the community;*
  - (b) *The extent to which the proposed plan will contribute to the achievement of the promotion or improvement of the economic social or environmental well being of the area;*
  - (c) *The potential financial viability of the scheme for which the land is being acquired, a general indication of funding intentions and commitments from third parties should suffice; and*
  - (d) *The purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means.*

36. Having regard to the guidance, the primary aims of the council in progressing the Order[s] (and ensuring their success if considered by the Secretary of State) should include the following:
  - i. Secure an appropriate delivery partner
  - ii. Obtain any other Order which may be required as part of the development proposals. It may be that various stopping up orders will be required and the council should seek to progress these so far as it is possible.
37. Although council officers are minded to use the 1990 Act for the reason set out in paragraph 22 should the Council pursue the compulsory acquisition of the remaining property interests in Elmington Estate Phase Three sites C, D E and G through the use of powers under the Housing Act 1985 ("the 1985 Act"), it is necessary to set out relevant guidance that must be complied with.
38. Section 17 of the 1985 Act empowers a local housing authority to compulsorily acquire land, houses or other properties for the provision of housing accommodation. The acquisition must achieve a quantitative or qualitative housing gain. This power is commonly used to improve sub-standard or defective properties. It is considered that the proposed redevelopment of Elmington Estate Phase Three sites C, D E and G would satisfy both the quantitative and qualitative objectives set out in the Act and the guidance in the Circular. The number of dwellings across all three housing sites (sites DEG) at present is 144; following the redevelopment of these sites the number will increase to approximately 225 subject to planning.
39. The design and construction of the new dwellings will be a major improvement on the existing dwellings and will be built to modern standards and policy compliant.
40. The proposal will include a broad range of tenure and dwelling types across all four sites. Current planning policy sets out the requirements of housing sizes in the borough. The consented scheme will need to reflect those requirements.
41. Appendix E of the Circular states that when applying for confirmation of a compulsory purchase order made under the 1985 Act, the authority should include in its statement of reasons for making the Order(s) information regarding needs for the provision of further housing accommodation in its area. This information should normally include the total number of dwellings in the district, unfit dwellings, other dwellings in need of renovation and vacant dwellings; the total number of households and the number for which, in the authority's view, provision needs to be made.
42. The local housing authority should also provide information about its proposals for the land or property it is seeking to acquire. Having selected development partners which has already taken significant steps to design a scheme for the land, the council will be able to provide this information.
43. Section 17(4) of the 1985 Act provides that the Secretary of State may not confirm a compulsory purchase order unless he/she is satisfied that the land is likely to be required within 10 years. The Secretary of State would not normally regard compulsory purchase as justified where development will not be completed within 3 years of acquisition.

44. As is already set out in this report, officers will continue to seek to negotiate the acquisition of interests by agreement rather than relying solely on the compulsory acquisition powers available. Section 120 of the Local Government Act 1972 contains wide powers for a local authority to acquire land by agreement for any of their statutory functions or for *'the benefit, improvement or development of their area'*. Section 227 of the Town and Country Planning Act 1990 also enables a council to acquire land by agreement for facilitating the carrying out of development, redevelopment of improvement and for the social economic and environmental well being of the area. It is considered therefore that there are adequate powers available to the council to secure outstanding interests in the land by Agreement.
45. Other rights may also be required in order to progress the aspirations of the council. For this reason, it is recommended that the council also acquire/ create new rights for the purposes of craneage and/ or oversailing. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is applicable in this regard and will enable the council to acquire/ create such new rights as may be necessary to facilitate the development taking place.
46. Demolition notices may need to be served on remaining 4 tenants within Phase Three of the Elmington Estate redevelopment areas. This will ensure that these tenants are not able to make an application to exercise their right to buy which will minimise the council's exposure in terms of new interests being created in the site whilst the Order[s] are being prepared and progressed.
47. The initial stage of the compulsory purchase process will be to ensure that the council correctly identifies all necessary interests in the Order(s) land that need to be incorporated within the schedule of the Order(s). As the council is the freeholder of the Order(s) land, much of this information should be readily available. Nonetheless it is advised that formal requisitions for information should be served on all known owners, mortgagees and occupiers of each property to be subject to the Order[s] pursuant to Section 5A of the Acquisition of Land Act 1981 (as amended). It is important that the council takes all reasonable steps to ensure that all interests are properly captured in the Order[s] and properly notified, the requisition for information is a means of ensuring the council fulfils this.
48. In the event that the Order[s] is confirmed, the next stage will be to vest all necessary title(s) in the council. This will be done so by way of the General vesting Declaration Procedure. This is something that can be carried out by the council's legal advisors as and when this stage is achieved.

### **Human Rights Considerations**

49. The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention").
50. In proposing the Order[s] the Council has duly considered the rights of property owners under the Convention, notably under the following Articles: *Article 1 of the First Protocol*. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.
51. The council has also considered the rights contained within Article 8 of the convention, which protects private and family life, home and correspondence.

No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well being of the country.

