

## Cabinet

Tuesday 20 October 2015

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 Stephanie Cryan  
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  
Business, Employment and Culture  
Finance, Modernisation and Performance  
Adult Care and Financial Inclusion  
Public Health, Parks and Leisure  
Housing  
Environment and the Public Realm  
Children and Schools  
Communities and Safety  
Regeneration and New Homes

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## INFORMATION FOR MEMBERS OF THE PUBLIC

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### Access to information

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### Contact

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

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Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 12 October 2015



# Cabinet

Tuesday 20 October 2015

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.

#### **1. 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 dispensations 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 - 15
	To approve as a correct record the minutes of the open section of the meeting held on 15 September 2015.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
8.	<b>SOUTHWARK SCHOOL STANDARDS REPORT 2015</b>	16 - 65
	To note the “best start in life – Southwark school standards report 2015”.	
9.	<b>RESPONSE TO THE RECOMMENDATIONS OF THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE ON NARROWING THE ACHIEVEMENT GAP</b>	66 - 72
	To agree the proposed response to the education and children's services scrutiny sub-committee review on narrowing the achievement gap amongst pupils.	
10.	<b>RESPONSE TO RECOMMENDATIONS OF EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE REVIEW OF SOUTHWARK'S ADOPTION SERVICES</b>	73 - 78
	To agree the proposed response to the education and children's services scrutiny sub-committee review of Southwark's Adoption service and to agree a draft Adoption charter for consultation.	
11.	<b>RESPONSE TO RECOMMENDATIONS FROM THE SCRUTINY OF THE HEALTH OF THE BOROUGH</b>	79 - 91
	To agree the proposed response to the healthy communities sub-committee on the health of the borough.	
12.	<b>SOUTHWARK CEMETERY STRATEGY: RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY COMMITTEE</b>	92 - 93
	To consider recommendations from the overview and scrutiny committee.	
13.	<b>RESPONSE TO OVERVIEW AND SCRUTINY COMMITTEE RECOMMENDATIONS ON SOUTHWARK'S CEMETERY STRATEGY</b>	94 - 98
	To agree the proposed response to overview and scrutiny committee's recommendations on Southwark's Cemetery Strategy.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>14.</b>	<b>BETTER PLACED JOINT COMMITTEE WITH LONDON BOROUGH OF LAMBETH AND LONDON BOROUGH OF LEWISHAM</b>	99 - 111
	To note the proposal to establish a joint committee with the London Boroughs of Lambeth and Lewisham to support governance arrangements of the Lambeth, Lewisham and Southwark (LLS) Better Placed community budget programme.	
<b>15.</b>	<b>NEW SOUTHWARK PLAN - PREFERRED OPTION</b>	112 - 120
	To agree the New Southwark Plan Preferred Option for consultation.	
<b>16.</b>	<b>AYLESBURY REGENERATION: AMERSHAM SITE (PLOT 18) REDEVELOPMENT</b>	121 - 133
	To note the update progress report of the work carried out by the council and its development partner. To agree to proceed with the development of the Amersham site (plot 18) to ensure the early delivery of community facilities.	
<b>17.</b>	<b>GATEWAY 1: SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME PROCUREMENT APPROVAL</b>	134 - 160
	To approve the use of GLA's London Development Panel and the inclusion of sites as listed in the appendix to the report.	
<b>18.</b>	<b>ELEPHANT AND CASTLE PLACE-MAKING: THE NEXT STEP</b>	161 - 175
	To note that cabinet may in the future be asked to resolve to make a compulsory purchase order in order to enable the regeneration of Elephant and Castle shopping centre to proceed.	
<b>19.</b>	<b>GATEWAY 1: ASBESTOS CONSULTANCY SERVICES CONTRACT A – SURVEYING AND BULK SAMPLING AND CONTRACT B – AIR SAMPLING AND MONITORING</b>	176 - 185
	To agree the procurement strategy outlined in the report for two asbestos consultancy services contracts.	
<b>20.</b>	<b>ASSET MANAGEMENT STRATEGY</b>	186 - 200
	To approve the consultation plan for the strategy and approve the first year programme for delivery in 2016/17.	

Item No.	Title	Page No.
21.	<b>25 BROWING STREET, SE17, 8 TRAFAGLAR AVENUE, SE15, 26 HANNOVER PARK SE15 AND 80 DARRELL ROAD, LONDON SE22 - DISPOSAL OF FREEHOLD INTERESTS</b>	201 - 209
	To authorise the head of property to dispose of the council's leasehold interests in 25 Browning Street, SE17, 8 Trafalgar Avenue, SE15, 26 Hannover Park, SE15 and 80 Darrell Road, London SE22 for a sum that equates to the market value of the individual properties.	
22.	<b>66 AND 68 AMBERGATE STREET, LONDON SE17 3RX - DISPOSAL OF FREEHOLD INTEREST</b>	210 - 215
	To authorise the head of property to dispose of the council's freehold interest in 66 and 68 Ambergate Street, London SE17 3RX.	
23.	<b>GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - COMMERCIAL FLEET</b>	216 - 239
	To approve the procurement strategy for the provision of a commercial fleet under lease arrangements.	
24.	<b>GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO ALL SOUTHWARK COUNCIL SITES</b>	240 - 252
	To approve the supply of gas to all council sites to LASER.	
25.	<b>GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF ELECTRICITY TO ALL SOUTHWARK COUNCIL SITES</b>	253 - 267
	To approve the award of the supply of electricity to all council sites to LASER.	
26.	<b>FORMER SOUTHWARK PARK NURSING HOME, 94 - 116 SOUTHWARK PARK SE16 - DISPOSAL OF LONG LEASEHOLD INTEREST</b>	268 - 272
	To agree that the head of property agree terms to dispose of 94-116 Southwark Park Road, London SE16 to DV4 Limited SPV (Delancey).	
27.	<b>GATEWAY 2 MAJOR WORKS FRAMEWORK CONTRACTS</b>	273 - 286
	To approve the establishment of the major works framework for a period of 4 years from 4 January 2016.	
	<b>DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING</b>	

**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****28. MINUTES****29. FORMER SOUTHWARK PARK NURSING HOME, 94 - 116  
SOUTHWARK PARK SE16 - DISPOSAL OF LONG LEASEHOLD  
INTEREST****30. GATEWAY 2 MAJOR WORKS FRAMEWORK CONTRACTS**

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

Date: 12 October 2015

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

**Cabinet 20 October 2015**

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 20 October 2015 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 29: Former Southwark Park Nursing Home, 94 – 116 Southwark Park Road SE16 – Disposal of Long Leasehold Interest**

**Item 30: Gateway 2: Major Works Contractor Framework**

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:** 12 October 2015

## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 15 September 2015 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 Stephanie Cryan  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Darren Merrill  
Councillor Victoria Mills  
Councillor Michael Situ  
Councillor Mark Williams

### 1. APOLOGIES

There were none.

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

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

Item 20: Adult Social Care, Fairer Contributions Policy – Outcomes of Consultation Exercise and Implementation

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

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

### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

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

No public questions were received.



## 6. MINUTES

### RESOLVED:

That the minutes of the meetings held on 21 and 28 July 2015 be approved as a correct record and signed by the chair.

## 7. DEPUTATION REQUESTS

There were none.

## 8. REVISED CANADA WATER AREA ACTION PLAN

### RESOLVED:

1. That an additional modification be made to page 38 (paragraph 4.4.5) of the Revised Canada Water Area Action Plan (appendix B of the report) to update the list of sports facilities in the area.
2. That council assembly be recommended:
  - To consider the Planning Inspector's report on the Revised Canada Water Area Action Plan (Appendix A).
  - To adopt the revised Canada Water area action plan (Appendix B) and the revisions to the adopted policies map (Appendix C), as amended by the Inspector's main modifications (Appendix D) and the council's minor modifications (Appendix E).
  - To note the sustainability appraisal (Appendix F), sustainability appraisal statement (Appendix G), equalities analysis (Appendix H), consultation report (Appendix I) and appropriate assessment (Appendix J).

## 9. TATE MODERN PROJECT - LAST £1M CONTRIBUTION

### RESOLVED:

That £1m of capital funding towards the practical completion of the Tate Modern extension project be committed.

## 10. APPROVAL OF THE COUNCIL'S LOCAL IMPLEMENTATION PLAN DELIVERY PLAN, ANNUAL SPENDING SUBMISSION FOR 2016/17

### RESOLVED:

#### Decisions of the Cabinet

1. That the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Lip funding in 2016/17

Appendix A of the report be agreed.

2. That the identified programme be submitted to TfL by 9th October 2015 be agreed.
3. That the implementation of the programmes as set out in Appendix A of the report be agreed.

#### **Decisions of the Leader of the Council**

4. That authority be delegated to the cabinet member for environment and the public realm to amend the programme for 2016/17 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
5. That authority be delegated to the cabinet member for environment and the public realm to determine the most appropriate use of the £100,000 discretionary funding allocated by TfL for 2016/17.

### **11. NEW HOMES DELIVERY PROGRAMME**

The leader allowed representations to be made by residents of the Salisbury Estate on this item.

#### **RESOLVED:**

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

1. That in principle agreement be given for the schemes listed in paragraph 9 of the report to be worked up in accordance with the individually identified recommendations and in line with the Charter of Principles for inclusion in the New Homes Delivery Programme.
2. That the consultation undertaken on schemes in paragraph 9 of the report to date be noted.
3. That the rehousing options in paragraphs 14-16 of the report available to residents impacted by any potential development, as outlined in the Charter of Principles be noted.

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

4. That the approval of future schemes for inclusion in the New Homes Programme be delegated to the cabinet member for regeneration and new homes, as outlined in paragraph 22 of the report.

### **12. MAJOR WORKS STATUS REPORT INCORPORATING WARM, DRY AND SAFE**

#### **RESOLVED:**

1. That the status of the housing investment programmes at March 2015 with particular reference to achieving the Warm, Dry and Safe (WDS) standard be noted.
2. That it be noted that the current WDS investment is on course to be fully committed by the end of 2015/16 and that first year of delivering the kitchen and bathroom guarantee will be delivered alongside the final year of the WDS investment.
3. That the target at the end of 2015/16 is achieving 90% decency which will be the highest decency figure Southwark has achieved be noted. The pre-WDS figure was 56% in April 2010.
4. That the work that has been delivered to nearly 7,000 homes in partnership with British Gas to deliver environmental improvements including roofs, windows and insulation work at a notional cost to Southwark be noted.
5. That it be noted that over 15,000 properties had received works or were in the process of receiving works to their homes or blocks at March 2015.
6. That the current programmes resources be noted and that revised resources will be presented to cabinet as part of a detailed affordable funding plan to support housing investment in new council homes and the existing stock. This will also encapsulate the quality kitchens and bathroom guarantee.
7. That it be noted that this report will be sent to Home Owners Council and Tenant Council following cabinet approval.

### **13. FAMILIES MATTER**

#### **RESOLVED:**

That the Families Matter strategy and implementation plan be agreed.

### **14. POLICY AND RESOURCES STRATEGY 2016/17 TO 2018/19 - SCENE SETTING REPORT**

#### **RESOLVED:**

1. That the key issues contained within the chancellor's budget statement insofar as they impact on the council especially with regard to council housing and welfare benefits be noted.
2. That the potential reduction in settlement funding for the council between 2016/17 and 2018/19 of £76.1m arising from London Councils most recent predictions, as shown in the table in paragraph 17 of the report be noted.
3. That the real terms net budget shortfall for the period 2016/17 – 2018/19 of around £96m after taking account of inflation and known cost pressures be noted.
4. That it be noted that funding for local authorities will not be finalised until publication

of the Comprehensive Spending Review on 25 November 2015, and that Southwark's share will not be known until the provisional grant settlement, currently scheduled for November or December.

5. That the chancellor's announcement subsequent to the budget requiring departments with unprotected budgets (including local government) to model two scenarios of cost reductions of 25% and 40% by 2020 be noted.
6. That the government consultation seeking options for delivering in year reductions in public health funding, equivalent to 6.2% of the ring-fenced grant be noted.
7. That the actions to meet the challenge currently being included in the budget model as shown in paragraphs 62 to 78 of the report be noted.
8. That the updated Fairer Future Budget Principles as shown in Appendix A of the report be agreed.
9. That consultation on the difficult choices to be made should be carried out over the coming months, and to take account of the equalities impact of any decisions be agreed.
10. That officers be instructed to submit a further report to cabinet in November 2015 to include any further settlement information that becomes available, savings identified during the second round of budget challenge meetings, and on further budget options necessary to achieve balanced budgets over the next three years.

**15. REVENUE MONITORING REPORT FOR QUARTER 1, 2015/16, INCLUDING TREASURY MANAGEMENT**

**RESOLVED:**

1. That the following be noted:
  - the general fund outturn forecast for 2015/16 and forecast net movement in reserves by department
  - the housing revenue account's (HRA) forecast outturn for 2015/16 and resulting forecast movement in reserves
  - the treasury management activity for the first three months of 2015/16.
2. That the continuing pressure on homelessness budgets, and the forecast requirement to draw down reserves of £2.3m, representing a 192% overspend on the current net expenditure base budget be noted.
3. That the potential in year reduction of Public Health grant of £1.6m, if local cuts are made on a pro rata basis, from the current government consultation on the methodology to be used when cutting the grant be noted.
4. That the general fund budget movements that exceed £250,000, as shown in Appendix A of the report be approved.

**16. QUARTER 1 CAPITAL MONITORING FOR 2015/16 AND CAPITAL PROGRAMME REFRESH FOR 2015/16 - 2024/25**

**RESOLVED:**

1. That the general fund capital programme for the period 2015/16 to 2024/25 as at Quarter 1 2015/16, as detailed in Appendices A and D of the report be noted.
2. That the housing investment programme for the period 2015/16 to 2024/25 as at Quarter 1 2015/16, as detailed in Appendix B of the report be noted.
3. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
4. That the projected expenditure and resources for 2015/16 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report as at Quarter 1 2015/16 be noted and that this position will be updated during the year when more up to date information is available.

**17. GATEWAY 2: CONTRACT AWARD APPROVAL: INTEGRATED DRUG AND ALCOHOL TREATMENT SYSTEM**

**RESOLVED:**

That the award of the adult integrated drug and alcohol treatment system contract to Lifeline Project Ltd. up to a maximum annual value of £3,913,104 in year one, £3,513,667 in year two and £3,499,467 in year three for a period of three years commencing on 4 January 2016 with an option to extend for a further period or periods not exceeding two years in total, making a total maximum contract value of £18,656,306 be approved.

**18. GATEWAY 2: CONTRACT AWARD APPROVAL HEATING AND WATER CONTRACTS**

**RESOLVED:**

1. That the award of Contract A (north of the borough) Heating and Water Contract to OCO Ltd for the estimated sum of £7.2m per annum for a period of 5 years from 1 April 2016 with the option to extend up to 5 years (3+2 years) making a total estimated contract value of £72m be approved.
2. That the award of Contract B (south of the borough) Heating and Water Contract to Smith and Byford Ltd for the estimated sum of £6.6m per annum for a period of 5 years from 1 April 2016 with the option to extend up to 5 years (3+2 years), making a total estimated contract value of £66m be approved.
3. That OCO Ltd and Smith and Byford Ltd to act as back up contractor to each other on their own tendered rates when required be approved.

## 19. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

### RESOLVED:

#### Schools, Standards and Places

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

That council assembly:

1. Welcomes the good progress being made by the council in keeping pace with the increased demand for primary and secondary school places and in driving up standards for educational achievement.
2. Recognises the incredible work of Southwark schools, where results and performance are rising and scores continue to be above the national average.
3. Recognises the work that this administration has done to create new school places within the challenging context of the government's free schools programme, working with communities and providers to open new schools that parents want in areas of high demand.

#### Standards

4. Welcomes the increase in the number of schools in the borough that are rated either Good or Outstanding, which has risen to 91%, from 64% in 2010, with no schools in Southwark rated inadequate.
5. Notes that:
  - Southwark's performance is higher than the national and London averages at foundation stage is narrowing the gap with London average for Key Stage 1 performance
  - Southwark ranks in the top quartile nationally for Key Stage 2 results
  - Southwark is in the top quartile nationally for GCSE results and was ranked joint 20th in the country, an improvement of 43 places since 2013
  - Southwark is one of the most improved and high performing London boroughs at secondary level and continues to outperform other neighbouring boroughs in results at GCSE, English Baccaalaureate and A Levels.
6. Applauds Southwark secondary schools for record levels of improvement achieved in GCSE results and calls on cabinet to continue supporting schools and protecting school improvement work in the face of vicious government cuts, to achieve even more and meet the council's ambitious target of 70% of our young people achieving five or more A\* to C grades at GCSE or equivalent by 2016.

#### Places

7. Recognises that demand for school places in Southwark, particularly in the north

of the borough, continues to rise. Following the Liberal Democrats' admission that there was a 'school places crisis' when they ran the council, Council assembly welcomes the steps taken by this administration to ensure additional school places to meet this demand.

8. Calls on the cabinet to continue the practice of the last five years of expert and well researched places planning, and investment in high quality education facilities in popular, well performing schools.
9. Welcomes the work undertaken by the council to create 1,690 additional primary school places since 2010 and commends the current expansion programme, and the two new free school projects Belham and Galleywall, which will provide additional school places to meet forecast demand for September 2016.
10. Also welcomes the council's work to assist and facilitate expansion in oversubscribed secondary schools and to open a new Charter School in East Dulwich. Council assembly calls on cabinet to work with the community and providers to open an outstanding secondary school on the former Southwark Fire Station site, to meet demand for secondary school places in the north of the borough.
11. Believes that there should always be a requirement to consult with parents about the school their child is attending. Council assembly therefore condemns the proposals in the Education and Adoption Bill, which will scrap the requirement for academy sponsors to consult locally on whether they should take over schools. Council assembly calls on cabinet to challenge the government to explain what possible benefits there are in forcing a school to go through the academy process at the moment they are rated inadequate, when local experience in Southwark shows that intensive support from a local authority can help a struggling school get back on track.

### **Save Southwark Woods**

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

1. That council assembly is proud of Southwark being one of the greenest boroughs in London and believes that woods in Southwark are a vital part of our borough. The council invests approximately £130,000 every year in valuable woodlands such as Dulwich Upper Wood, Sydenham Hill Wood and Russia Dock Woodland - a combined 55 acres of woodland - and also maintains many dedicated wildlife sites, nature gardens and Sites of Importance for Nature Conservation around the borough, to provide a habitat for wildlife and open space for residents to enjoy.
2. That council assembly notes that at no stage prior to the submission of this motion have Liberal Democrat councillors sought to comment on or engage with the council on its cemeteries strategy and condemns any party seeking to "play politics" with this important issue.
3. That council assembly regrets that inaccurate claims have been made about the council's cemeteries strategy and notes its concern that these claims have led to

residents being misinformed about the council's plans to bring two pieces of designated burial ground, one of which is currently inaccessible, into use in Camberwell Old and New Cemeteries. The areas proposed for development measure less than one acre in total.

4. That council assembly recognises the challenge the council faces in securing sustainable burial space in the borough and notes that if the council takes no action, burial space in Southwark will run out in early 2017.
5. That council assembly believes that it is important to recognise the wishes of those residents who want to have the option to bury their loved ones locally and who for financial reasons would struggle to travel to visit a cemetery outside the borough.
6. That council assembly notes that an extensive public consultation was undertaken in 2011 on the future of Southwark's cemeteries and that the local community has also been given the opportunity to review detailed plans for the next phase of the Cemetery Strategy and contribute feedback over the last seven months.
7. That council assembly calls on the cabinet to:
  - Maintain the status of Camberwell Old and New Cemeteries as Sites of Importance for Nature Conservation
  - Continue to work with the London Wildlife Trust, the Forestry Commission and the local community to ensure that the plans for managing the cemeteries enhance the existing biodiversity and ecology of the area
  - Continue to engage with the local community on the council's plans for cemeteries throughout the process of implementing the cemeteries strategy
  - Continue to protect green spaces throughout the borough, as well as providing burial space for the future, to create quality open space for local people alongside a respectful place for the deceased.

### **Right to Buy**

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

1. That council assembly welcomes this administration's commitment to building 11,000 new council homes to meet growing demand for affordable housing in the borough, with the first 75 of these new homes recently being built at Willow Walk.
2. That council assembly notes however that the council's ambitious house-building programme is at serious risk from the government's right to buy proposals, which could lead to up to 500 council homes a year in Southwark being sold, as well as forcing the sale of new council homes as soon as they are built.
3. That council assembly believes these proposals will have a devastating effect on council housing in Southwark and could effectively stop the local authority from building much-needed new council homes, particularly in the north of the borough.
4. That council assembly believes that at a time when London boroughs are facing a



housing crisis, it is an utter disgrace for the 12,000 people on Southwark's housing waiting list for the government to force the sale of desperately needed council homes. Council assembly also believes that is wrong for council housing to be sold in London, where there is a massive housing shortage, to fund the sale of housing association properties outside the capital.

5. That council assembly calls on the cabinet to work with other London boroughs to lobby the government to reconsider these preposterous plans and to push for an exemption to new build homes, to ensure that the government's plans do not jeopardise the council's ambitious council house building programme.

### **Children Missing from Care**

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

That council assembly:

1. Puts on record its concern about the issue of young people in Southwark and throughout London going missing from care, which can put already vulnerable people at further risk of exploitation, abuse or other serious harm.
2. Notes that in 2014/15 there were 249 recorded incidents of children going missing from care in Southwark.
3. Recognises that this is a complex issue and thanks council officers and care home staff who have been working to support young people in care and reduce the number going missing.
4. Welcomes the council's decision to commission the St Christopher's Charity to provide home visits for all young people reported missing, building trust and working with the young people to understand the reasons behind why they go missing, which is successfully reducing repeat missing episodes.
5. Welcomes the close analysis of the impact of this work by the corporate parenting committee over the last year, by meeting with St Christopher's and considering the early data produced and the feedback from young people.
6. Welcomes the work being done by the council to respond to the reasons why children are going missing from care, and to find innovative ways to improve outcomes for children and young people at risk of family breakdown, to strengthen parenting and rebuild relationships between young people and their parents and to help keep more families together.
7. Welcomes the council's recruitment drive to increase the number of local foster carers through exempting them from council tax so that when children do need to be taken into care they are able to stay close to family and friends.
8. Also welcomes the work of the Safer London Project working with young people who are at risk of sexual exploitation, to build relationships with some of our most vulnerable young people and ensure that safety plans are put in place to reduce

the risk of exploitation.

9. Welcomes the work done on this issue by politicians on all sides, including the 'Looked-After Children: Missing In Care' report by Caroline Pidgeon AM published in June 2015, which looked at the problem across London.
10. Recognises that this is a problem that should be acknowledged and understood by all councillors in order to highlight the issue, work towards reducing the number of recorded incidents in future years and ensure there is no complacency whatsoever where the welfare of looked-after children is concerned.
11. Notes that the council has a weekly report on children missing from care and that all children are offered a missing from care interview undertaken by St Christopher's to find out if the young person is at risk, or if there are any problems with their placement.
12. Notes that corporate parenting has responsibility for monitoring data on children missing from care and has a membership of cabinet member, backbenchers and independent members, is cross-party and has regular attendance not only from officers but also other agencies such as health as well as contributions from Speakerbox, our award-winning Children in Care Council.
13. Notes that corporate parenting committee is not only well placed to scrutinise the issue of children missing from care and the council's response but is actively doing so.
14. Also notes the on-going scrutiny of this issue by the multi-agency Children's Safeguarding Board.
15. Welcomes any request for further scrutiny by education and children's services scrutiny sub-committee.
16. Calls on the cabinet to continue to tackle the problem of children missing from care by:
  - Monitoring each of the recommendations included in the corporate parenting committee's statutory guidance on children who run away or go missing from home or care
  - Receiving a report on the work commissioned from St. Christopher's and the council's response to the feedback captured from our young people
  - Working closely with the police and all other key partners from the Children's Safeguarding Board on missing children and those at risk of sexual exploitation.

### **Revitalising the Blue**

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

That council assembly:

1. Believes that while high streets are at the heart of the economic and civic renewal of many of our neighbourhoods, the challenges of online competition, redeveloped shopping centres and prevalent retail uses that take money out of a neighbourhood mean that creative solutions are required for their future vitality.
2. Welcomes the investment Southwark Council has made through the Investing In Local Retail Environment (ILRE) and High Street Challenge programmes across the borough, including the improvements made to shop fronts and public realm at the Blue and Southwark Park Road and the support provided to help establish the Blue Bermondsey business improvement district.
3. Supports the Blue Bermondsey BID's efforts to drive new investment into the area in a way that directly benefits local people and welcomes the establishment of a "Commonplace" survey to identify what kinds of shops, stalls, attractions and general amenities local people want.
4. Notes that the balance of shops around the Blue and Southwark Park Road does not serve local residents well, with 4 betting shops, 8 fast food takeaways, and 12 general grocer/late night off licences in the immediate area.
5. Notes that the Southwark Park Road/Market Place town centre has a very high concentration of retail units under council ownership and management.
6. Calls on cabinet to develop a new lettings strategy or charter for the parade, in dialogue with the Blue Bermondsey BID, local residents and landlords, which takes a holistic view on the maximisation of revenue income from the parade by creating over time the full variety of retail uses serving all parts of the local community and establishing the Blue as a cultural and retail destination for people in Bermondsey and beyond.

### **Albion Primary School**

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

1. That Southwark faces a significant challenge in meeting the growing demand for school places across the borough. Council assembly therefore welcomes the redevelopment of Albion Primary School, which will provide new school facilities and enable the school to expand to add an additional class, providing education to more Southwark children.
2. That council assembly welcomes the leadership being provided by Albion Primary School in meeting the challenge of growing places and building an innovatively designed new school, which makes the best possible use of outdoor space.
3. That council assembly further applauds Albion Primary School for taking the brave decision to release a portion of land on the site for housing, helping to meet the council's ambitious pledge to build 11,000 new council homes while also enabling the school to build a state of the art building with fantastic facilities.
4. That council assembly believes the redevelopment of Albion Primary will deliver a

genuinely world class school for Southwark children, make a huge contribution to the regeneration of the area and provide high quality facilities for the local community.

## **20. ADULT SOCIAL CARE, FAIRER CONTRIBUTIONS POLICY - OUTCOMES OF CONSULTATION EXERCISE AND IMPLEMENTATION**

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept as urgent because the proposals in the report were intended to modernise the council's approach to charging for social care and, in a time of financial austerity, to ensure its approach to charging for services was sustainable for the local authority in the long term. If the proposals were accepted income raised will be used to fund care services. Any delay in implementing the policy would adversely affect this income stream. If the income stream is affected then other services may suffer as the difference will need to be found.

### **RESOLVED:**

1. That the responses to the consultation on the proposed changes to the Fairer Contributions Policy as set out within the report and in Appendix 2: "Fairer contributions policy consultation responses summary" be noted.
2. That the equality and impact analyses set out in Appendix 1 of the report: "Equality and impact analysis – Fairer Contributions Policy" be noted.
3. The information contained within the report and its appendices were considered and the adoption of the proposed changes to the charging policy agreed:
  - To change the level of available income after financial assessment below which a service user will not be charged anything for their care from £2 to £3 a week
  - To charge up to 100% of available income, after financial assessment, increasing this from up to 80%
  - To ask all eligible service users, who are assessed as financially able to contribute, for a contribution toward their care costs
  - To simplify charging, so that all services, including respite care, meals and telecare services currently charged at a flat rate, are included within a financial assessment so that service users will only pay what they can afford
  - To assess and charge non-residential care services in the same way that we assess residential care, so that non-residential care service users with savings or capital above £23,250 no longer have their care subsidised by the council
  - To introduce a discount scheme for social care customers paying by direct debit.
4. That the proposed changes to be adopted in a new Fairer Contributions Policy to be

applied from October 2015 be agreed.

## **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 rules of the Southwark Constitution.

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

### **21. MINUTES**

The closed minutes of the meeting held on 21 July 2015 were approved as a correct record and signed by the chair.

### **22. GATEWAY 2: CONTRACT AWARD APPROVAL: INTEGRATED DRUG AND ALCOHOL TREATMENT SYSTEM**

The cabinet considered the closed information relating to this item. Please see item 17 for decision.

### **23. GATEWAY 2: CONTRACT AWARD APPROVAL HEATING AND WATER CONTRACTS**

The cabinet considered the closed information relating to this item. Please see item 18 for decision.

Meeting ended at 6.15pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 23 SEPTEMBER 2015.**

**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> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark School Standards Report 2015	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children and Schools	

## **FOREWORD BY COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

We believe in giving all our young people the best start in life. We know that what we learn and discover at school can profoundly influence what we are able to achieve later in life and that a great education is a key to unlock each and every child's full potential. Making sure that all Southwark's schools support but also challenge our young people is at the very heart of all that we do. We are proud of our schools. They are above the national average in all external examination areas and 91% are judged as being good or outstanding by Ofsted.

This report sets out information on school standards and other related areas in Southwark. It includes school results in external assessments, attendance and exclusions from school, admissions, the attainment of Looked After Children, and the attainment of children from different pupil groups in Southwark.

Our ambition is to continue to improve standards in our schools and discussions are underway with secondary schools as to how we can, in partnership, support every Southwark school to reach the ambitious target of 70% of pupils attaining 5+ GCSEs at grades A\*-C. Our children and young people deserve the very best and that's what we will always aim for.

## **RECOMMENDATIONS**

1. That cabinet note the 'Best start in life - Southwark school standards report 2015' attached at Appendix 1.

## **BACKGROUND INFORMATION**

2. Members requested a report on school standards in Southwark be produced that would set out information covering attainment across the borough. The attached report at Appendix 1 contains information on educational achievement ranging from Early Years Foundation Stage (5 years old), through to A-levels. The report also contains data on post-16 not in education, employment or training (NEET) performance; the achievement of different groups, including Looked After Children; information on attendance and exclusion and school admissions.

## **KEY ISSUES FOR CONSIDERATION**

3. The key issues for consideration are included in the report at Appendix 1 - 'Best start in life – Southwark school standards report 2015'.

4. The 2015 data contained within this report is provisional. The Department for Education will provide validated results in December for primary phase and January for secondary phase.
5. We will update the report as required as soon as the validated results are published.

### **Policy implications**

6. The report at Appendix 1 is fully aligned to local planning and policy frameworks including the Council Plan, and Children and Young People's Plan 2013-16. These outline the council's continued commitment to meeting the demand for primary and secondary school places and supporting schools to be outstanding, with children and young people able to achieve their full potential with at least 70% of students at every secondary school achieving at least five good GCSEs, and parents able to exercise real choice in a high performing local schools system.

### **Community impact statement**

7. The impact on communities of the issues and recommendation within the school standards report has been considered in line with Southwark's Approach to Equality. Generally the recommendations will have a positive impact on communities through the commitment to meeting the demand for primary and secondary school places and continuing to drive up standards across our schools so at least 70% of students at every secondary school get at least five good GCSEs.
8. The school standards report at Appendix 1 includes detailed information on the attainment of different pupil groups by race and ethnicity, disability, gender, age and disadvantage identified through pupil premium funding and/or eligibility for free school meals (including deprivation, adopted from care and children looked after). The report also includes information on what Southwark council intends to improve.

### **Resource implications**

9. There are no resource implications resulting from the recommendations in this report. The continued delivery of universal education services and statutory functions, including early years, school improvement, school admissions and youth services, specialist education and special educational needs services will continue to be provided via the existing education budget as set out in the council's Policy and Resources Strategy 2015/16 to 2017/18.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

10. The purpose of this report is to provide an update to cabinet on Southwark school standards in 2015.
11. The council is the relevant authority tasked with carrying out functions in relation to education and childcare in Southwark.

12. The council has a number of general duties in relation to the provision of education, including a duty to contribute towards the spiritual, moral, mental and physical development of the community, by securing that efficient primary, secondary and further education are available to meet the needs of the population of the area. Cabinet will note that the council itself maintains the significant majority of the schools discussed in the report; however the council's ability to develop new school proposals is now significantly restricted, and legislation enables existing maintained schools to convert to academy status which are outside of the council's ownership and control.
13. In respect of people aged under 20 (or over 20 if the council maintains an Education, Health and Care Plan for them), the council must also exercise its education and training functions with a view to promoting high standards, ensuring fair access to opportunities for education and training, and promoting the fulfilment of learning potential by every person to whom this duty applies.
14. More generally, in respect of the well-being of children, the council is under a duty to make arrangements to promote cooperation between the council and relevant partners to promote the well-being of children in the authority's area. The council is also under a duty to improve the well-being of young children and reduce inequalities between them. "Well-being" in the context relates to education and training, amongst other things.
15. As such, the preparation of a school standards report is something that can be said to be incidental to the council's functions in these areas.
16. The inspection of schools is a function of the Chief Inspector of Schools. The assessment data for Key Stages 1 and 2, referred to in the report, arises from tests that schools are under a duty to administer; they must also report the results of those tests. Besides these more general duties, the council has a number of more specific functions in relation to education. Of particular relevance to the subject matter of the report are: the duty to exercise council functions with a view to promoting the effective participation by young people aged 16-18 in education or training; a duty to promote the educational achievement of children looked after by the council; a duty to make arrangements (so far as it is possible) to identify children in Southwark who are of compulsory school age but are not registered with a school and are not receiving suitable alternative education; and powers to instigate legal proceedings for non-school attendance.
17. When making its decision, section 149 Equality Act 2010 requires that Cabinet have due regard to the need to eliminate discrimination and other prohibited conduct and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. Information about the consideration given to equalities issues is set out in the Community Impact Statement.

### **Strategic Director of Finance and Governance**

18. The strategic director of finance and governance notes the recommendations in this report which sets out information on school standards including school results in external assessments, attendance and exclusions from school, admissions, the attainment of Looked After Children, and the attainment of children from different pupil groups in Southwark.



19. The financial implications are outlined in the body of the report and highlight that funding is identified via existing education budget as set out in the council's Policy and Resources Strategy 2015/16 to 2017/18.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Performance tables for school level and national 2014 KS2; GCSE and A Level attainment	Department for Education (DfE) website	
Link: <a href="http://www.education.gov.uk/schools/performance/">http://www.education.gov.uk/schools/performance/</a>		
School level and national pre 2014 KS2; GCSE and A level attainment	DfE website	
Link: <a href="http://www.education.gov.uk/schools/performance/archive/index.shtml">http://www.education.gov.uk/schools/performance/archive/index.shtml</a>		
Local authority level and national KS1 and phonics attainments 2015	DfE website	
Link: <a href="https://www.gov.uk/government/statistics/phonics-screening-check-and-key-stage-1-assessments-england-2015">https://www.gov.uk/government/statistics/phonics-screening-check-and-key-stage-1-assessments-england-2015</a>		
Local authority level and national KS2 data	DfE website	
Link: <a href="https://www.gov.uk/government/statistics/national-curriculum-assesments-at-key-stage-2-2015-provisional">https://www.gov.uk/government/statistics/national-curriculum-assesments-at-key-stage-2-2015-provisional</a>		

## APPENDICES

No.	Title
Appendix 1	Best start in life – Southwark school standards report 2015

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Victoria Mills, Children and Schools	
<b>Lead Officer</b>	Merril Haeusler, Director of Education	
<b>Report Author</b>	Rachel Flagg, Principal Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	9 October 2015	

# Best start in life - Southwark school standards report 2015



# Foreword



We believe in giving all our young people the best start in life. We know that what we learn and discover at school can profoundly influence what we are able to achieve later in life and that a great education is a key to unlock each and every child's full potential. Making sure that all Southwark's school support but also challenge our young people is at the very heart of all that we do. We are proud of our schools. They are above the national average in all external examination areas and 91% are judged as being good or outstanding by Ofsted.

This report sets out information on school standards and other related areas in Southwark. It includes school results in external assessments, attendance and exclusions from school, admissions, the attainment of Looked After Children, and the attainment of children from different pupil groups in Southwark.

Our ambition is to continue to improve standards in our schools and discussions are underway with secondary schools as to how we can, in partnership, support every Southwark school to reach the ambitious target of 70% of pupils attaining 5+ GCSEs at grades A\*-C. Our children and young people deserve the very best and that's what we'll always aim for.

The high demand for new primary and secondary places means we also are committed to making sure there are enough places for everyone. We have pledged to work with local parents to open two new community nurseries; to guarantee a local primary place for every child; and to open new secondary schools to meet demand. We think it's right to invest in our children's ability to learn and their health and wellbeing and so all Southwark primary school children are eligible for a free, healthy school lunch and free fruit as a morning snack.

This is our inaugural School Standards report and I hope it is the start of many future reports. This report is a chance to celebrate the great work of our schools, their leaders, their teachers and their students. However, it is also a challenge that both the council and our schools should be transparent with parents and carers and make sure information about education in Southwark is in the public domain in an open and accessible way.

**Councillor Victoria Mills**  
**Cabinet Member for Children and Schools**

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## Context

Southwark's schools are comprised of 5 nursery, 72 primary, 17 secondary and 9 special schools. Of these there are 6 primary academies, 13 secondary academies and 5 free schools, one of these being secondary. These schools serve 36,680 Southwark pupils. Most primary and 3 secondary special schools are community schools which are maintained by the Local Authority and follow the national curriculum. Academies and Free Schools are publicly funded independent schools, which are exempt from the national curriculum and are able to set their own term times. They are required to adhere to the same admissions regulations, special educational needs provisions, exclusions and safeguarding parameters as all schools. Academies receive funding directly from the Government, not from the council, and they are often overseen by an academy trust. The Harris chain has 4 secondary and 3 primary schools in Southwark; Ark have 3 secondary schools and 1 primary; and City of London has 1 secondary, with a primary coming on stream in September 2017.

Southwark's population is very diverse. According to 2011 Census data, 16% of Southwark's population is between 5 – 19 years of age.

66% of the under-20 population is from black and minority ethnic communities. Of this, the largest group, 22%, are Black African, 18% Black Other and 6% Black Caribbean. 6% are Other Asian, 2% Chinese, 2% Bangladeshi, 2% Indian and 1% Pakistani. 9% of 0-15 years olds were born outside the UK. According to the 2011 Census\*:

- there are 11,945 lone parent households with dependent children;
- 61% of residents were born in the UK, with 29% of residents born outside the EU;
- in 11% of households English is not spoken as the main language;
- 44% of households are socially rented accommodation;
- between the 2001 and 2011 Census, there was a significant fall in the % of people who identified themselves as Christian (down from 62%, to 53%). 'No religion' (27%), 'Muslim' and 'Not stated' (both 9%) make up the next largest cohorts;
- according to January 2015 census data, 40% of our pupils are eligible for the pupil premium.

\*Taken from Community Action Southwark's 'Demographic Data for Southwark from the 2011 Census'

## Standards

Over the last five years there has been a significant improvement in pupil outcomes, with now **91.3%** of schools being judged by Ofsted as providing good or outstanding educational provision to Southwark pupils. A summary of Ofsted judgements of Southwark schools is shown in the table below, with a full breakdown of the Ofsted rating for every school set out in Appendix 1.

### OVERALL Ofsted Judgement September 2015

<b>104 schools currently with an Ofsted Judgement (including Special)</b>	<b>2015 %</b>
0 Schools in Special Measures	0%
0 Schools in Serious Weaknesses	0%
9 Schools Require Improvement (9 maintained schools and 1 Secondary free School)	8.7%
62 Schools Judged Good	59.6%
33 Schools Judged Outstanding	31.7%
<b>95 Schools Judged Good or Outstanding</b>	<b>91.3%</b>

### Improvement over time

<b>Overall Ofsted Judgements</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Special Schools judged either Good or Outstanding	77%	77%	77%	100%	100%	100%
Primary/Infant & Nursery Schools judged either Good or Outstanding	62%	71%	72%	85%	86%	90%
Secondary Schools judged either Good or Outstanding	57%	74%	87%	94%	94%	94.5%
<b>All Schools</b>	<b>64%</b>	<b>73%</b>	<b>77%</b>	<b>88%</b>	<b>89%</b>	<b>90.4%</b>

## School results in external examinations

This report shows primary school attainment at:

- **Early Years Foundation Stage (EYES)** (age 5). At this stage, children are assessed by their class teacher to determine if they have reached a *good level of development* for their age in areas such as communication and language, physical development, personal, social and emotional development and basic literacy and Maths.
- **Year 1 Phonics screening** (age 6). This assessment confirms whether children have learnt phonic decoding to an appropriate standard – i.e. they are able to translate sounds into the written word.
- **SATS (Standard Assessment Tests) Key Stage 1**. These take place at the end of year 2. Children are assessed through work set by their teacher in reading, writing, Maths and science.
- **SATS Key Stage 2**. Formal tests in reading and maths are taken in Year 6. Writing and science are assessed by the teacher.
- **GCSE**. These examinations are taken at the end of year 11. All young people are expected to study English, Maths, science, a modern foreign language and one humanities subject (History, Geography etc). They will usually study a number of other subjects as well.
- **A-Level** Young people who choose to follow an academic route after their GCSEs will normally study for Advanced levels. They will usually specialise in three or four subjects and are examined at the end of the two year sixth form course.

**NOTE: The following are 2015 provisional results only. Validated results are provided by the DFE in December (for primary phase) and January (for secondary phase) of each year. These results are not for publication at this stage**

## Early Years Foundation Stage (EYFS)

*Note: national averages are not available to date*

### Highlights

- Since 2013 there has been an 11% increase in children achieving a *good level of development* (GLD) in Southwark. In 2015 70.6% of children reached the expected level of development in all seven areas of learning. Local Authority intervention and support has resulted in a 12.4% improvement in those schools which previously showed the lowest GLD in the borough – from 59.6% in 2013, to 65.6% in 2014.
- Compared to performance nationally, and using the 2014 national average, Southwark's performance this year continues to be better than the national average of 60 in 2014. Southwark is consistently above London and National levels for children achieving a GLD.

### Cohort Characteristics

- Girls out performed boys; 63.3% of boys achieved a GLD compared to 77.9% of girls. This mirrors the national picture.
- 61.6% of FSM (free school meal) eligible pupils achieved a GLD compared to 72.5% of those not eligible.
- White British pupils achieved the highest for GLD - 76.7%, followed by pupils from any other mixed background - 74.47%. In contrast Bangladeshi pupils achieved the lowest percentage for a GLD - 56.1%.
- Bangladeshi pupils achieved the lowest percentage for a GLD. These children represent approximately 2% of all reception age children.

### Priorities for Improvement

- Continue to close the gaps between boys and girls, particularly in communication language, literacy, and numeracy.
- Continue to close the gaps, particularly in communication language, literacy, and numeracy for children eligible for free school meals, or the early years pupil premium.
- Ensure that children of all ethnic backgrounds achieve well.
- Provide training in assessment and moderation of children's progress and attainment.
- Provide training on developing high quality learning environments.



**Challenges**

- Changes to hours entitlement to early years education.
- Implementing the new reception baseline.
- Working with the new Common Inspection Framework and Handbook including the inspection of provision for 2 year olds.

## Phonics

*Note: current 2015 national average data is provisional*

### Year 1 phonics screening:

	2013	2014	2015
Southwark	72%	77%	81%
National Average	69%	74%	77%

### Highlights

- Since the introduction of this assessment in 2012, there has been a continued upwards trend in Year 1 performance. In 2015 81% of Year 1 pupils met the required standard in the phonics screening assessment – an improvement of 4 percentage points from the previous year. This also puts Southwark 4 percentage points above the 2015 national figure of 77%.
- Having previously performed in line with London averages for the last 2 years, Southwark outperformed the London average by 1 percentage point.
- Southwark is now ranked 19<sup>th</sup> nationally and is in the top quartile. This represents an improvement of 11 places.
- At the end of Year 2, 90% of pupils in Southwark met the required standard. These are pupils who were screened in Year 1 plus any pupils in Year 2 who were re-screened or being screened for the first time. This represents an improvement of 1 percentage point, but is 1 percentage point lower than the London average.