52. In relation to these Convention rights, the council has been conscious of the need to strike a balance between the rights of the individual and the interest of the public. In light of the significant public benefit that would arise from the redevelopment of the Elmington Estate Phase Three sites C, D, E and G by the additional residential units which meet more exacting standards it will be appropriate to make the Order[s] if the relevant leaseholder interests cannot be acquired by agreement. Objections can be made against the Order[s] that will then have to be considered by the Secretary of State before he decides whether or not to confirm the Order[s].

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 16 September 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 16 July 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

Background Papers	Held At	Contact
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	Children and young people
Appendix 2	East Dulwich Secondary School
Appendix 3	Alternating the role of Mayor
Appendix 4	Transport links in South Bermondsey
Appendix 5	Bakerloo Line extension

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Lesley John, Principal Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	4 September 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	No	No
Strategic Director of Finance and Corporate Services	No	No
Strategic Director of Children's and Adults Services	No	No
Director of Legal Services	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	4 September 2014	



**CHILDREN AND YOUNG PEOPLE**

At council assembly on Wednesday 16 July 2014 a motion entitled 'East Dulwich Secondary School' was moved by Councillor Victoria Mills. The motion was agreed and stands referred to the cabinet as a recommendation.

**Schools**

1. Council assembly recognises that there are real challenges ahead for local authorities to meet demand for school places, with more than one in four councils forecasting a shortage of primary school places this coming September, and nearly half of local authorities facing a places shortage in September 2015.
2. Council assembly welcomes the work of the current administration over the last four years to expand school places to meet demand, by expanding popular local schools and working with partners to open new ones, ensuring that last year every on time applicant in Southwark was offered a reception place.
3. Council assembly acknowledges that there continues to be a shortage of school places in certain areas and that some parents in Southwark feel they have little choice especially when they are unable to secure places at the community schools nearest to where they live.
4. Council assembly recognises that the work being done by the current Labour administration to ensure that there are sufficient school places to meet demand in the borough is being done against the backdrop of the Liberal Democrats working with the Conservatives in government making it harder and harder for councils to build new schools in the places they are most needed.
5. Council assembly notes with concern that the coalition government's flagship free schools policy is failing to address the national shortage of school places, with an estimated two thirds of primary school places not in areas of need. Council assembly calls on the government to stop putting politics before the needs of children by diverting money away from areas with a real shortage of places.
6. Council assembly recognises that the current situation in Southwark, where despite increasing demand some schools are struggling to fill places, with 335 vacancies in secondary schools and 201 vacancies in primary schools currently across the borough, is unsustainable.
7. Council assembly calls on cabinet to continue to drive up standards in Southwark schools and to bring forward a programme to work with schools to ensure that over 70% of students in every secondary school in the borough get at least five good GCSEs. Council assembly also calls for this programme of work to look beyond schools and to what additional support can be given to our looked after children and children from troubled families who all too often achieve well below their potential.
8. Council assembly also recognises the challenge where there are secondary schools in the borough which are rated as 'good' or 'outstanding' by Ofsted, but where parents do not want to send their children.

9. Council assembly therefore calls on the cabinet to work with local parents and the Department for Education to ensure that decisions about new schools are based on the needs of the community.
10. Council assembly calls on the cabinet to ensure that free schools work as part of the educational mix of the borough, by continuing to work with popular local schools who choose to come forward with free school proposals, sponsors who can demonstrate their commitment to working in partnership with both the council and local parents, and committed parents who want to open new schools in their area.

### **Childcare**

11. Council assembly recognises that the increasing cost of childcare is one of the most pressing issues affecting families in Southwark. Childcare prices have risen significantly while real earnings have fallen – contributing to the cost of living crisis – and there are serious gaps in provision for quality affordable childcare, particularly for working parents.
12. Council assembly recognises that the rising childcare costs are particularly detrimental to women and are pricing half a million British mothers out of work. Council assembly welcomes Labour's commitment nationally to increase the provision of free childcare for 3 and 4 year olds from 15 hours to 25 hours a week, but recognises that more needs to be done across the council's services to support mothers back into work.
13. Council assembly welcomes the commitment of this administration to invest in Southwark's children's centres and work with parents to set up two new community nurseries to increase the number of affordable childcare places in the borough.
14. Council assembly recognises the need for real long term solutions to this growing problem and therefore welcomes the establishment of the Childcare Commission, bringing together experts, parents, providers and employers to find ways to secure childcare provision that is accessible and affordable to all parents, supports them to be economically active, and delivers quality education and development for children in the early years.
15. Council assembly calls on the cabinet to implement the recommendations of the Childcare Commission and to look for opportunities for facilitating and encouraging employment through the provision of quality, affordable childcare, particularly for working mothers.

### **Beyond education and childcare**

16. Council assembly recognises that the council's duty towards children and young people goes beyond education and childcare. Therefore, council assembly also welcomes the council's commitment to:
  - Ensure a top quality playground in every local area and to introduce "play streets", closing some streets to traffic during school holidays to ensure children have the opportunity to play safely.
  - Continue to deliver free healthy school meals for every primary school child in Southwark and extend free fruit to all primary school children as a morning snack.