## KS1 – YEAR 2 SATS AT 7 YEARS OLD

*Note: national averages are not available to date*

### 3 Year Overview

	Reading				Writing				Maths				Science			
	2013	2014	2015	Nat 2015	2013	2014	2015	Nat 2015	2013	2014	2015	Nat 2015	2013	2014	2015	Nat 2015
<b>Level 2+</b>	87	89	90	90	84	86	87	88	90	91	92	93	87	88	89	91
<b>Level 2b+</b>	76	79	81	81	66	69	72	70	75	78	80	80				
<b>Level 3+</b>	23	27	27	31	12	14	16	16	19	20	24	24	17	19	22	

### Highlights

90% of pupils achieved L2+ for reading, a 1 percentage point increase on 2014. This places Southwark in line with the national average for reading, and 1 percentage point below the London average.

- 81% of pupils achieved at Level 2b and above in reading, an improvement of 2 percentage points on 2014.
- 87% of pupils achieved a Level 2 or above for writing, an increase of 1 percentage point on 2014. This places Southwark 1 percentage point below the national average, and 2 percentage points below the London average.
- 72% of pupils achieved a Level 2b or above in writing, an improvement of 3 percentage points on 2014.
- 92% of pupils achieved a Level 2 or above for Maths, an increase of 1 percentage point on 2014. This places Southwark 1 percentage point below the national and London average.
- 80% of pupils achieved a Level 2b or above for maths, an improvement of 2 percentage points on 2014.
- 89% of pupils achieved a Level 2 or above for science, an increase of 1 percentage point on 2014; 2 percentage points below the national and London average.

## KS2 - YEAR 6 SATS AT 11 YEARS OLD

### 3 Year Overview

*Note: current 2015 data is provisional*

	Southwark 2013	Southwark 2014	National 2014	Southwark 2015	National 2015
<b>Reading</b>	88%	90%	89%	90%	89%
<b>Writing</b>	84%	86%	86%	87%	87%
<b>Maths</b>	87%	88%	86%	89%	87%
<b>GPS</b>	78%	81%	77%	85%	80%
<b>Science</b>	87%	89%	88%	90%	89%
<b>RWM Combined</b>	77%	81%	79%	82%	80%

GPS= Grammar Punctuation & Spelling      RWM = Reading Writing Mathematics Combined

See Appendix 3 for the full KS2 cohort data

### Highlights

#### Reading

- 90% of pupils achieved Level 4 or above for reading – no change on 2014. Reading is 1 percentage point above the national average of 89%. This performance places Southwark in the 2nd quartile for reading, and ranks joint 46th (2nd quartile and joint 44th in 2014).

#### Writing

- There have been three consecutive years of improvement with 87% of pupils achieving Level 4 or above for writing, an increase of 1 percentage point on 2014 (86%), in line with the national average. This performance places Southwark in the 2nd quartile for writing, and ranks joint 53rd (top quartile and joint 35th in 2014).

#### Grammar Punctuation & Spelling - GPS

- There has been constant improvement since the inception of this measure introduced in 2013. 85% of pupils achieved Level 4 or above for GPS, an increase of 4 percentage points on 2014 (81%); 5 percentage points higher the national average of 80%. Southwark remains in the top quartile for the percentage of pupils achieving level 4 or above in GPS, and ranks joint 10th (an improvement of 9 places from joint 19th in 2014).

## **Maths**

- 89% of pupils achieved Level 4 or above for Maths – a 1 percentage point improvement from 2014, and 2 percentage points higher than the national average of 87%. Southwark remains in the top quartile for Maths, and ranks joint 22nd (an improvement of 10 places from joint 32nd in 2014).

## **Science**

- This is the fourth consecutive year of improvement with 90% of pupils achieving Level 4 or above for science – an improvement of 1 percentage point on 2014; 1 percentage point higher than the national average of 89%. This performance improves on Southwark's 2014 performance (2nd quartile and joint 54th), we are now positioned in the top quartile for science, and rank joint 33rd – an improvement of 21 places.

## **Reading, Writing & Mathematics combined**

- 82% of pupils achieved Level 4 or above, an improvement of 1 percentage point on 2014 (81%); 2 percentage points higher than the national average of 80%. We remain in the top quartile for the percentage of pupils achieving Level 4 and above in reading, writing and Maths combined, and rank joint 31st (from joint 34th in 2014).

## **Priorities for Improvement**

- The School Improvement Team will support and advise on setting appropriate targets in order to meet the expected achievement standards as defined by the DfE.

## **Challenges**

- For 2016, the National Floor Standard (minimum expectation of the percentage of children achieving combined reading, writing and Maths) will remain at 65%, but against a raised expectation of the standard pupils must achieve by the end of year 6.

## 2 Levels of Progress

From the end of KS1 to KS2 it is expected that pupils will make 2 levels or more progress.

### 3 Year Overview

*Note: current 2015 data is provisional*

	Southwark 2013	Southwark 2014	Southwark 2015	London 2015	National 2015
Reading	91%	93%	92%	93%	91%
Writing	93%	94%	95%	95%	94%
Maths	91%	92%	93%	92%	90%

### Highlights

In all subjects pupils scored above the national averages for 2 levels of progress.

#### Reading

- 92% of pupils achieved 2 levels of progress in reading – 1 percentage point decrease on 2014, but above the national average of 91%.

#### Writing

- 95% of pupils achieved 2 levels of progress for writing, an increase of 1 percentage point on 2014, and higher than the national average of 94%.

#### Maths

- 93% of pupils achieved 2 levels of progress for Maths, an increase of 1 percentage point on 2014, and 3 percentage points above the national average.

## Summary of improvement in Southwark from 2013 - 2015

(SATS: KS2)

Attainment Level 4 +

2 Levels of Progress

	Percentage Point Increase Level 4c +
Reading	+ 2
Writing	+4
Maths	+1
GPS*	+7
Science	+2
RWM**	+5

	Percentage Points Increase Level 4c +
Reading	+1
Writing	+2
Maths	+2

\*GPS= Grammar Punctuation & Spelling

\*\*RWM = Reading Writing Mathematics Combined

## GCSE

Provisional results based on 13 schools, show that 66.6% of Southwark young people achieved 5+ A\* - C including English and Maths (62.5% in 2014 for all schools) - an improvement of 4.1 percentage points.

### KS4 (GCSE and equivalents) – Year on Year Trend

	Southwark 2010	National 2010	Southwark 2011	National 2011	Southwark 2012	National 2012	Southwark 2013	National 2013	Southwark 2014	National 2014	Southwark 2015	National 2015
5+ A* - C GCSE inc. English and Maths	56.1%	55.3%	58.0%	58.4%	58.8%	59.1%	65.2%	60.8%	62.5%	56.8%	66.6%	Available Oct 2015

## A Levels

Since 2010 and following some years of steady improvement in performance at A level, 2015 results at A\* - C and A\* - E have improved significantly on 2014.

Compared to performance 5 years ago, the percentage of entries gaining the top A\* - A grades has increased to 20.6% from 16.7% - almost a 4 percentage point improvement. For A\* - C grades, the improvement is almost 5 percentage points - from 72.2% to 77.3%, and for percentage of entries gaining A\* - E there has been an improvement of almost 2 percentage points - from 97.8% to 99.6%.

	Southwark 2010	National 2010	Southwark 2011	National 2011	Southwark 2012	National 2012	Southwark 2013	National 2013	Southwark 2014	National 2014	Southwark 2015	National 2015
A* - A	16.7%	26.8%	17.9%	26.8%	25.3%	26.5%	20.8%	26.3%	22.2%	26.0%	20.6%	25.9%
A* - C	72.2%	75.1%	74.3%	76.0%	77.4%	76.4%	78.2%	77.0%	76.2%	76.5%	77.3%	77.2%
A* - E	97.8%	97.6%	97.9%	97.9%	99.7%	98.0%	99.3%	98.1%	99.1%	98.0%	99.6%	98.1%



## Southwark Scholarship Scheme

The Southwark Scholarship Scheme aims to assist high achieving young residents from low income families, who have made a positive impact in their community, with the cost of their University tuition fees. Since the inception of the Council's Scholarship Scheme in 2011 there have been 49 students benefiting from the scheme.

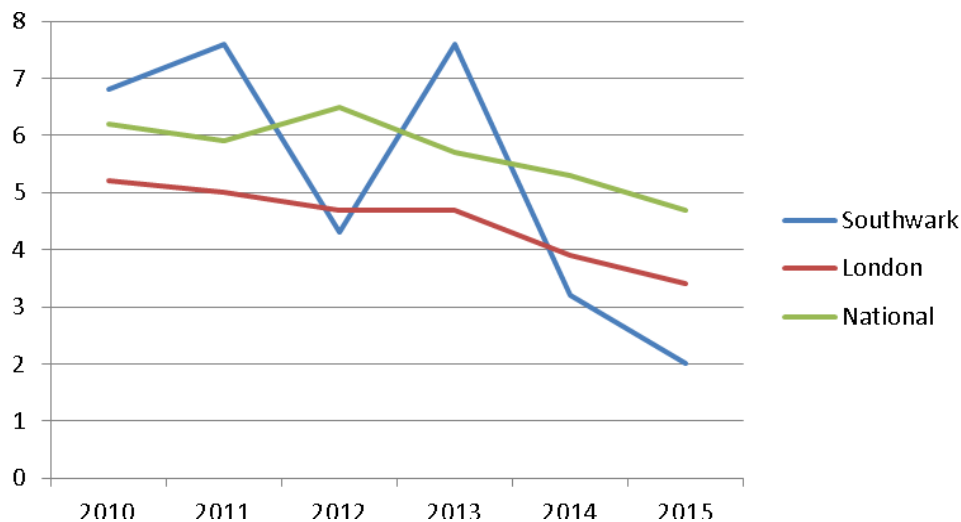
For the 2015-16 intake 12 students were awarded the scholarship:

School	University	Course of Study
St Saviour's and St Olave's school	Imperial College London	Physics
St Michael's Catholic College	Kings College London	Computer Science
St. Francis Xavier Sixth Form College	Southampton	Modern History & Politics
Richmond Upon Thames College	UCL	Engineering
Alleyn's School	Nottingham	Politics
Sacred Heart Catholic School	Warwick	Economics
Haberdashers' Aske's Hatcham College	UCL	Medicine
Christ The King Sixth Form College	Sussex	Law
Harris Girls' Academy East Dulwich	Manchester	Law
The Grey Coat Hospital	Cardiff	Medicine
Sydenham High School	UCL	Pharmacy
Sacred Heart	Birmingham	Economics

## Post 16 students

Southwark is required to track and support young people leaving school to secure as far as possible their journey into further education, training or employment. The performance in this area is measured by the number of young people who are aged 16-19 who are not in employment education or training (NEET). The Participation, Education and Training Team support young people to find appropriate courses of study that will increase their chances of gaining employment or access to further study. The team has recently been awarded the Matrix standard, the national quality mark for the delivery of advice and guidance services. The team also deliver a range of externally funded projects such as the Youth Contract and Back to Business.

### Performance over time (% of 16-19 year olds recorded as being NEET)



The NEET figure is for Southwark residents regardless of where they go to school up to the age of 16. Most Southwark young people attend a school in borough. This means that the majority of NEETs are from Southwark schools but this is not disproportionate to the pattern of school placements.

The NEET figures have improved significantly over the last 5 years. The 2015 figures show the number of NEET in Southwark is less than half the national average and lower than the London average. Southwark is ranked in the top quartile for this indicator and performs in the top two across all London boroughs. This improvement has been achieved through ever more focused support for the most vulnerable and through the effective delivery of externally funded projects including:

**(i) Youth Contract**

This is a targeted NEET re-engagement programme funded by the Education Funding Authority (EFA).

There were two target cohorts:

- Young people with 1 GCSE A-C grade or less
- Looked After Children or young offenders

The programme commenced in August 2013 and will end in January 2016, the target being to ensure that young people sustain employment or training for at least 26 weeks. Southwark has achieved above the set targets. 156 young people were recruited to the programme as at 21 July 2015; 114 have re-engaged in education or training and 83 have sustained for the 26 week period to meet the target. Southwark has a rating of gold for young people starting in education or training (195%) and young people re-engaging (104%).

**(ii) B2B2 Back to Business 2**

This is a preventative NEET programme funded by the European Social Fund. The programme targets 16-19 year olds at risk of becoming NEET, in-particular those that had school attendance issues, behavioural issues, learning difficulties and disabilities, special education needs, and English as a second language. It also targets Looked After Children, young offenders and young people in pupil referral units. Southwark conducted a programme in 7 schools and providers, with 126 young people completing the programme and remaining in education, employment or training. As well as gaining some accredited learning including first aid and employability skills, the young people also attended the Skills London event at EXCEL London which provided an opportunity to consider options for further and higher education and employment opportunities.

## Looked After Children

Southwark is responsible for 438 Looked After Children (LAC) from reception to year 13, attending 269 schools and colleges across England and Wales. The LAC Education team supports the learning outcomes of Looked After Children through a variety of strategies including:

- Advocating for the best possible education provision for Southwark's Looked After Children, in multi-disciplinary contexts.
- Securing rapid, appropriate education provision at times of placement change.
- Tracking pupil attainment and attendance; focussing on pupils' academic progress and raising alerts regarding those at risk of disengagement.
- Supporting the development of Personal Education Plans (PEPs), securing the best possible placements for pupils with high risk factors and/or poorest academic progress.
- Commissioning interventions to increase literacy and numeracy skills and improve attitudes to learning.

## LAC attainment

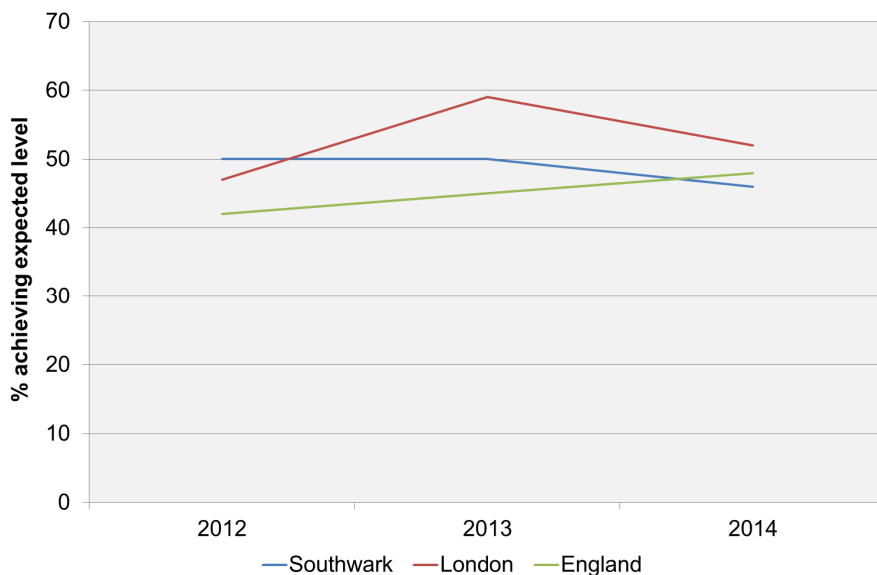
**Note: Results for 2015 LAC SATS & GCSE's are not available until December 2015 as they are coordinated through the Department for Education and forwarded to local authorities.**

Over the last 5 years Key Stage 2 outcomes have improved in Maths and reading, maintaining a position above, or in line with, England results. Spelling, punctuation and grammar remained constant (closing the gap with the London LAC) while writing has decreased.

Since 2008, Maths performance has shown significant improvement year-on-year. In 2014, performance was above England, closing the gap with London and statistical neighbours:

When KS2 Reading, Writing and Maths outcomes are combined, Southwark's performance in 2014 dropped by 4 percentage points (mirroring London and statistical neighbours' trends):

	2012	2013	2014
Southwark	50.00	50.00	46.00
London	47.00	59.00	52.00
England	42.00	45.00	48.00



### 2 Levels of Progress

Nationally, at least 75% of Looked After Children made expected progress (a minimum of two levels) between Key Stage 1 and 2. Southwark's looked after cohort exceeded national progress in reading (+ 9.6

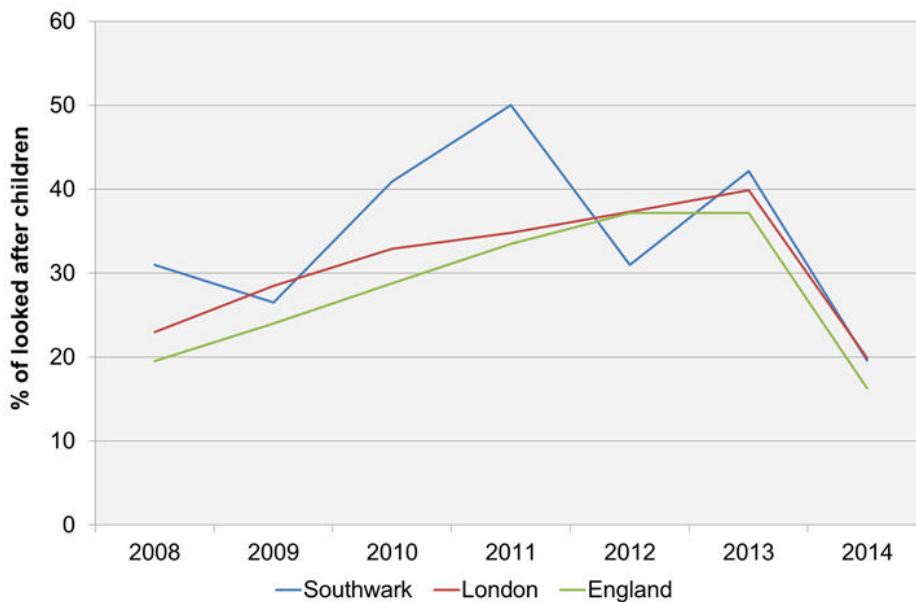
percentage points) and Maths (+ 5.8 percentage points). Progress in writing was 0.9 percentage points below the national level.

#### % Achieving two levels of progress (2014)

	Reading	Writing	Maths
Southwark	84.6%	74.1%	80.8%

Looked After Children have higher levels of Special Educational Needs (SEN) than non-looked after children (65% of the Southwark looked-after cohort). In 2014, 32.4% of the Southwark looked after cohort had a statement of SEN compared with 2.8% of all children nationally.

## LAC Attainment - GCSE



	2008	2009	2010	2011	2012	2013	2014
Southwark	31.00	26.50	40.90	50.00	31.00	42.20	19.60
London	23.00	28.50	32.90	34.80	37.30	39.90	19.90
England	19.50	24.00	28.80	33.50	37.20	37.20	16.30

In 2014, changes to GCSE calculation methodologies impacted on outcomes for Looked After Children, affecting performance measures for Southwark, London, England. In addition, assessment in key subjects changed significantly, leading to turbulence in GCSE results across the country. In 2014, the percentage of

Southwark's looked after cohort achieving 5 A\* - C GCSEs was 3.3 percentage points above England and marginally (0.3 percentage points) below London performance.

We recognise that changes to the examination system will have a greater impact on the more vulnerable learners. In order to ensure that LAC learners are supported throughout their GCSEs we have increased the support available in three key areas:

- **Advice and Guidance.** Young people are more likely to focus on their studies when they are clear about the pathway they want to follow post 16. We have employed two additional advisors to ensure that all LAC in Key Stage 4 have access to high quality one to one guidance
- **PEPs.** We have employed a dedicated advisor to ensure that all PEPs include relevant and smart educational targets.
- **Educational Support.** The LAC education advisors work with schools to ensure that all LAC have the right support to enable them to succeed. We have increased the number of advisors which has reduced their caseload allowing more focused support where needed.



## Attendance across Southwark primary and secondary schools

### Primary Schools

The latest figures on pupil attendance for the academic year 2013/14 were released by the DfE in March 2015, showing improvements in primary school attendance.

#### Highlights

- Overall attendance has risen across all Southwark primary schools by 0.8 percentage points and performance now exceeds National, London and Inner London rates.
- Of particular significance is the decrease in persistent absence which in 2012/13 at 3.3% was higher than the National, London and Inner London rates. In 2013/14 persistent absence decreased to 2.0%, an improvement of 1.3 percentage points which is 0.1 percentage points lower than the London rate, and 0.1 percentage points higher than National. Persistent absence has been targeted by the Early Help educational welfare officers as a priority to improve.

**Note: The lower the % the better the performance**

	Year	Southwark	Inner London	National
<b>Authorised Absence %</b>	2010/11	4.0	4.1	4.3
	2011/12	3.5	3.4	3.7
	2012/13	3.5	3.5	3.9
	2013/14	2.8	2.9	3.0
<b>Unauthorised Absence %</b>	2010/11	1.3	1.2	0.7
	2011/12	1.0	1.0	0.7
	2012/13	0.9	1.0	0.7
	2013/14	0.9	1.1	0.8
<b>Overall Attendance %</b>	2010/11	94.7	94.7	95.0
	2011/12	95.5	95.6	95.6
	2012/13	95.5	95.5	95.3
	2013/14	96.3	96.1	96.1
<b>Persistent Absence %</b>	2010/11	5.0	4.4	3.9
	2011/12	3.9	3.4	3.1
	2012/13	3.3	3.0	3.0
	2013/14	2.0	2.1	1.9

## Secondary Schools

Southwark secondary school attendance improved during 2013/14 with all types of absence declining to below the National, London and Inner London rates. Over a 4 year period attendance across Southwark secondary schools has improved by almost 2 percentage points. There has been a significant improvement in Secondary Persistent Absence rates, which have declined by 4.5 percentage points over a 4 year period, and are now well below National, London and Inner London rates.

**Note: The lower the % the better the performance**

	Year	Southwark	Inner London	National
<b>Authorised Absence %</b>	2010/11	4.5	4.4	5.1
	2011/12	3.9	3.9	4.6
	2012/13	3.7	3.7	4.5
	2013/14	3.2	3.4	3.9
<b>Unauthorised Absence %</b>	2010/11	1.6	1.6	1.4
	2011/12	1.4	1.4	1.3
	2012/13	1.4	1.4	1.4
	2013/14	1.1	1.3	1.3
<b>Overall Attendance %</b>	2010/11	93.9	94.0	93.5
	2011/12	94.7	94.7	94.1
	2012/13	94.9	94.9	94.1
	2013/14	95.6	95.3	94.8
<b>Persistent Absence %</b>	2010/11	8.2	7.5	8.4
	2011/12	6.9	6.3	7.4
	2012/13	5.6	5.1	6.5
	2013/14	3.7	4.2	5.3

Source DFE Database

## Exclusions

### **Primary schools**

There have been no primary permanent exclusions in Southwark Primary Schools since 2008. Professionals within the Early Help Service work closely with Summerhouse Behavioural Support Team and the School Improvement Team to prevent permanent exclusions and to facilitate managed moves as appropriate.

The number of fixed term exclusions in the primary sector fell steadily from 2007, and from 2010/11 has levelled out with an average of 220 fixed term exclusions per year with boys accounting for 85% of exclusions. Data for the academic year 2014/15 is currently being collated and analysed.

### **Secondary schools**

Secondary school exclusions, have reduced over the last five years. In 2013/14, 5.15% of secondary school age pupils received a *fixed term exclusion*, lower than exclusion rates for England (6.62%) and statistical neighbours (7.81%). This is a decrease from 12.27% in 2009/10.

Permanent exclusions in 2013/14 were 0.14%, lower than statistical neighbours (0.19%) and narrowing the gap with England (0.13%). This indicates a year-on-year reduction in permanent exclusion rates since a 2009/10 peak in Southwark at 0.37%.

## School Admissions

### Summary of primary school preferences allocated to Southwark residents 2009 -2015

Southwark aims to secure a reception place for every child starting school within 2 miles of home, and place a child in at least 1 of their first 3 preferences. The table below shows improvement in this commitment over the last five years. It is also noteworthy that on time applications have increased from 3,237 in 2011 to 3,536 in 2015, and 99% of applications are now processed online and on time.

	2009		2010		2011		2012		2013		2014		2015	
<b>Total applications received</b>	3,314	100.0%	3,218	100.0%	3,237	100.0%	3,468	100.0%	3,411	100.0%	3,389	100.0%	3,536	100.0%
<b>Total primary school places available</b>	3,360		3,416		3,394		3,702		3,673		3,738		3,860	
<b>Number offered 1st preference</b>	2,369	71.5%	2,664	82.8%	2,561	79.1%	2,692	77.6%	2,804	82.2%	2,684	79.20%	2,823	80.0%
<b>Number offered one of their 4 (4 from 2011) preferences</b>	2,690	81.2%	3,039	94.4%	3,055	94.4%	3,269	94.2%	3,272	95.9%	3,177	94.00%	3,376	95.4%
<b>Number manually offered an alternative place (not offered a preference)</b>	474	14.3%	174	5.4%	182	5.6%	198	5.7%	139	4.0%	197	5.80%	160	4.5%
<b>Pupils without an offer</b>	44	1.32%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.00%	0	0.0%
<b>Pupils not in receipt of a local offer (within 2 miles)</b>	No available data	No available data	No available data	No available data	1	0.03%	0	0.0%	1	0.03%	0	0.00%	0	0.00%

Summary of secondary school preferences allocated to Southwark residents 2009 -2015

	2009		2010		2011		2012		2013		2014		2015	
<b>Total applications received</b>	2,472	100.0%	2,459	100.0%	2,521	100.0%	2,436	100.0%	2,500	100.0%	2,595	100.0%	2,637	100.0%
<b>Number offered 1st preference</b>	1,355	54.8%	1,345	54.7%	1,322	52.4%	1,362	55.9%	1,468	58.7%	1,592	61.4%	1,571	59.6%
<b>Number offered one of their first 3 preferences</b>	2,020	81.7%	2,039	82.9%	1,987	78.8%	2,011	82.5%	2,126	85.0%	2,296	88.5%	2,281	86.5%
<b>Number offered one of their first 6 preferences</b>	2,267	91.7%	2,250	91.5%	2,232	88.5%	2,213	90.8%	2,327	93.0%	2,448	94.4%	2,457	93.2%
<b>Number manually offered an alternative place (not offered a preference)</b>	205	8.3%	207	8.4%	243	9.6%	215	8.8%	173	6.9%	147	5.7%	180	6.8%
<b>Pupils without an offer</b>	0	0.0%	0	0.0%	44	1.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

The above data is updated each year on Offer Date and does not take account of any late applications processed after the offer date.

## Teacher and Governor awards

Each year Southwark Council recognises and celebrates the outstanding contribution that teachers and governors make to the quality of our schools and outcomes for all our pupils.

Since the inception of the Governor's Awards in 2013, 85 governors have been recognised for having served 10 years or more as a Governor in a Southwark school. This award acknowledges and recognises the unstinting dedication and commitment governors contribute to the daily lives of Southwark's pupils. These volunteers continue to challenge as well as support schools in this partnership towards continual improvement.

Outstanding teachers and innovative practice in Southwark schools over the past three years have been celebrated through the Southwark Teacher Awards. Over the past 3 years 63 outstanding teachers and schools have been recognised by these awards for making a positive difference to the pupil's they teach. This year 14 schools in Southwark where pupils at the end of Key stage 2 were in the top 2% nationally for pupil progress in Maths, reading or writing, received recognition through the Outstanding Pupil Progress Award.

Outstanding Pupil Progress Awards
Bellenden Primary School
Cathedral School of St Saviour & St Mary Overy
Cobourg Primary School
Crawford Primary School
Ilderton Primary School
John Donne Primary School
Phoenix Primary School
Rotherhithe Primary School
Sacred Heart Catholic School
St Joseph's Roman Catholic Primary School - Gomm Rd
St Paul's Church of England Primary School
St Saviour's & St Olave's Church of England School
St Thomas the Apostle College
The Charter School

These awards celebrate and promote excellent teaching and learning in our Southwark schools. Many of Southwark's children have benefited from this commitment to raising standards and improving life long chances.

## Appendix 1. Ofsted Ratings - 1<sup>st</sup> September 2015

**Key: 1- Outstanding 2. Good. 3-Requires Improvement. 4-Inadequate/Special Measures.**

School Name	Type	Current OFSTED:	
		Inspection date	Inspection rating
<b>Secondary Schools</b>			
ARK All Saints Academy	Academy	02/06/2015	2
Ark Globe Academy	Academy	24/10/2014	2
Bacon's College	Academy	13/03/2013	2
City of London Academy (Southwark)	Academy	07/10/2011	2
Compass School	Free school	20/05/2015	3
Harris Academy At Peckham	Academy	20/09/2011	2
Harris Academy Bermondsey	Academy	19/03/2015	1
Harris Boys Academy East Dulwich	Academy	07/12/2011	1
Harris Girls' Academy East Dulwich	Academy	14/03/2012	1
Highshore School	Community special	27/02/2013	2
Kingsdale Foundation School	Academy	06/12/2012	2
Newlands School	Academy special	28/11/2012	2
Notre Dame Roman Catholic Girls' School	Secondary	22/11/2012	1
Sacred Heart Roman Catholic Secondary School	Academy	12/12/2012	1
Southwark Inclusive Learning Service KS3, KS4 & Sils+	PRU	30/01/2015	2
Spa School	Community special	06/12/2012	2
St Michael's & All Angels C of E	Academy	16/05/2011	2
St Michael's Catholic College	Academy	04/07/2013	1
St Saviour's and St Olave's Church of England School	Secondary	25/02/2009	1
The Charter School	Academy	04/11/2009	1
The St Thomas the Apostle College	Secondary	28/11/2014	1
Tuke School	Community special	04/10/2011	1
Walworth Academy	Academy	23/10/2014	2
<b>Primary Schools</b>			
Albion Primary School	Primary	12/10/2011	1
Alfred Salter Primary School	Primary	17/11/2011	2
Bellenden Primary School	Primary	24/09/2013	2
Beormund Primary School	Community special	01/03/2013	2
Bessemer Grange Primary School	Primary	11/03/2015	2
Bethlem and Maudsley Hospital School	Community special	17/11/2011	1
Boutcher Church of England Primary School	Primary	06/05/2008	1
Brunswick Park Primary School	Primary	28/11/2014	3
Camelot Primary School	Primary	23/10/2013	3
Charles Dickens Primary School	Primary	10/03/2008	1
Charlotte Sharman Primary School	Primary	12/07/2013	2
Cherry Garden	Community special	04/06/2015	1
Cobourg Primary School	Primary	05/11/2014	2

School Name	Type	Current OFSTED:	
		Inspection date	Inspection rating
Comber Grove School	Primary	07/05/2015	2
Crampton School	Primary	04/02/2014	1
Crawford Primary School	Primary	13/03/2013	1
Dog Kennel Hill School	Primary	12/09/2011	2
Dulwich Hamlet Junior School (became an academy 01/04/11)	Academy	16/09/2008	1
Dulwich Village Church of England Infants' School	Primary	16/09/2008	1
Dulwich Wood Nursery School	Nursery	14/02/2014	3
Dulwich Wood Primary School	Primary	06/03/2012	2
English Martyrs Roman Catholic Primary School	Primary	28/03/2014	3
Evelina Hospital School	Community special	31/01/2013	1
Friars Primary Foundation School	Primary	14/06/2013	2
Gloucester School	Primary	21/06/2012	2
Goodrich Community Primary School	Primary	22/03/2012	2
Goose Green Primary School	Academy	13/06/2012	2
Grange Primary School	Primary	04/10/2012	2
Grove Nursery School	Nursery	03/12/2014	2
Harris Primary Academy, Peckham Park (became an Academy 01/09/11)	Academy	28/11/2014	2
Harris Primary Free School Peckham	Free school	28/03/2014	1
Haymerle School	Community special	12/03/2015	2
Heber Primary School	Primary	19/09/2013	2
Hollydale Primary School	Primary	09/10/2013	3
Ilderton Primary School	Primary	18/06/2015	1
Ivydale Primary School	Primary	17/10/2012	2
John Donne Primary School (became Academy Jan 14)	Academy	11/10/2011	1
John Ruskin Primary School	Primary	28/01/2009	1
Judith Kerr Primary School	Academy	12/05/2015	2
Keyworth Primary School	Primary	15/11/2011	1
Kintore Way Nursery School	Nursery	19/09/2013	1
Lyndhurst Primary School	Primary	17/11/2010	2
Michael Faraday School	Primary	17/10/2014	2
Nell Gwynn Nursery School	Nursery	14/09/2011	2
Oliver Goldsmith Primary School	Primary	08/03/2012	2
Peter Hills With St Mary's and St Paul's CofE Primary School	Primary	22/05/2013	2
Phoenix Primary School	Primary	18/06/2015	1
Pilgrims' Way Primary School	Primary	03/02/2010	2
Redriff Primary School (became an Academy 01/11/11)	Academy	14/09/2011	1
Riverside Primary School	Primary	04/10/2011	1
Robert Browning Primary School	Primary	26/11/2013	2
Rotherhithe Primary School	Primary	14/01/2014	2
Rye Oak Primary School	Primary	20/11/2014	3
Snowsfields Primary School incorporating the Tim Jewell Unit for Children with Autism	Primary	04/07/2013	2



School Name	Type	Current OFSTED:	
		Inspection date	Inspection rating
Southwark Free School	Free school	28/03/2014	2
Southwark Park School	Primary	06/03/2014	2
St Anthony's Catholic Primary School	Primary	23/02/2012	2
St Francesca Cabrini Primary School	Primary	12/06/2013	2
St Francis RC Primary School	Primary	05/12/2012	2
St George's Cathedral Catholic Primary School	Primary	05/10/2010	2
St George's Church of England Primary School	Primary	05/02/2014	3
St James' Church of England Primary School	Primary	20/11/2014	2
St James The Great Roman Catholic Primary School	Primary	20/06/2013	2
St Johns' and St Clements Church of England Primary School	Primary	06/12/2013	2
St John's Roman Catholic Primary School	Primary	10/02/2011	2
St John's Walworth Church of England Primary School	Primary	29/06/2009	1
St Joseph's Catholic Infants School (Camberwell)	Primary	04/10/2013	2
St Joseph's Catholic Junior School (Camberwell)	Primary	16/01/2013	2
St Joseph's Catholic Primary School (Redcross Way)	Primary	05/12/2013	2
St Joseph's Catholic Primary School (Rotherhithe)	Primary	25/05/2012	1
St Joseph's Roman Catholic Primary School (Bermondsey)	Primary	08/01/2007	1
St Jude's Church of England Primary School	Primary	16/10/2014	2
St Mary Magdalene Church of England Primary School	Primary	28/06/2013	2
St Paul's Church of England Primary School, Walworth	Primary	08/10/2014	2
St Peter's Church of England Primary School	Primary	25/01/2013	2
Sumner Nursery School (Ann Bernadt)	Nursery	28/11/2013	2
Surrey Square Primary School	Primary	21/06/2012	2
The Cathedral School of St Saviour and St Mary Overy	Primary	22/10/2008	1
Tower Bridge Primary School	Primary	08/11/2013	3
Townsend Primary School	Primary	23/01/2013	2
Victory School	Primary	25/10/2013	2

## Appendix 2. Detailed Cohort Characteristics in relation to attainment only.

**NOTE: The commentary below refers only to attainment. This does NOT include the amount of progress individuals or groups of pupils have made in phonics, reading, writing and maths. Progress is a key factor in determining how well children achieve.**

### List of abbreviations:

RWM- Reading, writing and mathematics GPS – grammar, punctuation and spelling FSM- free school meals SEN- special educational needs EHC- education, health and care plan

Cohort	Phonics	KS1	KS2
<b>Total cohort</b>	80.7% of Year 1 pupils achieved the required phonics screening standard of 32 or more points	88.7%; 89.6%;87.2%; 92.4% and 89.3% of pupils achieved L2 and above in speaking & listening; reading; writing; Maths; and science respectively. Attainment highest in KS1 Maths	89.7%; 87.4%; 85.1%; 88.5% 89.5%; and 82.0% of pupils achieved L4 and above in reading; writing; GPS; Maths; science and RWM combined respectively. Attainment highest in KS2 reading
<b>Gender</b> <ul style="list-style-type: none"> <li>▪ Boys</li> <li>▪ Girls</li> </ul>	Girls out performed boys. 77.9% of boys achieved the required phonics standard compared to 83.8% of girls.  Taking into account the proportion boys represent of the eligible cohort, boys were under represented amongst those achieving the required standard.	Girls out performed boys in all KS1 subjects. The gap between the 2 genders was largest in writing at 8.5 percentage points. Conversely the gap between the 2 was smallest in Maths at 3.7 percentage points	Girls out performed boys in all KS2 subjects. The gap between the 2 genders was largest in writing at 7.0 percentage points. Conversely the gap between boys and girls was smallest in Maths at 2.3 percentage points
<b>FSM eligible</b> <ul style="list-style-type: none"> <li>▪ Eligible</li> <li>▪ Not eligible</li> </ul>	73.0% of FSM eligible pupils achieved the required phonics standard compared to 82.1% of those not eligible.  FSM eligible pupils were under represented amongst those achieving the required phonics standard.	Pupils eligible for FSM performed less well than those not eligible for FSM in all KS1 subjects - with the gap being the largest in speaking & listening (5.2 percentage points gap)  Additionally, FSM eligible pupils were under represented amongst those achieving L2 or above in all KS1 subjects	Pupils eligible for FSM performed less well than those not eligible for FSM in all KS2 subjects - with the gap being the largest in writing (7.9 percentage points)  Additionally, FSM eligible pupils were under represented amongst those achieving L4 or above in all KS2 subjects

Cohort	Phonics	KS1	KS2
<p><b>SEN detailed</b></p> <ul style="list-style-type: none"> <li>▪ No SEN</li> <li>▪ SEN support</li> <li>▪ Statement or EHC Plan</li> </ul>	<p>87.4% of children with no SEN achieved the required phonics standard compared to less than one half with SEN (47.0%)</p> <p>The more advanced the SEN, the smaller the percentage of the cohort that achieved the required phonics standard, i.e., 21.9 % of children with a statement of SEN or an ECH plan met the phonics required standard compared to 51.3% of children with SEN support</p> <p>Although making up 14.6% of the overall cohort, Children with SEN accounted only for 8.5% of those achieving the required phonics standard</p>	<p>Children with SEN fared less well than those with no registered SEN, by a considerable amount across the whole of KS1, with the gap in attainment being largest in writing (38.6 percentage points gap), followed by the attainment gap in science of 36.8 percentage points</p> <p>The more advanced the SEN stage, the smaller the percentage of the cohort that achieved the expected level at KS1 and for all subjects.</p>	<p>At KS2, children with SEN fared less well than those with no registered SEN, with the gap in attainment (for the separate KS2 subjects) being largest in GPS (34.8 percentage points gap), followed by the attainment gap in writing of 32.3 percentage points. For reading, writing and Maths combined, the gap was 37.0 percentage points</p> <p>The more advanced the SEN stage, the smaller the percentage of the cohort that achieved the expected level at KS2 and for all subjects.</p>
<p><b>Ethnicity</b></p> <ul style="list-style-type: none"> <li>▪ Asian or Asian British <ul style="list-style-type: none"> <li>▫ Bangladeshi</li> <li>▫ Indian</li> <li>▫ Pakistani</li> <li>▫ Any Other Asian</li> </ul> </li> <li>▪ Black or Black British <ul style="list-style-type: none"> <li>▫ Black African</li> <li>▫ Black Caribbean</li> <li>▫ Any Other Black</li> </ul> </li> <li>▪ Chinese</li> <li>▪ Mixed / Dual Heritage</li> </ul>	<p>Of the main ethnic groups and where ethnicity was known, Asian children, followed by White British children, and then those from a Black African background performed highest with 86.1%; 81.1%; and 80.7% respectively achieving the required phonics standard.</p> <p>The lowest performing main ethnic group was mixed / dual heritage 77.5% followed by any other ethnic group 78.7%</p> <p>Based on the individual ethnic groups, excluding ethnic groups where less than 30 and where the ethnicity is unknown, children of any other Asian background achieved the highest for the phonics screening with 88.1% of the cohort reaching the required standard. White and Asian pupils were the next highest performers - 86.8%, followed by Bangladeshi pupils - 85.9%. In contrast, White and Black Caribbean pupils had the lowest performance for percentage achieving the required phonics standard at 66.3%, followed by Black</p>	<p>Of the major ethnic groupings, children of White British background had the highest percentage achieving the expected level in speaking and listening (92.0%); writing (87.9%); Maths (94.0%) and science (92.8%). Children of mixed / dual background had the highest percentage achieving L2 and above in reading with 90.2% achieving the expected level.</p> <p>Conversely, amongst the main ethnic groupings, Chinese children had the lowest percentage achieving L2 and above for speaking and listening (80.0%); reading (83.3%) and science (83.3%). Children from any other ethnic group had the lowest percentage achieving L2 and above for writing (82.0%) and Maths (90.3%)</p> <p>Based upon the detailed ethnic groups, Indian pupils and White and Asian pupils jointly between them achieved the highest percentage for L2 and above in all KS1 subjects. Both ethnic groups achieved 100%</p>	<p>Excluding cohorts of less than 30 and those with an unknown ethnic background, based on the main ethnic groupings, Chinese children had the highest percentage achieving the expected level across all KS2 subjects separately and for reading, writing and Maths combined. With the exception of Maths, children from any other ethnic group achieved the lowest percentage for all separate KS2 subjects and also reading, writing and Maths combined. For Maths, Black Caribbean pupils were the lowest performers</p> <p>Taking into account the proportions represented by each major ethnic grouping of the overall cohort and those achieving the expected level, children from any other ethnic group were most disproportionately under represented in all KS2 subjects other than Maths. Black Caribbean children were under represented amongst those achieving L4 and above in KS2 Maths; reading, writing and Maths combined whilst White children were</p>

Cohort	Phonics	KS1	KS2
<ul style="list-style-type: none"> <li>□ White &amp; Black African</li> <li>□ White &amp; Black Caribbean</li> <li>□ White &amp; Asian</li> <li>□ Any Other Mixed</li> <li>▪ White <ul style="list-style-type: none"> <li>□ White British</li> <li>□ Irish</li> <li>□ Traveller of Irish</li> <li>□ Heritage</li> <li>□ Gypsy Roma</li> <li>□ Any Other White</li> </ul> </li> </ul>	<p>Caribbean pupils at 73.5%</p> <p>Jointly, Black Caribbean and White and Black Caribbean children were most disproportionately under represented amongst eligible Y1 children achieving the required Phonics standard (based on and compared to the proportion that these ethnic groups represent of the general overall cohort).</p>	<p>in reading; Maths and science, whilst for writing White and Asian pupils were the highest achievers (100%); and for speaking and listening Indian pupils were the highest achievers (100%)</p> <p>In contrast, Chinese children had the lowest percentage for achieving L2 and above in KS1 speaking and listening; reading; and science. Whilst Bangladeshi children had the lowest percentage for achieving L2 and above in Maths; and White and Black Caribbean children had the lowest percentage for achieving L2 and above in writing</p>	<p>disproportionately under represented in writing and GPS</p> <p>Based on the more detailed ethnic groups, and excluding cohorts of less than 30 and where ethnicity is unknown, Chinese children were the highest performers for all KS2 subjects other than reading and science whereby they were the second highest performers - behind mixed White and Asian children.</p> <p>Black Caribbean pupils had the lowest percentage for achieving level 4 or above in GPS; Maths; and reading, writing and Maths combined, whilst children from any other ethnic group achieved the lowest percentage for reading; writing; and science</p> <p>Of the children achieving L4 and above, Black Caribbean children were under represented amongst this cohort across all KS2 subjects (when factoring in the proportion of the eligible cohort made up by Black Caribbean pupils). Similarly, children from any other ethnic background and children from any other White background both were under represented amongst those achieving L4 or above in all KS2 subjects other than Maths, whilst any other Black children were under represented across all KS2 subjects other than writing and science</p>