- Keep young people safe at home and in our community and protect children from abuse or neglect by investing in early support for families.
- Help more people to foster and adopt by paying their council tax, to help give more children a home where they are loved, safe and secure.
- Help young people to get sound financial education by opening a credit union account with a £10 deposit for every 11 year old and helping them get good money advice.

**EAST DULWICH SECONDARY SCHOOL**

At council assembly on Wednesday 16 July 2014 a motion entitled 'East Dulwich Secondary School' was moved by Councillor Charlie Smith and seconded by Councillor Helen Hayes. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

Council assembly:

1. Notes that there is clear evidence of the need for a secondary school in the Dulwich area in order to meet local demand and that the Dulwich hospital site has been identified as the only suitable site in the local area.
2. Notes that two providers have put forward proposals for a new secondary school on this site and that both are backed by strong local parental campaigns and have the full backing of the council and local MPs.
3. Notes that the need for primary school places in this part of the borough is being met through a number of new local free school proposals and the expansion of existing primary schools, including Ivydale School, which is the preferred choice of local parents.
4. Supports the view of local parents that what is needed on the Dulwich hospital site is a new secondary school, not another primary school.
5. Believes that it is completely unacceptable for the coalition government to be progressing plans for a primary free school on the Dulwich hospital site without consulting local parents or the local authority.
6. Believes that blocking a new and much needed secondary school in this area would completely go against the coalition government's own policy of responding to local need and demand, as well as the free school aspiration of parent led schools with a diversity of providers.
7. Calls on cabinet to press the Education Secretary to be open and transparent about his plans for the Dulwich hospital site and to listen to the views of the local community and their elected representatives who have been campaigning for a secondary school on this site.
8. Calls on councillors from all parties to stand firmly with local people who want a secondary school in East Dulwich, rather than supporting another primary school, which would limit rather than increase parental choice, in an area where the council has worked hard with popular local schools to expand places and meet demand

**ALTERNATING THE ROLE OF MAYOR**

At council assembly on Wednesday 16 July 2014 a motion entitled 'Alternating the role of Mayor' was moved by Councillor David Hubber and seconded by Councillor Eliza Mann. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. Council assembly recognises that the position of Mayor is a civic, ceremonial and non-political position.
2. Council assembly recognises that the current Mayor of Southwark was democratically elected by the majority of councillors in the borough. Council assembly accepts that the decision of councillors to elect as the first citizen a representative of the majority party, which includes representatives from across the whole borough, in recognition of the democratic wishes of Southwark residents.
3. Council assembly therefore supports the continued election of the Mayor by the full council in a democratic vote.

**TRANSPORT LINKS IN SOUTH BERMONDSEY**

At council assembly on Wednesday 16 July 2014 a motion entitled 'Transport links in South Bermondsey was moved by Councillor Leo Pollak and seconded by Councillor Sunny Lambe. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

Council assembly calls on the council to improve transport links in South Bermondsey to benefit local residents and boost footfall for local businesses, support the upcoming rejuvenation of the high street and help the Blue fulfill its potential as a major destination.

Council assembly calls on the council to:

1. Lobby Transport for London (TfL) to deliver new bus connections from Southwark Park Road, to and from London Bridge, the West End and the City, to ensure all of South Bermondsey is fully connected with the rest of London including building on existing conversations about the C10 route.
2. Press the Mayor of London for an extension of the cycle hire scheme into all parts of South Bermondsey.
3. Work with Network Rail and Grosvenor Estates to ensure that a new garden and pedestrian link through the redeveloped Biscuit Factory and railway arches is fully realised, directly connecting Bermondsey tube station to the Blue.
4. Take action to tackle the high number of heavy goods vehicles (HGVs) using Southwark Park Road through The Blue.

**BAKERLOO LINE EXTENSION**

At council assembly on Wednesday 16 July 2014 a motion entitled 'Bakerloo Line extension' was proposed by Councillor James Barber and seconded by Councillor Damian O'Brien. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. Council assembly applauds Labour councillors' long standing campaign to extend the Bakerloo Line to Camberwell and Peckham, which has included a petition signed by more than 2,750 people, in order to improve public transport for current and future Southwark residents, and to help bring jobs and growth to South London. Council assembly welcomes the fact that the Labour campaign to extend the Bakerloo line to Camberwell now has cross-party support, including from Liberal Democrat opposition councillors.
2. Council assembly welcomes the cabinet's commitment to campaign for the Bakerloo Line to be extended south of the Elephant and Castle to Camberwell, as set out in the cabinet report "Delivering a Fairer Future for all in Southwark".
3. Council assembly recognises that the Old Kent Road is desperately in need of better transport, particularly given its new designation as an opportunity area. Council assembly welcomes the further expansion of the Bakerloo line to the Old Kent Road, which could provide more opportunity for new homes in the area. However, council assembly believes that any expansion of the tube to the Old Kent Road should not be done at the expense of Camberwell, and therefore calls on the cabinet to press the Mayor of London to deliver on his promise to extend the Bakerloo line to Camberwell as well as the Old Kent Road.
4. Council assembly believes there is a strong case for expanding the Bakerloo Line to serve both Camberwell and the Old Kent Road and calls on cabinet to push for a two-branch extension with Transport for London (TfL) and the Mayor of London.

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