Cohort	Phonics	KS1	KS2
<b>EAL</b> <ul style="list-style-type: none"> <li>▪ English</li> <li>▪ Other than English</li> <li>▪ Unknown / Missing</li> </ul>	<p>Children for whom English is an additional language performed better than those with English as a first language 81.7% compared to 79.4%.</p>	<p>Children with English as their first language performed better than pupils with English as an additional language.</p> <p>Children whose first language was unknown performed better than both children with English as their first language and those with other English as an additional language in reading, writing and Maths.</p>	<p>Other than for GPS, a higher percentage of pupils with English as a first language achieved L4 or above in the various KS2 subjects compared to those with English as an additional language.</p>

Cohort	Phonics	KS1	KS2
<p><b>Pupil Premium (disadvantaged pupils)</b></p> <p><i>Any Pupil Premium (includes deprivation; service child; adopted from care; LAC)</i></p>	<p>Attainment of children not eligible for pupil premium was better than for those who were eligible for pupil premium at 83.6% compared to 74.2% respectively.</p>	<p>Attainment of children not eligible pupil for the pupil premium was better than those eligible for pupil premium across all KS1 subjects, with the largest difference seen in Maths.</p>	<p>Attainment for children not eligible for the pupil premium was better than those who are eligible for pupil premium. Additionally, the latter were under represented amongst the cohort of children achieving L4 or above across all KS2 subjects.</p>

## Appendix 3. Key Stage 2 Attainment L4 and Two Level Progress- Provisional School Level Results

**Table 1  
Attainment L4 -provisional**

	Eligible Cohort 2015	Reading L4+			Writing L4+			GPS L4+			Maths L4+		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Southwark LA	2910	87.5%	89.6%	89.7%	83.6%	86.6%	87.4%	77.7%	80.8%	85.1%	87.1%	88.1%	88.5%
National		86%	89%	89%	84%	86%	87%	74.0%	77%	80%	85%	86%	87%
London		88%	90%	90%	86%	88%	88%	79.0%	81%	84%	87%	89%	89%
SN Average		87.2%	90.2%	89.7%	86.0%	88.2%	88.1%	77.8%	80.6%	83.4%	87.7%	88.6%	89.0%
Albion	24	93.8%	91.7%	79.2%	81.3%	87.5%	83.3%	81.3%	79.2%	87.5%	87.5%	91.7%	83.3%
Alfred Salter	60	89.5%	96.7%	96.7%	75.4%	90.2%	88.3%	93.0%	95.1%	98.3%	93.0%	96.7%	96.7%
Alma (CLOSED)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Angel Oak Academy *	41	76.0%	86.0%	87.8%	86.0%	75.4%	85.4%	66.0%	54.4%	82.9%	68.0%	73.7%	87.8%
Bellenden	29	100.0%	89.3%	82.8%	90.5%	89.3%	89.7%	85.7%	78.6%	79.3%	100.0%	92.9%	86.2%
Beormund	11	85.7%	85.7%	45.5%	0.0%	71.4%	18.2%	28.6%	71.4%	27.3%	42.9%	85.7%	54.5%
Bessemer Grange	41	87.0%	92.7%	95.1%	91.3%	87.8%	85.4%	82.6%	82.9%	82.9%	91.3%	95.1%	82.9%
Boutcher C of E	28	100.0%	100.0%	96.4%	92.9%	100.0%	96.4%	96.4%	100.0%	100.0%	100.0%	100.0%	100.0%
Brunswick Park	70	82.1%	90.4%	87.1%	80.6%	74.0%	75.7%	71.6%	82.2%	82.9%	88.1%	83.6%	87.1%
Camelot	44	94.9%	87.7%	93.2%	79.7%	84.2%	90.9%	84.7%	86.0%	90.9%	96.6%	93.0%	90.9%
Charles Dickens	44	88.9%	100.0%	95.5%	91.7%	94.9%	93.2%	86.1%	92.3%	88.6%	91.7%	100.0%	90.9%
Charlotte Sharman	48	86.1%	85.7%	79.2%	77.8%	83.3%	87.5%	72.2%	76.2%	77.1%	80.6%	92.9%	89.6%
Cherry Garden	3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cobourg	60	88.4%	98.1%	93.3%	73.8%	96.2%	88.3%	76.7%	88.5%	86.7%	88.4%	100.0%	85.0%
Comber Grove	37	86.5%	95.5%	91.9%	75.7%	90.9%	89.2%	64.9%	81.8%	89.2%	83.8%	95.5%	94.6%
Crampton	28	96.0%	92.3%	100.0%	92.0%	88.5%	89.3%	72.0%	76.9%	92.9%	96.0%	92.3%	89.3%
Crawford	54	93.0%	94.0%	92.6%	86.0%	94.0%	92.6%	86.0%	88.0%	90.7%	95.3%	92.0%	90.7%

**Table 1  
Attainment L4 -provisional**

	Eligible Cohort 2015	Reading L4+			Writing L4+			GPS L4+			Maths L4+		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Dog Kennel Hil	59	82.1%	85.2%	91.5%	69.6%	79.6%	94.9%	69.6%	79.6%	86.4%	80.4%	79.6%	91.5%
Dulwich Hamlet Juniors	90	96.6%	100.0%	100.0%	92.0%	97.8%	96.7%	83.9%	96.7%	93.3%	96.6%	96.7%	98.9%
English Martyrs Catholic	60	86.2%	89.7%	91.7%	69.0%	96.6%	95.0%	70.7%	82.8%	91.7%	82.8%	91.4%	91.7%
Friars	28	84.0%	96.3%	96.4%	92.0%	92.6%	96.4%	72.0%	85.2%	96.4%	92.0%	85.2%	92.9%
Goodrich	77	87.9%	84.3%	94.8%	92.4%	90.4%	85.7%	78.8%	67.5%	79.2%	90.9%	90.4%	87.0%
Goose Green	47	86.4%	86.5%	76.6%	90.9%	97.3%	63.8%	65.9%	78.4%	57.4%	86.4%	78.4%	76.6%
Grange	42	90.7%	95.6%	90.5%	83.7%	86.7%	71.4%	72.1%	84.4%	76.2%	83.7%	93.3%	83.3%
Harris Primary Academy Peckham Park	48	75.7%	86.7%	77.1%	97.3%	91.1%	83.3%	75.7%	68.9%	75.0%	94.6%	80.0%	72.9%
Haymerle	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Heber	57	84.1%	94.8%	91.2%	81.8%	87.9%	84.2%	75.0%	77.6%	87.7%	81.8%	93.1%	89.5%
Hollydale	40	96.8%	82.4%	92.5%	83.3%	82.4%	80.0%	80.6%	79.4%	82.5%	96.8%	85.3%	90.0%
Ilderton	46	97.1%	100.0%	100.0%	84.8%	95.8%	100.0%	91.2%	85.4%	100.0%	97.1%	100.0%	100.0%
Ivydale	54	80.9%	85.0%	87.0%	85.1%	85.0%	74.1%	68.1%	77.5%	77.8%	83.0%	87.5%	81.5%
John Donne	50	96.6%	100.0%	98.0%	86.4%	78.3%	90.0%	86.4%	87.0%	90.0%	94.9%	97.8%	94.0%
John Ruskin	59	94.7%	91.4%	94.9%	91.2%	86.2%	88.1%	82.5%	81.0%	86.4%	91.2%	86.2%	94.9%
Keyworth	54	68.6%	72.2%	83.3%	71.4%	77.8%	83.3%	68.6%	72.2%	83.3%	71.4%	80.6%	81.5%
Langbourne	28	64.0%	79.2%	85.7%	76.0%	70.8%	85.7%	56.0%	75.0%	85.7%	76.0%	87.5%	85.7%
Lyndhurst	41	90.0%	87.5%	80.5%	95.0%	90.6%	80.5%	87.5%	81.3%	78.0%	90.0%	87.5%	87.8%
Michael Faraday	39	81.8%	97.6%	97.4%	70.5%	90.2%	87.2%	70.5%	90.2%	92.3%	79.5%	92.7%	94.9%
Oliver Goldsmith	72	80.8%	81.7%	81.9%	83.6%	80.3%	87.5%	74.0%	80.3%	72.2%	84.9%	84.5%	79.2%
Peter Hills with St Marys & St Pauls	25	87.5%	65.4%	88.0%	79.2%	80.8%	76.0%	75.0%	61.5%	80.0%	87.5%	61.5%	92.0%
Phoenix	45	93.5%	100.0%	100.0%	83.9%	97.6%	100.0%	77.4%	92.7%	97.8%	87.1%	95.1%	100.0%
Pilgrims Way	29	95.8%	88.0%	96.6%	83.3%	88.0%	96.6%	66.7%	88.0%	96.6%	83.3%	88.0%	100.0%
Redriff	49	96.1%	95.3%	98.0%	94.1%	93.0%	95.9%	82.4%	90.7%	98.0%	86.3%	95.3%	98.0%
Riverside	42	95.1%	90.0%	97.6%	95.1%	90.0%	97.6%	75.6%	90.0%	97.6%	92.7%	92.5%	97.6%



**Table 1  
Attainment L4 -provisional**

	Eligible Cohort 2015	Reading L4+			Writing L4+			GPS L4+			Maths L4+		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Robert Browning	41	88.9%	94.3%	87.8%	69.4%	88.6%	80.5%	80.6%	88.6%	78.0%	94.4%	94.3%	85.4%
Rotherhithe	60	83.3%	83.9%	88.3%	83.3%	91.1%	93.3%	81.3%	75.0%	86.7%	85.4%	83.9%	83.3%
Rye Oak	49	73.9%	71.7%	87.8%	78.3%	71.7%	89.8%	39.1%	52.2%	75.5%	76.1%	56.5%	83.7%
Snowsfields	25	85.2%	77.1%	84.0%	81.5%	80.0%	88.0%	66.7%	74.3%	88.0%	85.2%	88.6%	88.0%
Southwark Park	50	86.8%	94.1%	88.0%	84.9%	86.3%	86.0%	86.8%	80.4%	84.0%	86.8%	90.2%	82.0%
St Anthony's Catholic	41	92.7%	95.3%	95.1%	85.4%	90.7%	97.6%	95.1%	90.7%	92.7%	90.2%	93.0%	90.2%
St Francesca Cabrini	56	84.3%	83.9%	87.5%	84.3%	85.7%	87.5%	86.3%	80.4%	85.7%	84.3%	78.6%	85.7%
St Francis RC	53	94.8%	79.6%	83.0%	82.8%	66.7%	92.5%	84.5%	83.3%	83.0%	93.1%	74.1%	83.0%
St Georges C of E	26	92.0%	93.8%	88.5%	80.0%	75.0%	80.8%	64.0%	62.5%	84.6%	68.0%	87.5%	76.9%
St Georges Cathedral RC	30	81.6%	75.0%	76.7%	92.1%	79.2%	86.7%	73.7%	56.3%	63.3%	97.4%	83.3%	86.7%
St James C of E	58	73.8%	94.1%	93.1%	95.1%	92.2%	96.6%	59.0%	78.4%	84.5%	80.3%	98.0%	93.1%
St James The Great RC	23	88.5%	88.9%	78.3%	80.8%	88.9%	87.0%	88.5%	81.5%	78.3%	92.3%	85.2%	95.7%
St Johns and St Clements C of E	52	84.0%	83.0%	88.5%	82.0%	89.4%	88.5%	76.0%	72.3%	80.8%	82.0%	74.5%	82.7%
St John's RC	28	100.0%	96.2%	96.4%	91.3%	96.2%	92.9%	78.3%	92.3%	89.3%	100.0%	92.3%	100.0%
St Johns Walworth C of E	27	95.8%	92.9%	85.2%	79.2%	85.7%	81.5%	91.7%	82.1%	81.5%	100.0%	92.9%	88.9%
St Josephs Catholic (Borough High St)	29	89.3%	92.6%	89.7%	85.7%	92.6%	89.7%	78.6%	92.6%	82.8%	89.3%	85.2%	89.7%
St Josephs Catholic (Gomm Road)	27	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
St Josephs RC (George Row)	40	100.0%	100.0%	100.0%	97.7%	97.7%	100.0%	95.5%	97.7%	100.0%	100.0%	100.0%	100.0%
St Joseph's RC Juniors (Pitman Street)	59	78.9%	93.3%	86.4%	78.9%	86.7%	79.7%	78.9%	86.7%	86.4%	70.2%	90.0%	83.1%
St Judes C of E	22	81.8%	90.0%	90.9%	77.3%	85.0%	77.3%	68.2%	80.0%	81.8%	86.4%	75.0%	90.9%
St Mary Magdalene C of E	29	100.0%	84.0%	82.8%	93.3%	84.0%	86.2%	93.3%	72.0%	79.3%	83.3%	80.0%	65.5%
St Paul's C of E	43	97.3%	97.5%	86.0%	89.2%	80.0%	76.7%	89.2%	75.0%	88.4%	91.9%	95.0%	93.0%
St Peter's Walworth C of E	30	92.0%	93.1%	93.3%	76.0%	89.7%	90.0%	80.0%	82.8%	83.3%	80.0%	79.3%	80.0%
Surrey Square Primary	59	98.2%	93.0%	89.8%	78.6%	89.5%	88.1%	94.6%	87.7%	89.8%	98.2%	93.0%	91.5%

**Table 1  
Attainment L4 -provisional**

	Eligible Cohort 2015	Reading L4+			Writing L4+			GPS L4+			Maths L4+		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
The Cathedral School of St Saviour and St Mary Overy	25	100.0%	96.2%	96.0%	100.0%	100.0%	100.0%	95.8%	96.2%	100.0%	75.0%	96.2%	100.0%
The Globe Academy (Primary Phase)	46	100.0%	96.2%	91.3%	91.7%	88.5%	89.1%	87.5%	84.6%	91.3%	100.0%	96.2%	95.7%
Tower Bridge	22	52.6%	76.0%	81.8%	84.2%	72.0%	81.8%	52.6%	68.0%	68.2%	73.7%	80.0%	72.7%
Townsend	24	84.0%	88.9%	91.7%	84.0%	77.8%	91.7%	88.0%	77.8%	79.2%	88.0%	88.9%	95.8%
Victory	26	78.6%	87.5%	65.4%	67.9%	79.2%	76.9%	64.3%	75.0%	65.4%	75.0%	75.0%	76.9%

**Table 2  
2 levels progress - provisional**

	Eligible Cohort 2015	Reading, Writing & Maths L4+			2LP Reading			2LP Writing			2LP Maths		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Southwark LA	2910	76.9%	81.0%	82.0%	91.1%	92.8%	92%	93.3%	94.5%	95%	91.4%	92.3%	93%
National		76%	79%	80%	88%	91%	91%	92%	93%	94%	87%	90%	90%
London		79%	82%	82%	91%	93%	93%	94%	95%	95%	91%	93%	92%
SN Average		79.3%	82.2%	82.7%	91.2%	93.5%	92.9%	94.3%	95.8%	95.3%	92.0%	93.3%	92.7%
Albion	24	81.3%	87.5%	75.0%	93.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Alfred Salter	60	71.9%	90.2%	88.3%	86.5%	91.8%	96.7%	88.5%	98.4%	96.7%	94.2%	98.4%	98.3%
Alma (CLOSED)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Angel Oak Academy *	41	60.0%	66.7%	75.6%	85.4%	94.3%	87.5%	100.0%	83.0%	96.9%	90.5%	77.4%	97.0%
Bellenden	29	90.5%	85.7%	79.3%	94.7%	95.5%	88.5%	94.7%	91.7%	96.2%	100.0%	100.0%	84.6%
Beormund	11	0.0%	71.4%	18.2%	75.0%	100.0%	50.0%	75.0%	100.0%	30.0%	50.0%	90.0%	80.0%

**Table 2**  
**2 levels progress -**  
**provisional**

	Eligible Cohort 2015	Reading, Writing & Maths L4+			2LP Reading			2LP Writing			2LP Maths		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Bessemer Grange	41	87.0%	87.8%	82.9%	85.7%	100.0%	100.0%	95.5%	94.3%	97.2%	90.5%	94.3%	97.3%
Boutcher C of E	28	92.9%	100.0%	96.4%	100.0%	96.4%	96.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Brunswick Park	70	76.1%	69.9%	74.3%	90.8%	95.3%	90.8%	95.4%	92.2%	92.3%	96.9%	90.8%	98.5%
Camelot	44	79.7%	80.7%	90.9%	95.9%	90.4%	100.0%	92.0%	86.5%	100.0%	98.0%	92.3%	100.0%
Charles Dickens	44	86.1%	94.9%	90.9%	90.9%	97.2%	100.0%	100.0%	100.0%	97.7%	100.0%	100.0%	97.7%
Charlotte Sharman	48	69.4%	81.0%	77.1%	96.9%	94.9%	86.4%	93.8%	94.9%	100.0%	81.3%	100.0%	97.7%
Cherry Garden	3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cobourg	60	69.0%	94.2%	83.3%	83.8%	97.7%	98.1%	91.7%	100.0%	98.1%	92.1%	100.0%	94.2%
Comber Grove	37	75.7%	90.9%	83.8%	94.6%	95.3%	97.0%	83.8%	93.0%	100.0%	83.3%	93.0%	100.0%
Crampton	28	92.0%	80.8%	89.3%	100.0%	92.0%	100.0%	100.0%	96.0%	88.5%	100.0%	96.0%	96.2%
Crawford	54	83.7%	92.0%	90.7%	92.1%	97.9%	97.9%	100.0%	97.9%	100.0%	97.4%	97.9%	100.0%
Dog Kennel Hil	59	64.3%	72.2%	86.4%	78.8%	84.9%	96.4%	78.8%	86.8%	100.0%	84.6%	83.0%	94.5%
Dulwich Hamlet Juniors	90	90.8%	94.5%	96.7%	96.4%	96.5%	88.8%	98.8%	98.8%	98.8%	94.0%	94.2%	100.0%
English Martyrs Catholic	60	65.5%	86.2%	86.7%	87.0%	92.3%	98.2%	85.2%	98.1%	100.0%	90.7%	94.2%	96.4%
Friars	28	80.0%	85.2%	89.3%	84.0%	100.0%	92.6%	92.0%	100.0%	100.0%	92.0%	95.8%	96.3%
Goodrich	77	86.4%	83.1%	81.8%	93.7%	89.6%	95.8%	96.8%	96.1%	98.6%	95.3%	93.6%	95.8%
Goose Green	47	77.3%	73.0%	55.3%	97.6%	91.2%	80.0%	97.6%	100.0%	73.3%	95.1%	80.0%	77.8%
Grange	42	81.4%	86.7%	64.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.6%	100.0%	100.0%
Harris Primary Academy Peckham Park	48	75.7%	77.8%	58.3%	80.6%	87.5%	82.2%	100.0%	100.0%	91.1%	94.4%	92.5%	77.8%
Haymerle	7	0.0%	0.0%	0.0%	0.0%	14.3%	28.6%	0.0%	14.3%	28.6%	0.0%	14.3%	28.6%
Heber	57	79.5%	79.3%	82.5%	88.1%	96.2%	94.2%	95.2%	92.5%	90.4%	88.1%	96.2%	94.3%
Hollydale	40	83.3%	76.5%	80.0%	96.6%	84.8%	97.2%	96.4%	85.3%	88.9%	100.0%	85.3%	86.1%
Ilderton	46	84.8%	95.8%	100.0%	96.9%	100.0%	100.0%	96.8%	100.0%	100.0%	96.9%	100.0%	100.0%
Ivydale	54	74.5%	80.0%	72.2%	89.1%	97.3%	94.2%	100.0%	97.3%	90.4%	91.1%	97.3%	84.6%
John Donne	50	86.4%	78.3%	90.0%	95.8%	97.4%	100.0%	93.8%	97.4%	97.8%	98.0%	100.0%	95.6%

**Table 2**  
**2 levels progress -**  
**provisional**

	Eligible Cohort 2015	Reading, Writing & Maths L4+			2LP Reading			2LP Writing			2LP Maths		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
John Ruskin	59	89.5%	84.5%	88.1%	94.2%	87.9%	89.3%	94.2%	98.3%	98.2%	92.3%	96.6%	96.4%
Keyworth	54	60.0%	66.7%	74.1%	83.9%	96.4%	89.4%	78.1%	96.4%	93.6%	80.6%	89.3%	87.2%
Langbourne	28	60.0%	66.7%	75.0%	78.3%	90.9%	96.0%	91.3%	90.9%	96.0%	87.0%	90.9%	96.0%
Lyndhurst	41	85.0%	81.3%	68.3%	97.3%	93.8%	97.3%	100.0%	96.9%	94.6%	94.6%	96.9%	94.6%
Michael Faraday	39	68.2%	87.8%	87.2%	90.7%	97.6%	97.4%	83.7%	100.0%	97.4%	83.7%	100.0%	97.4%
Oliver Goldsmith	72	71.2%	73.2%	73.6%	90.5%	86.7%	86.9%	95.2%	96.7%	98.4%	93.8%	93.3%	96.7%
Peter Hills with St Marys & St Pauls	25	70.8%	50.0%	76.0%	91.3%	65.2%	100.0%	87.0%	95.7%	91.3%	95.7%	73.9%	100.0%
Phoenix	45	77.4%	95.1%	100.0%	92.9%	100.0%	97.4%	92.9%	100.0%	100.0%	85.7%	100.0%	100.0%
Pilgrims Way	29	75.0%	88.0%	93.1%	94.7%	95.8%	100.0%	94.7%	95.8%	100.0%	95.0%	95.8%	100.0%
Redriff	49	86.3%	93.0%	95.9%	100.0%	95.0%	95.7%	98.0%	95.0%	100.0%	86.0%	95.0%	100.0%
Riverside	42	92.7%	90.0%	97.6%	94.9%	94.9%	97.4%	92.3%	92.3%	97.4%	94.7%	97.4%	97.5%
Robert Browning	41	69.4%	88.6%	80.5%	100.0%	96.9%	97.0%	83.9%	90.6%	97.0%	100.0%	96.9%	90.9%
Rotherhithe	60	75.0%	75.0%	76.7%	91.7%	98.1%	94.8%	93.8%	100.0%	98.3%	95.8%	94.4%	87.9%
Rye Oak	49	67.4%	54.3%	81.6%	85.7%	75.0%	85.7%	92.9%	86.4%	91.8%	83.3%	65.9%	83.7%
Snowsfields	25	81.5%	71.4%	84.0%	92.0%	88.6%	95.8%	92.0%	94.3%	95.8%	92.0%	94.3%	95.8%
Southwark Park	50	83.0%	82.4%	76.0%	90.2%	100.0%	93.5%	92.2%	97.7%	95.7%	94.1%	93.0%	95.7%
St Anthony's Catholic	41	78.0%	86.0%	90.2%	95.0%	95.2%	97.1%	92.5%	95.2%	100.0%	92.5%	92.9%	97.1%
St Francesca Cabrini	56	76.5%	73.2%	80.4%	83.0%	83.3%	94.1%	93.6%	87.0%	88.2%	89.4%	80.0%	84.3%
St Francis RC	53	82.8%	63.0%	75.5%	100.0%	90.2%	87.5%	100.0%	82.4%	97.9%	96.2%	86.3%	89.6%
St Georges C of E	26	60.0%	75.0%	73.1%	92.0%	93.3%	91.3%	88.0%	86.7%	91.3%	72.0%	86.7%	73.9%
St Georges Cathedral RC	30	76.3%	70.8%	73.3%	78.8%	82.9%	77.3%	100.0%	90.2%	95.5%	97.1%	87.8%	87.0%
St James C of E	58	60.7%	88.2%	91.4%	86.7%	92.0%	94.6%	98.3%	98.0%	98.2%	88.3%	94.0%	96.4%
St James The Great RC	23	80.8%	81.5%	73.9%	95.8%	96.2%	82.6%	91.7%	100.0%	95.7%	91.7%	96.2%	100.0%
St Johns and St Clements C of E	52	72.0%	72.3%	76.9%	93.9%	91.3%	88.0%	85.7%	95.7%	92.0%	87.8%	82.6%	88.0%
St John's RC	28	91.3%	92.3%	92.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%

**Table 2**  
**2 levels progress -**  
**provisional**

	Eligible Cohort 2015	Reading, Writing & Maths L4+			2LP Reading			2LP Writing			2LP Maths		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
St Johns Walworth C of E	27	79.2%	85.7%	81.5%	100.0%	92.6%	90.9%	78.3%	100.0%	90.9%	100.0%	96.3%	95.5%
St Josephs Catholic (Borough High St)	29	85.7%	77.8%	86.2%	88.9%	96.3%	82.1%	96.3%	100.0%	96.4%	89.3%	88.9%	96.4%
St Josephs Catholic (Gomm Road)	27	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
St Josephs RC (George Row)	40	97.7%	97.7%	100.0%	97.7%	100.0%	94.9%	100.0%	100.0%	100.0%	100.0%	100.0%	97.4%
St Joseph's RC Juniors (Pitman Street)	59	63.2%	83.3%	78.0%	78.8%	93.2%	96.2%	86.5%	86.4%	88.5%	71.2%	89.8%	92.3%
St Judes C of E	22	77.3%	65.0%	77.3%	100.0%	93.3%	100.0%	100.0%	100.0%	100.0%	95.5%	80.0%	95.0%
St Mary Magdalene C of E	29	80.0%	76.0%	62.1%	100.0%	91.7%	82.1%	100.0%	95.8%	96.4%	86.7%	83.3%	78.6%
St Paul's C of E	43	89.2%	80.0%	76.7%	97.1%	97.4%	92.3%	94.1%	97.4%	97.4%	94.1%	100.0%	97.5%
St Peter's Walworth C of E	30	68.0%	72.4%	80.0%	95.7%	96.6%	93.3%	95.7%	100.0%	96.7%	82.6%	93.1%	93.3%
Surrey Square Primary	59	78.6%	87.7%	88.1%	94.2%	96.2%	92.9%	94.2%	96.2%	96.4%	100.0%	96.2%	94.6%
The Cathedral School of St Saviour and St Mary Overy	25	75.0%	96.2%	96.0%	100.0%	96.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
The Globe Academy (Primary Phase)	46	91.7%	88.5%	87.0%	95.8%	95.7%	95.1%	100.0%	100.0%	97.6%	100.0%	100.0%	97.5%
Tower Bridge	22	47.4%	60.0%	72.7%	50.0%	87.5%	70.0%	94.4%	87.5%	90.0%	72.2%	87.5%	70.0%
Townsend	24	76.0%	70.4%	87.5%	87.5%	88.9%	87.5%	95.8%	77.8%	95.8%	87.5%	88.9%	95.8%
Victory	26	64.3%	75.0%	61.5%	88.5%	90.9%	78.9%	84.6%	86.4%	94.7%	76.9%	86.4%	89.5%

## Appendix 4. Key Stage 4 (GCSE and Equivalent) Attainment School Level Results up to and including 2014

Individual school level data for 2015 are not yet fully available.

	5+ A* -C Including English and Maths				
	2010	2011	2012	2013	2014
Bacon's College	71.9%	65.7%	69.3%	66.5%	59.1%
City of London Academy	48.5%	43.1%	60.8%	65.9%	56.5%
Globe Academy	41.5%	45.0%	44.5%	51.8%	55.0%
Harris Academy Bermondsey	48.8%	63.7%	62.3%	68.6%	51.2%
Harris Academy at Peckham	34.2%	49.8%	56.0%	58.2%	50.0%
Harris Boys Academy East Dulwich	N/A	N/A	N/A	N/A	71.0%
Harris Girls' Academy East Dulwich	49.1%	66.7%	63.8%	66.7%	56.2%
Kingsdale Foundation School	58.7%	60.2%	35.6%	59.7%	75.5%
Notre Dame RC Girls' School	67.5%	58.9%	60.3%	48.8%	54.6%
Sacred Heart RC Secondary School	84.7%	80.6%	73.3%	90.2%	77.4%
St Michaels' RC School	74.1%	66.9%	71.3%	85.4%	75.4%
St Saviour's & St Olave's CofE School	72.5%	71.2%	66.9%	78.0%	73.0%
St Thomas the Apostle College	48.9%	38.1%	41.7%	72.5%	75.9%
The Charter School	65.9%	66.9%	78.2%	72.2%	67.3%
Walworth Academy	59.0%	68.9%	60.3%	56.7%	55.8%
<b>National Average</b>	<b>55.3%</b>	<b>58.4%</b>	<b>59.1%</b>	<b>60.8%</b>	<b>56.8%</b>

## Appendix 5. Key Stage 5 (A Level and Equivalent) Attainment School Level Results up to and including 2014

Individual school level data for 2015 are not yet fully available.

	% entries A*-A grades (A levels only)					% entries A*-C grades (A levels only)					% entries A*-E grades (A levels only)				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>Bacons College</b>	27.6%	23.9%	32.1%	21.0%	35.8%	91.2%	81.8%	83.4%	84.6%	81.2%	99.4%	97.7%	99.5%	99.0%	99.4%
<b>The Charter School</b>	25.0%	18.0%	29.2%	32.0%	31.3%	75.0%	73.7%	86.2%	88.4%	87.8%	97.6%	97.7%	100.0%	100.0%	100.0%
<b>City of London Academy</b>	8.9%	5.7%	18.6%	18.3%	19.1%	65.2%	59.1%	58.7%	73.3%	71.7%	96.3%	100.0%	99.4%	100.0%	100.0%
<b>Harris Academy at Peckham</b>	2.9%	4.0%	-	-	16.7%	32.4%	52.0%	-	-	66.7%	88.2%	100.0%	-	-	100.0%
<b>Harris Academy Bermondsey</b>	-	-	-	-	20.0%	-	-	-	-	70.0%	-	-	-	-	80.0%
<b>Harris Boys' Academy East Dulwich</b>	-	-	0.0%	-	9.1%	-	-	27.3%	-	63.6%	-	-	100.0%	-	100.0%
<b>Harris Girls' Academy East Dulwich</b>	12.5%	15.6%	3.6%	20.8%	13.2%	91.7%	84.4%	82.1%	68.8%	77.4%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Kingsdale Foundation School</b>	-	-	20.0%	5.9%	11.0%	-	-	63.3%	59.8%	67.0%	-	-	100.0%	96.1%	100.0%
<b>Sacred Heart</b>	-	-	-	19.1%	27.1%	-	-	-	80.9%	83.3%	-	-	-	98.9%	100.0%
<b>St Michaels College</b>	-	-	-	0.0%	2.4%	-	-	-	51.1%	57.8%	-	-	-	100.0%	98.8%
<b>St Saviours &amp; St Olaves</b>	14.4%	23.3%	26.7%	22.7%	28.8%	75.5%	84.2%	85.6%	83.7%	78.5%	98.9%	99.2%	100.0%	100.0%	100.0%
<b>Walworth Academy</b>	-	-	19.0%	18.6%	9.0%	-	-	67.2%	68.6%	50.7%	-	-	98.3%	98.6%	89.6%

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to the Recommendations of the Education & Children's Services Scrutiny Sub-Committee on Narrowing the Achievement Gap	
<b>Ward(s) or groups affected:</b>			
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children and Schools	

## **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

We are committed to achieving the best start in life for all our children and young people and we want to support every Southwark child to achieve well at school. That support is particularly important for children who are looked after by the local authority, for children whose parents have a low income and for children with special educational needs and disabilities.

I therefore welcome the review of the Education and Children's Services Scrutiny Sub-Committee into 'Narrowing the Achievement Gap' and its scope, which covers a broad range of the key issues affecting attainment and progress within education.

We will continue to work towards reducing inequalities for the most disadvantaged, so that all Southwark children and young people are able to achieve their full potential.

### **RECOMMENDATION**

1. That the cabinet agree the proposed response to the Education & Children's Services Scrutiny Sub-Committee review on Narrowing the Achievement Gap amongst pupils.

### **BACKGROUND INFORMATION**

2. The Education & Children's Services Scrutiny Sub-Committee undertook a review to identify how Southwark might narrow the achievement gap amongst pupils. The 'Narrowing the Achievement Gap' report was published June, 2015.
3. The recommendations of the review were presented to cabinet on 21<sup>st</sup> July 2015, with a request for the relevant cabinet member to respond to the recommendations provided.
4. This report provides a proposed response to the recommendations to be approved by cabinet.

### **KEY ISSUES FOR CONSIDERATION**

Recommendation 1: The exam and testing regime is changing. When the council updates its council plan to reflect these changes it is recommended that new targets are set using both Attainment 8 and Progress 8 to measure school performance.



5. From 2016 there will be 5 headline measures which will appear in the performance tables:
- Progress across 8 subjects
  - Attainment across the same 8 subjects
  - Percentage of pupils achieving the threshold in English and mathematics
  - Percentage of pupils achieving the English Baccalaureate
  - Percentage of pupils who went on to sustained education, employment or training during the year after they finished their key stage 4 qualifications.
6. The “bundle of indicators” approach will give a more holistic view of the performance of our secondary schools. We will compare our position nationally and with our London neighbours, but we will not be able to make comparisons with previous GCSE outcomes as the measurement is different.

Recommendation 2: Continue to prioritise finding more local foster & care placements, particularly when it is needed most at year 10 & 11, given the adverse impact moving has on a child’s education.

7. We are currently running a new recruitment campaign for foster carers in the borough. One of the priorities for recruitment will be households who would be willing to take teenagers. In addition to a competitive fostering allowance, foster carers in Southwark will have their council Tax paid by the Council.

Recommendation 3: Ensure the needs of Permanently Placed children are highlighted to schools, alongside the training programme provided by PAC –UK.

8. Schools have a strong track record of identifying and supporting vulnerable children in need of support, including children who have been permanently placed. Schools work closely with Southwark’s Families Matter service so that children who have additional needs can receive the right help quickly. A strong universal service with access to good quality support services is the best way to secure good outcomes for permanently placed children and their families.
9. The Director for Education will discuss the needs of permanently placed children with the Heads Executive and help them identify their training needs in relation to this issue.

Recommendation 4: Link the expertise of the LAC team to local schools with Permanently Placed children.

10. The LAC Education Team is dedicated to improving the educational outcomes for children in care, and is not in a position to support permanently placed children.
11. The Council will continue to support the development of a strong post-adoption support service to ensure that adoptive families can have access to advice and support whenever they need it, which includes help with accessing the best schools.
12. One of the key aims of the London wide adoption agency will be to transform adoption and special guardianship support, ensuring high quality support is available when and where it is needed, particularly therapeutic and mental health services. This will ensure that there is more consistent adopter support across

London with the potential for a more strategic response to raising awareness in schools and delivering improved access to support services.

13. Through the London Adoption Board and the ALDCS, Southwark will be well placed to influence improved service delivery across London along the lines recommended by the Scrutiny Committee.

Recommendation 5: Bring the research of Lambeth Council, and the Southwark Education Community School education researchers insights, on white working class attainment to the attention of local schools through the education department and the Headteachers' Executive.

14. The 0 -19 team will highlight the research of Lambeth by presenting the findings at Headteacher Briefings, and making the research findings available on the Standards Website.
15. In addition, we continue to work with, support and challenge school leaders so that they are able to demonstrate a strong commitment to closing the attainment gap, focus on improving outcomes for white working class and other groups showing significant underachievement, forensically target interventions, and develop robust tracking systems.

Recommendation 6: Assist schools in improving the provision for low income and deprived parents, in recognition of their pivotal role in children's education, particularly in areas where there is a high disparity of wealth. In particular take measures to assist schools engage parents, and improve the provision of parental literacy classes and community education. Take steps to assist families in housing need, especially the needs of displaced children whose families have had to move to access housing.

16. Support and challenge schools to make the best use of use of Pupil Premium funding to improve the academic and wider outcomes of disadvantaged pupils. Encouraging schools to have a strong vision, long term commitment (reflected in systems embedded within the school), good and continued communication of vision across the school and a collaborative approach with parents so that every pupil has the opportunity to succeed.
17. Support and challenge schools to develop stronger parent and carer engagement. Developed strong parent and carer engagement through parent and carer, teacher and pupil discussion of work at 'Termly Learning Conferences'. Pupil engagement in meetings is supported through discussion with their teacher. This is underpinned by close monitoring of pupil progress, rigorous evaluation of interventions and teachers sharing ideas on pupil engagement.
18. Support and challenge schools to consider introduction workshops for parents and children which focused on core skills to promote high aspirations and involved of children and parents working together at home.

Recommendation 7: Promote Bacon's College good practice in providing a whole school approach to wellbeing and use of therapeutic and targeted interventions to address the social, emotional and mental health needs of the most disadvantaged students, particularly to ensure the bottom 20% make good progress.

19. We have aligned Educational Psychologists and Early Help Officers more closely within SEND to pick up non-statutory work where families do not meet EHC plan thresholds.
20. We have also built strong links with Family Support Workers and Education Welfare Officers in Early Help. We offer parenting programmes mainly where children are experiencing behavioural needs, and in support of EHC planning or where a EHC plan not agreed.

Recommendation 8: Improve communication by Social Work teams with schools by ensuring that schools have a consistent link. Look at the deployment of school nurses as an example of good practice – schools praised the simple geographical model and clear communication lines.

21. We are in the process of providing schools with the details of relevant Heads of Services, Practice Group Leads, and MASH named persons so that they can direct their enquiries to the appropriate services.

Recommendation 9: Improve communication between schools, Housing, Probation Services and the Police.

22. A multi-agency meeting was held with schools and partner agencies in February 2015 to discuss Child Sexual Exploitation responses and raised general issues about communication of information, identifying the appropriate channels to raise concern – particularly the importance of using the MASH to ensure a coordinated response.
23. The Youth Offending Service has an Education, Training & Employment Officer who can be contacted by Southwark Schools. We provide these details to the Heads Executive.
24. We have made efforts to deliver prevention advice in secondary schools in order to address misconceptions among young people regarding eligibility for housing. We believe this is important work and aim to continue to build on this work with schools going forward.

Recommendation 10: Invest in further provision of CAMHSs and ensure that there is one consistent CAMHS link person for every school.

25. The refreshed behaviour support strategy will impact on the emotional and behavioural needs of pupils. We have also expanded Summerhouse Southwark Behaviour provision for primary schools, and arranged interim funding for children to receive support for emotional and behavioural needs. All four locality teams have a CAMHS worker who work directly with schools.

Recommendation 11: Ensure that the Local Offer website covers the full range of training and apprenticeships for all young people, particularly young people with special needs, and that the site details all employment support available.

26. The Local Offer has a section dedicated to the provision of information about employment, training and apprenticeships. There is a requirement for the Local Offer to identify training opportunities, supported employment services, apprenticeships, traineeships and supported internships. This includes information about additional support such as the Access to Work fund, teaching

and learning support, job coaching in the workplace and the provision of specialist equipment.

27. Southwark's Information, Advice and Support Team (SIAS) are engaging with providers of apprenticeships, traineeships and supported internships to ensure that the local offer includes a range of options for young people with additional needs from 16-25. The team is working closely with Southwark's Participation, Employment and Training Team, and London wide Apprenticeship and Training providers to ensure that the local offer includes all of the latest opportunities for our young people.
28. The Local Offer includes information on how to apply for opportunities and entry requirements. The IAS Team provide an individual specialist casework service for young people aged 16-25 where necessary. The team support young people with accessing the local offer, considering options, making applications and by providing practical support when necessary.
29. Work continues on the Local Offer to ensure it captures as much information as possible for parents and young people in relation to post school pathways and opportunities.

Recommendation 12: Work with Lewisham Southwark College to improve its provision of quality apprenticeships.

30. The quality of apprenticeship provision at Lewisham Southwark College is below an acceptable level and this is acknowledged by the college senior management team. They have developed an action plan to address the key issues, but this has yet to be reflected in outcomes for students.
31. The council is represented on the Skills Funding Agency monitoring group that is charged with monitoring the progress that the college is making in relation to rectifying the weaknesses identified in the Ofsted report. Progress with apprenticeships is a standing item on the meeting agenda for this group.
32. The council has worked with a number of FE providers to deliver the training aspect of the council scheme ensuring that we are not tied to one location or provider.
33. The council has recently launched its apprenticeship standard which aims to improve the delivery of apprenticeships for Southwark young people, and includes a requirement for quality training for all young people who are signed up to the scheme.

Recommendation 13: The Overview & Scrutiny Committee notes the possible closure of the Lewisham Southwark College Camberwell site and propose the cabinet supports the local campaign to keep this facility open.

34. Southwark Council believes that Lewisham Southwark College's plan to sell the Camberwell site would harm the interests of local young people and older learners.
35. In spite of Council opposition, the college is proceeding with the sale of the Camberwell campus. This will mean that in the past three years the college will

have disposed of over two thirds of the learning space that was previously available for Southwark Learners.

36. The Leader of the Council has formally written to the Commissioner for FE to express the council's opposition to the planned sale. The Leader has also written to the Minister responsible and is awaiting a response to that letter.
37. The council will continue to press for a solution that meets the needs of local people.

Recommendation 14: Improve the diversity of the post 16 year offer for young people by investing in widening the provision at local sixth forms, where possible, and ensure that young people, parents and carers fully understand the range of alternative options and are well supported in transition.

38. Southwark sixth forms have performed very well against other schools in London and nationally. This cannot however offer a full alternative to an effective and high performing FE offer in the borough. All schools are keen to be active partners in the development of a new FE offer in the borough and have written to the FE Commissioner in support of looking for a fresh start.
39. The Participation Education and Training Team track all young people in the borough aged 16-19 to ensure that they are participating in learning. Where a young person is not participating they will work with that young person to ensure that they engage with learning.
40. The Southwark Information and Advice Service help young people with special needs to find learning opportunities that best meet their particular needs.

Recommendation 15: Southwark Council must develop an exemplary further education offer for current and future students of Lewisham Southwark College as a matter of urgency, particularly considering the impact such a poor offer has on local learners. Moves should be made to develop plans to improve the opportunities for local learners focused on defining what a 'good further education offer' looks like by; working with the funding agencies, providers and other key stakeholders to develop this.

41. The council has been working with key partners including schools, local businesses and London South Bank University to develop proposals to transform the post 16 learning landscape in Southwark.
42. A headline proposal was submitted to the Further Education Commissioner as part of his Structure and Prospects Appraisal of Lewisham Southwark College. The paper advocated the break up of the college with a fresh start college being developed in Southwark. The Commissioner's initial response has not been favourable as his view is that colleges need to merge to form bigger institutions in order to survive in the current funding climate.
43. The Council is determined to create a better route into work for people across the borough and will continue to seek a solution that properly meets the needs of students and local businesses.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Narrowing the Achievement Gap report, June 2015 Education and Children's Services scrutiny sub-committee	Southwark Council 160 Tooley Street London SE1 2QH	<a href="mailto:Julie.timbrell@southwark.gov.uk">Julie.timbrell@southwark.gov.uk</a>
Link: <a href="http://moderngov.southwark.gov.uk/documents/s55619/Appendix%20A%20Scrutiny%20report%20-%20Narrowing%20the%20achievement%20gap.pdf">http://moderngov.southwark.gov.uk/documents/s55619/Appendix%20A%20Scrutiny%20report%20-%20Narrowing%20the%20achievement%20gap.pdf</a>		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Victoria Mills, Children and Schools		
<b>Lead Officer</b>	Merril Haeusler, Director of Education		
<b>Report Author</b>	Dean Thomas, Policy Adviser, Children's and Adults' Services		
<b>Version</b>	Final		
<b>Dated</b>	9 October 2015		
<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 Law and Democracy	No	No
	Strategic Director of Finance and Governance	No	No
	<b>Cabinet Member</b>	Yes	Yes
	<b>Date final report sent to Constitutional Team</b>		9 October 2015

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Recommendations of Education & Children's Services Scrutiny Sub-Committee Review of Southwark's Adoption Services	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children and Schools	

### **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

Adoption is one of the most important and significant decisions that can be made for a child. As part of its wider agenda to create a fairer future for the most vulnerable children and families, Southwark Council wants every child to grow up in a safe, stable and loving home. For those young children who cannot remain or return safely to their birth families, adoption offers them the best opportunity to experience a warm and loving family environment throughout life.

This Review of Southwark's Adoption Service by the Education & Children's Services Scrutiny Sub-Committee was a timely and welcome focus on how we deliver outcomes for some of our most vulnerable children. The analysis and understanding gained through the involvement of a wide range of stakeholders including members, officers and adopters has led to a richer understanding of our strengths but importantly what we need to do further.

I have recommended we take this further through the creation of an Adoption Charter. This will be a visible sign to adoptive families of our commitment to them and will form a significant part of how we measure the effectiveness of our Adoption Service.

### **RECOMMENDATIONS**

1. That the cabinet agree:
  - i) the proposed response to the Education & Children's Services Scrutiny Sub-Committee Review of Southwark's Adoption Service.
  - ii) That cabinet support the principle of an Adoption Charter and agree that the draft Charter in Appendix 1 is consulted on by key stakeholders including potential and existing Adoptive parents.

### **BACKGROUND INFORMATION**

2. The education & children's services scrutiny sub-committee undertook a review of Southwark's Adoption Service commencing with a scrutiny session in October 2014 culminating in a policy seminar in April 2015.
3. The recommendations of the review were presented to cabinet on 20 May 2015 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**

##### **5. Recommendations on education**

- Recommendation 1: Ensure the needs of Permanently Placed children are highlighted to schools, alongside the training programme provided by PAC – UK.
  - Recommendation 2: Link the expertise of the LAC team to local schools with Permanently Placed children.
  - Recommendation 3: Monitor the long term educational outcomes of all permanently placed children.
6. Cabinet recognises the quality of Southwark's schools and the significantly improved outcomes they have achieved for their pupils. They have a strong track record for identifying and supporting vulnerable children in need of support including children who have been permanently placed. Schools work closely with Southwark's Families Matter service so that children who have additional needs can receive the right help quickly. A strong universal service with access to good quality support services is the best way to secure good outcomes for permanently placed children and their families.
  7. The director for education will discuss the needs of permanently placed children with the Heads Executive and help them identify their training needs in relation to this issue.
  8. Once children have been adopted, their records are sealed and no longer accessible to Southwark social workers. For families adopted through Southwark they can seek support through the post adoption support service which will work with adoptive parents to identify their support needs and ensure they have access to the appropriate services. This is a discrete confidential service which can help avoid any unnecessary stigma for children who have been adopted.
  9. The LAC Education Team is dedicated to improving the educational outcomes for children in care, and is not in a position to support permanently placed children.
  10. The council will continue to support the development of a strong post-adoption support service to ensure that adoptive families can have access to advice and support whenever they need it, which includes help with accessing the best schools.
  11. These developments must be seen in the light of the Government's intention to move to regional adoption agencies as they believe they will help: speed up matching and markedly improve outcomes for children; improve adopter recruitment and adopter support; and reduce costs. It is expected that all local authorities will be part of a regional adoption agency by the end of this parliament.



12. On 20 July the Association of London Directors of Children's Services (ALDCS) agreed that the London Adoption Board should work up a proposal to develop a London wide adoption agency. One of the key aims of the agency will be to transform adoption and special guardianship support, ensuring high quality support is available when and where it is needed, particularly therapeutic and mental health services. This will ensure that there is more consistent adopter support across London with the potential for a more strategic response to raising awareness in schools and delivering improved access to support services.
13. Through the London Adoption Board and the ALDCS, Southwark will be well placed to influence improved service delivery across London along the lines recommended by the Scrutiny Committee. It is anticipated that the new arrangements will be implemented in September 2016.

### Recommendations on the Adoption Charter

14. The Cabinet supports the creation of a Adoption Charter incorporating the recommended draft principles listed below. We will work with key stakeholders to develop and finalise the Charter and ensure that it recognises the Council's commitment to involving adoptive families in the continual improvement of its Adoption Service.
15. The draft Adoption Charter for Southwark is attached at Appendix 1 for consideration by Cabinet.
16. Once agreed, the Adoption Charter will be publicly available and incorporated into an updated version of Southwark's Adoption Service's Statement of Purpose which is required by National Minimum Standards.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview and scrutiny recommendations report to cabinet	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
<a href="http://moderngov.southwark.gov.uk/documents/s55557/Report%20Cover%20report%20for%20Southwarks%20adoption%20services.pdf">http://moderngov.southwark.gov.uk/documents/s55557/Report%20Cover%20report%20for%20Southwarks%20adoption%20services.pdf</a>		

### APPENDICES

No.	Title
Appendix 1	Adoption Charter for Southwark
Appendix 2	Leaflet on adoption charter

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Victoria Mills, Children and Schools	
<b>Lead Officer</b>	Rory Patterson, Director, Children's Social Care	
<b>Report Author</b>	Alasdair Smith, Head of Service, Permanence	
<b>Version</b>	Final	
<b>Dated</b>	9 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 October 2015

## APPENDIX 1

### Southwark Adoption Charter

Southwark Council believes in giving children the best start in life. We want our children and young people to thrive in safe healthy and stable environments where they have the opportunity to grow, make choices and feel in control of their lives and future. This ambition holds true for each and every child including our looked after children.

Southwark Council, through its Adoption Service, promises to:

Encourage people to adopt by emphasising the joys of adoption while being open about the difficulties vulnerable children experience.

Listen to the experiences of adoptive and birth parents to make sure services can respond helpfully to the needs of adopted children and their parents, and that we can continually improve our offer of help and support.

Strive to complete assessments in six months while allowing flexibility for adopters to lead the process.

Make sure children are matched quickly and that they have a life story book which helps them to understand their background and how they came to be adopted.

Ensure the service considers national and ethnic differences but that this does not cause delay for the child.

Support children and families all the way through the process and respond sensitively to their requests for help and advice.

Communicates clearly with prospective adopters so that they understand the approval process and what is expected of them.

Provides a strong post adoption support offer which clearly sets out what adoptive parents are entitled to.

# Southwark Adoption Charter

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- Listen to the experiences of adoptive and birth parents to make sure services can respond helpfully to the needs of adopted children and their parents, and that we can continually improve our offer of help and support.
- Strive to complete assessments in six months while allowing flexibility for adopters to lead the process.
- Make sure children are matched quickly and that they have a life story book which helps them to understand their background and how they came to be adopted.
- Ensure the service considers national and ethnic differences but that this does not cause delay for the child.
- Support children and families all the way through the process and respond sensitively to their requests for help and advice.
- Communicates clearly with prospective adopters so that they understand the approval process and what is expected of them.
- Provides a strong post adoption support offer which clearly sets out what adoptive parents are entitled to.

<b>Item no.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Recommendations from the Scrutiny of the Health of the Borough	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

### **FOREWORD - COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

Improving the health of Southwark's population and reducing health inequalities require a multi faceted partnership approach across the system. Southwark Council, NHS partners and the voluntary and community sectors are working together to do this. The scrutiny sub committee highlights the importance of this cross cutting approach by conducting a wide ranging review that covered the financial health, the environmental health and the physical health of the borough. I very much welcome the participation of the many partners in submitting their evidence to the scrutiny process. I am pleased to present the response to the recommendations received from the healthy communities scrutiny sub-committee and I look forward to continuing to work across council departments and with local partners to improve the health of Southwark's communities.

### **RECOMMENDATION**

1. That cabinet agree the proposed response to the healthy communities scrutiny sub-committee's report on the Health of the Borough and note the progress in taking forward the recommendations.

### **BACKGROUND INFORMATION**

2. The healthy communities scrutiny sub-committee undertook an investigation into the Health of the Borough. The investigation covered financial health, environmental health and physical health. A report of the sub committee's findings was received by the healthy communities scrutiny sub committee in March 2015.
3. There were in total 33 recommendations presented to cabinet on the 23 June 2015. This report provides the proposed responses and an update on the progress in taking forward the recommendations.

## KEY ISSUES FOR CONSIDERATION

### Recommendations from Healthy Communities Scrutiny Sub-Committee and proposed Cabinet responses

#### Financial Health

4. Recommendation 1: The Committee recommends that the Council continue to provide funding for the Southwark Citizens Advice Bureau (CAB) so that it continues to support vulnerable residents, in particular men in their 50s who are adversely affected.

#### Response

5. The council has three year contracts with the Southwark Citizens Advice, Advising London and Southwark Law Centre to provide advice to residents who are having difficulties with housing, debt, welfare benefits, immigration status and other issues. Southwark CAB from its bases in Bermondsey and Peckham provides face to face advice, drop-in sessions and appointments. It also provides on-line advice via the [www.southwarkadvice.org.uk](http://www.southwarkadvice.org.uk) website, and telephone advice via the low-rate Southwark Advice Line.
6. The council is part of Southwark Legal Advice Network which plans and co-ordinates the delivery of services to meet the needs of Southwark residents. The Council attended the launch of the Southwark Legal Advice Network Draft Strategy for Advice in September and will be holding a Consultation Event with partners and stakeholders to consider community advice needs as part of the process for commissioning services to start from August 2016.
7. The scrutiny report highlighted specific concerns with men aged 50+ on low incomes who may be isolated. The CAB aims to ensure its services meet the diverse needs of all residents, including the needs of this group. Specifically, the Council and the Tenants Joint Security Initiative grants panel has funded a project informed by the Pullens Tenants and Residents Association and supported by the Southwark Group of Tenants Organisations. This project is linked to the Community Advice agencies including Southwark CAB and involves:
- Setting up a self-help group for Southwark tenants who are unemployed and claiming JSA or ESA
  - Confidence building of unemployed tenants, thereby decreasing isolation and increasing community engagement.
8. Recommendation 2: The Committee recommends that the Council continue to promote local CAB services to residents, particularly the Money Savvy service, providing financial education for social housing tenants.

#### Response

9. Community Advice Services are promoted on the council website and through a range of communication channels including the community engagement e-Newsletter, community council e-Newsletters, Facebook page, Southwark Life

and the revenues and benefits stakeholder letter. Details of Money Savvy workshops and training events are also regularly circulated through the above channels and to local voluntary sector groups and the Southwark Group of Tenants Organisations who work closely with residents. Community engagement and other council departments continue to work with the Money Savvy project to build awareness and participation in the activities. Regular updates are posted on the council intranet to ensure staff are aware that these services are available to residents.

10. Recommendation 3: The Committee recommends the January edition of Southwark Life should carry information on financial services provision in the Borough to raise awareness at a time when people are more likely to be looking at organising their finances.

Response

11. Information on financial services provision in the borough and being money wise was featured in the summer edition of Southwark Life. The CAB was featured and provided some top tips on managing personal finances. Southwark Life will continue to include features on a regular basis about financial management and where to get help.
12. Recommendation 4: The Committee further recommends that Community Council chairs should be encouraged to invite financial support services to present and be on display at Community Councils during the administrative year.

Response

13. The healthy borough initiative was discussed at the June 9 Community Council chairs and vice chairs meeting. Chairs were encouraged to hold a health and wellbeing themed meeting in their areas. Credit Unions and Money Savvy (CAB) have presented in community council meetings previously and we will be happy for them to present or have stalls at future meetings. Their services are regularly promoted in the Community Council e-newsletters.
14. Recommendation 5: The Committee recommends that the Cabinet Member writes to all Tenants & Residents Associations on an annual basis to provide them with details of services that are located within Southwark.

Response

15. Information on these services is regularly provided to tenants via the resident involvement team and Southwark Group of Tenants Organisations.
16. Recommendation 6: The Committee therefore recommends that a named Cabinet Member works to identify a potential premise for a credit union on the Walworth Road, which would help to balance the number of payday loan shop services.

Response

17. Officers have been working with London Mutual Credit Union (LMCU) in relation to the former Cash Office, 177-179 Walworth Road, in order for that property to become a new service outlet for LMCU. Terms for a lease have been agreed. It

is hoped that LMCU will take possession shortly and start to deliver services to local residents once the refurbishment programme is complete.

18. Recommendation 7: The Committee also recommends that all Councillors should be encouraged to join a credit union so that they can speak from first-hand experience to residents about using credit unions.

Response

19. Credit union and money advice services are promoted in the borough. These services have presented at council meetings and to councillors so that councillors are aware of them and are able to promote them.
20. Additionally, young people in Southwark are encouraged to save through a credit union. Eleven year olds in Southwark are being given a helping hand with their finances with the Council Smart Savers initiative. Every child aged 11 living in the borough can set up their own bank account with the London Mutual Credit Union, and all those who do so will find £10 in their account, to help them get their savings underway. Southwark Smart Savers has been designed to help young people to save and teach responsible financial behaviour including experience of money matters, budgeting, saving and handling cash.
21. Recommendation 8: The Committee recommends that the Council takes the lead in initiating discussions about the potential for working with the CCG, local GP practices and CAB services to provide financial health services in health centres in Southwark.

Response

22. There is an agreed project plan and on-going discussion between the Council and CCG to finalise the details which will be presented to the CCG Community Resilience and Prevention Board in autumn.

### **Environmental Health**

23. Recommendation 9: The commitment that the Council has so far made to our parks and green spaces should be commended, and the Committee recommends that the Council continues to invest in these areas to improve the health of residents.

Response

24. We will continue to invest in our Parks and Green Spaces. We have a multi-million pound capital programme rolling out over the next few years. But at the same time need to always be mindful of future budgetary constraints, particularly those affecting revenue streams.
25. Recommendation 10: The Committee would recommend that the cabinet member continue to put pressure on TfL to reconsider the scope for the ultra-low emission zone to include Southwark.

Response



26. Transport for London has agreed to review the extent of the Ultra Low Emission Zone. A working group has been established through London Councils to assist and steer this work. Southwark Council will be feeding into this work.
27. Recommendation 11: The Council should consider banning smoking in children's playgrounds. This will be a good initial move to improve the air quality for young people in our borough and those who are likely to be affected by second hand smoking from adults whilst they are at play.

Response

28. Smoking will not be allowed in any of the 68 playgrounds in Southwark. A voluntary approach has been taken initially. Young people have been engaged in a poster competition around smoking during the summer term 2015. Winning entries will be used as signage in playgrounds to inform people that smoking is not allowed. Signage preparation will commence during Autumn 2015. Installation of the signs in the playgrounds is scheduled in the New Year.
29. Recommendation 12: The Committee would recommend that the Cabinet Member looks into the possibility of funding a project highlighting the green link projects throughout the Borough.

Response

30. We are working on a major cycling marketing campaign that will be promoting the priorities in the strategy. This will include the different routes people can cycle and is expected to roll out next year. In the interim, there is on-going print and digital promotion to highlight cycling schemes, like the cycle loans, cycle training and cycle parking. There is also work exploring the various social media options to advertise local cycling provision and the Council is promoting walking by hosting a 'walking hub' on its website. The council's walking strategy is currently being developed. Green links will be promoted within this.
31. Recommendation 13: The Committee welcomes the suggestion from meeting participants that we have planted sections which would act as a 'green ribbon' through the Borough and recommend that the Cabinet member factors this into the ongoing Cycling Strategy that the Council is developing.

Response

32. The Cycling Strategy commits the council to talking to communities about how a street functions, and to better understand what designing for cycling means for local streets, parks, neighbours and the community itself when provided the infrastructure improvements identified in the plan. It is through this engagement that landscaping and greening can be considered. It is also worth highlighting that green ribbon projects also meet the criteria for Cleaner, Greener, Safer.
33. Recommendation 14: The Committee recommends that the cabinet member for Regeneration seriously considers the viability of a low line and works with the Walworth Society to develop a proposal to take this forward.

Response

34. Officers will continue working in close partnership with Network Rail and the local community in Bankside, London Bridge, Elephant and Castle and Walworth to

ensure the delivery of the project as appropriate sites and opportunities come forward. The Low Line will be supported in planning policy through the New Southwark Plan to be adopted in 2017.

35. Recommendation 15: The Committee would recommend that the Cabinet Member looks to conduct a study into the better use of green space in the Borough and work with local TRAs and community groups to identify community projects that can be undertaken.

Response

36. This summer, the marketing team are conducting a piece of research into how to encourage behaviour change relating to green spaces in areas identified as having the lowest rates of activity. Different messages are being tested to ascertain which have the greatest impact on park use. Areas near a park will be split, with half of the residents receiving one message, the other half another. Materials have the same look and feel but a different emphasis, one specifically promoting local facilities. The direct mail is being followed up with research in key streets to identify whether residents took the required call to action, whether the shift in emphasis affected this and to gather other key information about what encourages or discourages residents to use their local parks or other parks in the borough.

37. Recommendation 16: We would encourage the Cabinet Member for Regeneration and the Chair of Planning to look to encourage developers to consider interim use projects which contribute to improving the environment for Southwark residents during their schemes.

Response

38. The Council is actively encouraging developers to consider interim use projects which contribute to improving the environment for Southwark residents during their schemes. For example, at Elephant and Castle the Council is working with Lend lease to deliver a programme of interim uses. The Artworks scheme has opened providing over 30 temporary units for small business start ups, and land has been provided to the Mobile Gardeners, a local community group, for a gardening and horticulture project. Next year, Lend Lease will be submitting plans for a temporary park which will provide an interim open space for residents pending the provision of a much larger permanent one hectare open space. At Canada Water, the Council is working with British Land to redevelop the former Harmsworth Quay's printing press site. Secret Cinema are currently occupying the premises on a short term basis as a venue for a programme of cinematic, theatrical, musical and cultural events. Opportunities for gardening and greening projects are also being actively explored. In the longer term, once the site is cleared there could also be opportunities for interim sport and leisure uses such as temporary 5 a side football pitches.

### **Physical Health**

39. Recommendation 17: The Committee recommends that the Council consider further sites for outdoor gyms in parks and open spaces throughout the Borough.

Response

40. Fifteen outdoor gyms were identified at the time of writing the Health of the Borough report: Leyton Square, Tabard Gardens, Peckham Rye Park, Haddon Hall Estate, Mint Street Park, Southwark Park, Geraldine Mary Harmsworth Park, Aylesbury Estate, Burgess Park (Albany Rd/Canal St), Burgess Park (St Georges Way /Sumner Road), Lordship Lane Estate, Dulwich Park, Durand's Wharf, Bethwin Road Adventure Playground, Brimington Park. Since then several more installation sites have been identified, funded through the Cleaner Greener Safer programme (2014/15) in consultation with local communities: Bermondsey Spa Park, Pearsons Park, Kingswood outdoor gym, Clifton Estate, Comus House.
41. Additionally, there is an outdoor gym at Pynners sports ground which was a pilot project funded through Olympic Legacy capital. The project is entitled Active Spectators. The aim is to encourage the parents and general spectators who visit the sports ground to be active, while watching their children take part in organised activities. The equipment is also used by the young people who visit the sports ground for sessions run by Caribb F.C. A further sports ground site may be funded informed by the usage and lessons from Pynners.
42. Recommendation 18: The Committee believes that the play street scheme provides an ideal opportunity for engaging children in safe play near their homes, and would recommend that the Cabinet Member looks to extend the scheme during school holidays.

#### Response

43. The recommendation is welcomed. The intention is to extend the scheme. The target set for applications for play streets are 12 (2014/15) and 24 (2015/16 ) ie to double the number of schemes. A targeted summer marketing plan is being rolled out with support from Living Streets as well as Council channels to advertise this opportunity. In 2014/15 there were 13 participating streets. So far in 2015/16, 32 applications have been received, (17 delivered Apr-end July and 15 booked for Aug-March).
44. Recommendation 19: The Committee is currently conducting a Licensing Policy Review, and the Committee would recommend that the new guidance would seek to ban the sale of super strength alcohol as a standard condition of a licence.

#### Response

45. The Statement of Licensing Policy is currently subjected to review. A revised version of the policy document is scheduled to be returned to the licensing committee this Autumn. It is anticipated that the revised policy will incorporate the 'removal of low cost high strength alcohol from offer' as part of the suite of measures intended to promote the licensing objectives of 'the prevention of crime and disorder' and 'the prevention of nuisance'. As such, applicants for new licences and applications for variations of existing licences would be directed to consider the inclusion of this measure as a proposed licence condition when preparing their business operating schedule as part of their application. 'Responsible authorities' and 'other persons' may also recommend the inclusion of the measure as a licence condition, where this is omitted by the applicant but considered to be appropriate for the promotion of the licensing objectives in the specific case in question.

46. In general, licensing authorities are guided against setting 'blanket' standard conditions. It is possible to introduce local agreements with individual applicants on the sale of cheap high strength alcohol but these agreements need to be specific to the licensing objectives, to local issues of concern and to the application. Where appropriate, this approach is already being considered.
47. Recommendation 20: The Committee recommends that the Licensing Review further considers the ways in which current licensing policy can be used more effectively to have a clear impact on decision making.

Response

48. The current review of the licensing policy is intended to be a full review of all aspects of the policy including how it can best support overall licensing strategy and individual application determinations.
49. Recommendation 21: As a Committee we believe there needs to be great importance placed on health as a licensing objective. We recommend that the Cabinet Member lobbies central Government for weight to be put behind this objective, so that it can be added to the updated licensing conditions.

Response

50. It is important that health is a licensing objective so that the impact of alcohol licensing on health can be taken into account in the licensing process. This is currently being lobbied for though the London Healthier High Streets Group (over 15 London boroughs are represented on this group which is chaired by Lambeth & Southwark Public Health) and through lobbying via the London Councils and public health devolution 'asks'.
51. Recommendation 22: The Committee would recommend that Public Health is regularly consulted on licence applications and review processes, and data is taken into account to assess the likely impact on health for residents, including A&E admissions, noise disturbance and ambulance call-outs.

Response

52. As a named 'responsible authority' within the Licensing Act 2003, Public Health is formally consulted as a matter of course on every application for a new premises licence or variation of an existing licence. Public Health has developed and is now using a data tool which allows the geographical location of licensing applications to be assessed in relation to alcohol related violence and crime, hospital admissions, A&E attendances and ambulance call outs. This evidence is being used by Public Health to make representations to support the Local Authority and the Metropolitan Police as Responsible Authorities to assess the impact of a license on the licensing objectives. This has supported the refusals of licenses as well as the incorporation and adoption of best practice conditions such as minimum price, sales of single cans of super strength, sales of alcohol in open containers and hours of operation. Public Health are now included in the three-weekly cycle of Responsible Authority meetings held to discuss new licence applications and upcoming reviews.
53. Recommendation 23: The Committee supports the idea that there needs to be a more localised approach to tackling smoking and we would recommend the close working together of the CCG, the Council and local partner organisations.

## Response

54. A Southwark Tobacco Control strategy is being developed. The strategy is being informed by local intelligence that is being gathered through data analysis, engagement with partners including the CCG, as well as deep dive community insights with residents. The strategy will also identify commissioning priorities for the council as well as the NHS. The Lambeth and Southwark Tobacco Control Alliance facilitated by Public Health continues to promote an evidence based tobacco control approach locally. The Alliance consists of representatives from the council, CCG, NHS acute trusts, Fire Brigade, Police and HMRC.
55. Recommendation 24: Tackling smoking needs to remain a high priority for Public Health. The Committee supports the idea that there needs to be a more localised approach and we would recommend the close working together of the CCG, the Council and local partner organisations.

## Response

56. Public Health has led the review of smoking across Southwark. Evidence of what works to tackle smoking has been collated. Smoking cessation is one of the most cost effective health interventions, every £1 spent on smoking cessation services saves £10 in future costs. A Health Equity Audit has been conducted to understand who is accessing the service and who is more likely to quit or be lost to follow up; and whether access is according to needs. Work has been conducted to enable comparisons to be made between Southwark and the rest of England on key indicators. In depth engagement has occurred with residents across Southwark – smokers and non-smokers. Dialogues have also been had with members of specific target groups e.g. those with long term conditions, mental health, unemployed. An illegal tobacco campaign is currently underway. Partners have been engaged with all the different elements of work and findings will inform the Tobacco Strategy.
57. Recommendation 25: Discouraging young people from taking up smoking is a particularly important want to tackle the issue, and there needs to be more done to educate in schools. At present 3 schools per year are being funded in a 4 year project working with year 8 students. This does not provide a comprehensive enough approach and we recommend that the Council needs to work with secondary schools to have a yearly programme of activity.

## Response

58. Stopping young people from starting smoking is a crucial element within a comprehensive evidence based approach to tackling smoking. This will be a focus within the strategy, identifying what information and support need to be offered to young people through schools and youth settings. Emerging issues such as the increasing use of shisha by young people will also need to be taken into account.
59. Recommendation 26: In terms of tackling illegal tobacco, there is currently a partnership with Lambeth, Lewisham, Greenwich, Bexley and Bromley looking at the situation in SE London. The Committee commends this approach and would like to see a more concerted effort to tackle sales of illegal tobacco.

## Response

60. The London Boroughs of Lambeth, Southwark, Lewisham, Royal Greenwich, Bexley and Bromley are stepping up their fight against illegal tobacco in South East London. Over the last three years these boroughs have worked together and had success in finding and prosecuting those who sell illegal tobacco. This summer has seen the launch of a joint South East London illegal tobacco campaign, "Keep It Out". The message has been going out into the community and online to show people what the true cost of tobacco is to them and their children in terms of crime and poor health. There have been face to face engagement at local events and a new website page and helpline that allows people to report illegal tobacco anonymously has been set up. Messages are also going out that the boroughs are working with the Police and HMRC and people who sell illegal tobacco could be visited by enforcement teams with sniffer dogs.
61. Recommendation 27: The Committee would recommend that the Cabinet Member takes note of the submissions to this Committee in his consideration of responses to the Council's Cycling Strategy.

## Response

62. The Cycling Strategy was adopted by cabinet on 2 June 2015, the final version was informed by all responses received including that of the committee.
63. Recommendation 28: The Committee recommends that the Cabinet Member looks at a joined up approach and fairer allocation of safe cycle storage schemes and communication with residents about their location and provision.

## Response

64. The cabinet member has met with officers, who will investigate how to engage with residents to deliver cycle storage schemes.
65. Recommendation 29: The Committee recommends that the Cabinet Member works with TfL to extend further cycle hire schemes throughout the Borough.

## Response

66. The council is continuing to lobby Transport for London for an expansion of the cycle hire scheme. TfL and Southwark officers are working on a funding package to be finalised in early autumn.
67. Recommendation 30: The Committee recommends that the Cabinet Member considers the outcomes of the Grange Project and looks to see whether the scheme could be further extended in other areas in the Borough to encourage cycling.

## Response

68. Agreed, officers to investigate further.

69. Recommendation 31: The Council is currently aiming to have 10% of the borough actively cycling. Given the success of the Grange Project, the Committee recommends that the Cabinet Member should consider increasing the target percentage of those actively cycling in the Borough for 2016/17.

Response

70. Southwark has the sixth highest percentage of commuting cycle users in London. Currently 4.6% of all trips in Southwark are made by cycle which equates to approximately 35,000 trips made by cycle every day. The current Transport Plan cycle mode share target aims to double current levels of cycling to 10% by 2025/26. We will continue to review progress against our target on an annual basis as part of the Annual Transport Plan Monitoring report.
71. Recommendation 32: For contracting purposes, the Committee recommends that the impact of public health on staff is taken into consideration.

Response

72. The commitment to the London Living Wage and the Southwark Ethical Care Charter for homecare workers will have a positive impact on the health and wellbeing of staff.
73. Local employers are also being supported to sign up to the Workplace Health Charter. The Charter provides a systematic process to improve the health of staff. Local organisations signed up include Southwark Council, Southwark CCG, GSTT, Kings College Hospital, HMRC, London Fire Brigade and GLA. Public health is also working with the voluntary sector to support their engagement with the Charter. There are on going discussions with Adult and Children Commissioning to also promote this within tendering specifications. This has already successfully been negotiated with Public Health input into the tendering specifications for Southwark's leisure centres.
74. Recommendation 33: The Committee recommends mandating Audit & Governance to investigate the inclusion of public health impact assessments across all Council departments.

Response

75. Health impact assessments and mental health and wellbeing assessments are effective and useful tools to flag and maximise positive effects on different population groups, and to highlight and mitigate unintended negative effects of a policy, strategy or project. These tools will also help to target investment to where it is most needed and to monitor if it reaches its intended population. The Director of Public Health is scheduled to attend Audit & Governance Committee in Autumn to discuss this.

### **Policy implications**

76. There are no specific policy implications currently arising from the recommendations. In taking forward the recommendations, should any changes to policy arise, they will be further considered at cabinet.

### Community impact statement

77. In taking forward the recommendations, equality of opportunity and assessment of potential impacts, in line with the Equality Duty, at section 149 of the Equality Act, will be considered. In particular, the provision of money advice services, the impact and take up of physical activity opportunities and active travel, the impact of re-commissioning tobacco control and smoking cessation services, and the impact of alcohol licensing on different communities, will be considered to ensure that some communities, in particular most 'at risk' communities are not disproportionately affected.

### Resource implications

78. Wherever possible the proposed responses and implementation will be carried out within existing resources. Any additional resource required will be funded within existing budget arrangements.

### Legal implications

79. There are no legal implications for the report.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Scrutiny report considered by Cabinet	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/documents/s52215/Health%20of%20the%20Borough%20draft%20report.pdf">http://moderngov.southwark.gov.uk/documents/s52215/Health%20of%20the%20Borough%20draft%20report.pdf</a>		



**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
<b>Lead Officer</b>	Dr Ruth Wallis, Director of Public Health for Lambeth & Southwark	
<b>Report Author</b>	Jin Lim, Assistant Director of Public Health	
<b>Version</b>	Final	
<b>Dated</b>	7 October 2015	
<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 Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Strategic Director of Environment & Leisure	Yes	Yes
Strategic Director of Housing & Modernisation	Yes	Yes
Director of Planning	Yes	Yes
Director Regeneration	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 October 2015	

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark Cemetery Strategy: Recommendations from Overview and Scrutiny Committee	
<b>Ward(s) or groups affected:</b>		All wards	
<b>From:</b>		Head of Overview & Scrutiny	

## RECOMMENDATIONS

Overview and Scrutiny Committee recommends:

1. That the cabinet should support the development of D1, Z and B but freeze all other development until a full report on reuse throughout both cemeteries is reviewed by the cabinet, ideally by January 2016.
2. That Honor Oak Rec, site H1 (and the land between H1 and Z), and sites J, K and L are removed from the strategy and are maintained and improved as a recreation ground and play area (in the case of Honor Oak Rec), as a meadow in the case of H1 (and the land between H1 and Z) and as a woodland (in the case of J, K and L).
3. That the use of site D1 be conditioned so that only small flat markers can be used and the area maintained as a meadow.
4. That the use of site Z be conditioned so that only small flat markers can be used and the area be maintained as a meadow.
5. That the council engage stakeholders about the future of retaining or not retaining the internal fence at site Z once works are complete (if planning is granted).
6. That designers look again at the new footpath proposed at site D1 to see whether sections can be narrowed to prevent tree loss.
7. That a timeframe for site B is made clear to stakeholders.
8. That the council swiftly support the emerging Friends of Camberwell Old and New Cemeteries so that they become a properly constituted 'friends' group.
9. That the council retain the stakeholders group meeting for as long as the interested parties wish for it to continue.

## BACKGROUND INFORMATION

10. O  
 overview and scrutiny committee met on 17 September. The committee heard from the Save Southwark Woods campaign, other local residents, the cabinet member for environment and the public realm and officers.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet Report – Southwark Cemeteries Strategy	Scrutiny team, Chief Executive's Department 160 Tooley St, London SE1 2QH	Shelley Burke 020 7525 7344
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/mgAi.aspx?ID=21262#mgDocuments">http://moderngov.southwark.gov.uk/mgAi.aspx?ID=21262#mgDocuments</a>		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Version</b>	Final	
<b>Dated</b>	7 October 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments sought</b>
	Director of Law and Democracy	No
	Strategic Director of Finance and Governance	No
	<b>Cabinet Member</b>	No
	<b>Date final report sent to Constitutional Team</b>	7 October 2015

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Overview and Scrutiny Committee recommendations on Southwark's Cemetery Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Environment and the Public Realm	

**FOREWORD – COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM**

I thank the overview and scrutiny committee for looking into recommendations into Southwark's Cemetery Strategy agreed in 2012. Below are the responses to the recommendations made by overview and scrutiny committee:

- As set out in the Cemetery Strategy it is important for many parts of our community that Southwark continues to provide a burial service. We have worked on our plans to bring forward area Z D1 and B so that we are able to provide this service in a way that also protects the environment and enhances bio diversity
- Bringing forward the re-use element of the strategy is a key recommendation and once this work has been completed we will then be able to look into its impact. This will determine if other areas need to remain within the strategy in order to maintain the sustainability of the strategy in the long term.
- We will continue to work with Stakeholder groups and friends through out this process.

I wish to thank everyone for their input into the plans to date, and I look forward to working with you in the future.

**RECOMMENDATIONS**

1. That cabinet agrees to the proposed response to Overview and Scrutiny Committee's recommendations on Southwark's Cemetery Strategy.

**BACKGROUND INFORMATION**

2. Southwark's Cemetery Strategy was brought before the overview and scrutiny committee on 17 September 2015.
3. Committee members made a number of recommendations which have been presented to cabinet for consideration on the 20th October.
4. This report therefore provides a proposed response to the recommendations to be approved by cabinet.

## KEY ISSUES FOR CONSIDERATION

**Recommendation 1: That the cabinet should support the development of D1, Z and B but freeze all other developments until a full report on reuse throughout both cemeteries is reviewed by the Cabinet, ideally by January 2016.**

### Proposed response:

5. Cabinet agrees to support the developments of D1, Z and B but freeze all other developments until a full report on reuse throughout both cemeteries is reviewed by cabinet.
6. In order to produce a full report on re-use strategy, it will be necessary to obtain technical support to do a full analysis of the feasibility of re-use across the cemeteries and of the timing of bringing re-use into effect, so that the impact of this on whether other areas need to remain within the strategy in order to maintain the sustainability of the burial strategy in the long term.
7. Officers have looked at the quickest possible timetable taking into account the need for procurement processes to be followed and the technical nature of the work, and consider that a report could be brought to cabinet in April 2016.
8. Cabinet should note that implementation of a re-use approach would have a significant lead-in time; faculty application from May-June 2016, and grave rights extinguished from May-Oct 2016.

**Recommendation 2: That Honor Oak Rec, site H1 (and the land between H1 and Z), and sites J,K and L are removed from the Cemetery Strategy and are maintained and improved as a recreation ground and play area (in the case of Honor Oak Rec), as a meadow in the case of H1 (and the land between H1 and Z) and as a woodland (in the case of J, K and L).**

### Proposed response:

9. Cabinet notes that the removal of areas H1, H2 and J,K and L from the cemetery strategy to would lead to overall reduction of 3440 plots. Therefore the cabinet will not consider the removal of these sites, from the cemetery strategy until a full report of the possibility on re-use has been reviewed in April 2016.
10. Cabinet also notes that in the past, not all areas of Camberwell Old and New Cemeteries have been managed actively. Although these are cemetery sites, it is recommended that sites J, K and L should be managed in accordance with Forestry Commission guidelines using techniques such as coppicing. These standards will ensure that the health of mature trees in these areas and will promote biodiversity.

**Recommendation 3: That the use of site Z be conditioned so that only small flat markers can be used and the area maintained as a meadow.**

### Proposed response:

11. Cabinet agrees to consider this recommendation along with information from Southwark's memorialization survey of funeral directors, which will be supplied at the end of October. This survey is intended to gauge the needs and wishes of

residents who desire burial, so that appropriate memorialization can be provided as part of our burial service.

**Recommendation 4: That the use of site D1 be conditioned so that only small flat markers can be used and the area maintained as a meadow.**

**Proposed response:**

12. Cabinet notes that planning approval for D1 contains a condition that headstones are suitable to maintain the feeling of openness of the glade.

**Proposed response:**

13. Cabinet agrees to consider this recommendation as one of the options for memorialization in area D1 that will not interfere with the openness of the glade, in addition to information supplied by the Southwark's memorialization survey of funeral directors, which will be supplied at the end of October.

**Recommendation 5: That the council engage with stakeholders about the future of retaining or not retaining the internal fence at site Z once works are complete (if planning is granted).**

**Proposed response:**

14. Cabinet agrees that officers should continue to consult with stakeholders over the layout and design of area Z, including the internal fence that provides protection for shrubbery on the boundary of the site.

**Recommendation 6: That the designers look again at the new footpath proposed at site D1 to see whether sections can be narrowed to prevent tree loss.**

**Proposed response:**

15. Cabinet cannot agree to accept this recommendation as the plans for area D1 have already been developed in conjunction with the London Wildlife Trust and a further review would be unnecessary.

**Recommendation 7: That the time frame for site B is made clear to stakeholders.**

**Proposed response:**

16. Cabinet agrees that officers should continue to consult with stakeholder and make clear the time frame for site B as and when this information is available.

**Recommendation 8: That the council swiftly support the emerging Friends of Camberwell Old and New Cemeteries so that they become a properly constituted 'friends' group.**

**Proposed response:**

17. Cabinet notes that the council has already been offering support to 'friends' groups as they emerge and recommends that this continues.

**Recommendation 9: That the council retains the stakeholders group meeting for as long as the interested parties wish for it to continue.**

**Proposed response:**

18. Cabinet support the recommendation to retain the existing stakeholder group which has already helped inform the designs of area's Z and D1, leading to the retention of more trees.

**Community impact statement**

**General guidance**

19. In 2012 an equalities impact assessment of the cemetery strategy found that the implementation of the strategy would not benefit our disadvantage BME groups. However, it also found that if this service were to cease it would disadvantage BME groups for whom burial is an important cultural tradition.
20. The 2012 equalities impact assessment also found that the strategy is likely to benefit some religious or faith groups for whom burial is the only option. Therefore the strategy supports equality of choice and the freedom to practice religion. The implementation of the strategy will not disadvantage other groups and is not likely to lead to worsening tensions between communities.
21. Additionally, if the cemetery strategy were to cease then this would have a negative impact on groups for whom travel is an issues, such as those physically impaired by disability or age.
22. The burial strategy by ensuring burial remains a choice for residents supports Article 9: Freedom of thought, conscience and religion. (Human Rights Act, 1998).

**Resource implications**

23. All recommendations made by the cabinet member in this report reference actions already budgeted in Southwark's Cemetery Strategy for which capital funding has already been allocated. Therefore, there is no funding implication of supporting these recommendations.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Southwark Cemetery Strategy	Parks and Open Spaces Southwark Council 160 Tooley Street London SE1 2QH	Rebecca Towers 0207 525 0771
<a href="http://www.southwark.gov.uk/downloads/download/3046/cemetery_strategies">http://www.southwark.gov.uk/downloads/download/3046/cemetery_strategies</a>		
Southwark Cemetery Strategy: recommendations from Overview & Scrutiny (Item 12 of this agenda)	Overview and Scrutiny Southwark Council 160 Tooley Street London SE1 2QH	Shelley Burke 0207 525 7344
Cabinet Report: Future of Southwark Cemeteries	Parks and Open Spaces Southwark Council 160 Tooley Street London SE1 2QH	Rebecca Towers 0207 525 0771
<a href="http://moderngov.southwark.gov.uk/mgAi.aspx?ID=21262#mgDocuments">http://moderngov.southwark.gov.uk/mgAi.aspx?ID=21262#mgDocuments</a>		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Darren Merrill, Environment and the Public Realm	
<b>Lead Officer</b>	Deborah Collins, Strategic Director, Environment and Leisure	
<b>Report Author</b>	Rishi Moulton, Research and Customer Insight Officer	
<b>Version</b>	Final version	
<b>Dated</b>	12 October 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Law and Democracy	No
	Strategic Director of Finance and Governance	No
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	12 October 2015



<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Better Placed Joint Committee with London Borough of Lambeth and London Borough of Lewisham	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Peter John, Leader of the Council	

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

Getting a job or a promotion can enrich an individual's life, and possibly even be a life changing experience. This is especially so where our residents face barriers to work, making that new job or promotion even more worthwhile. But we know from experience that getting over those barriers can be tough for some.

Research tell us that national employment programmes do not always provide the right support at the right time to help people with more acute needs get back into work in places like Southwark. That's why over the last year we've been working with our neighbours in Lambeth and Lewisham on a project called "pathways to employment". Pathways uses key workers, who can better target the support required to individuals to improve their skills and job prospects. By working together we're bringing £1m worth of funding into the three boroughs, with a further £1m anticipated - all geared towards getting our residents upskilled and into work.

And our ambition goes further. We want to work with Lambeth and Lewisham to deliver a truly joined-up approach to employment and skills. That's why we want to get our governance arrangements right. We are therefore establishing a joint committee. It will mean joint action on employment and skills is bound in decision and risks and rewards properly shared across our boroughs. It also strengthens our ability to make the case to government to give us greater local control over employment and skills funding and powers. And ultimately means we're supporting people back to work and with it delivering a fairer future for all Southwark residents.

## **RECOMMENDATIONS**

### **Recommendations for the Cabinet**

1. That cabinet note the proposal to establish a Joint Committee with the London Boroughs of Lambeth and Lewisham to support governance arrangements of the Lambeth, Lewisham and Southwark (LLS) Better Placed Community Budget programme.
2. That cabinet note the draft terms of reference (Appendix A) and memorandum of understanding (Appendix B) that will be agreed at the inaugural meeting of the Joint Committee.

### **Recommendations for the Leader of the Council**

3. That the Leader agrees to establish a Joint Committee with the London Boroughs of Lambeth and Lewisham to support governance arrangements of the

LLS Better Placed Community Budget programme.

4. That the Leader agrees the draft terms of reference (Appendix A) and memorandum of understanding (Appendix B) that will be adopted at the inaugural meeting of the Joint Committee.

## **BACKGROUND INFORMATION**

5. The council is committed to achieving a fairer future for all as set out in the council Plan 2014-18. A key priority of the plan is to improve skills and employment opportunities as part of supporting a strong local economy, in particular helping some of the most vulnerable residents to access jobs across Southwark and London. At the same time the council is committed to delivering value for money and high quality services in all we can do.
6. It is for these reasons that the cabinet is setting up a Joint Committee with Lambeth and Lewisham, in particular to provide improved governance and delivery of the Better Placed Community Budget initiative. The Better Placed initiative is about ensuring residents across the three boroughs of Lambeth, Lewisham and Southwark, especially those with complex needs, get the right intervention at the right time, from welfare through to work, supported by skills and training provision that meets the needs of the wider London labour market.
7. More broadly, the establishment of the committee is part of the council's approach to improving working across borough boundaries, joining up delivery where it makes sense to do so and achieving economies of scale in activity where priorities with neighbouring boroughs align.

## **KEY ISSUES FOR CONSIDERATION**

8. This report proposes the establishment of a Joint Committee between the London Boroughs of Lambeth, Lewisham and Southwark to support governance arrangements of LLS Better Placed Community Budget initiative.

### **Better Placed Community Budget – improving employment & skills locally**

9. Although employment levels are relatively high across the three boroughs, there are still significant numbers of unemployed residents and welfare recipients, many of whom are individuals with complex needs. This is why in 2013/14 the boroughs of Lambeth, Lewisham and Southwark came together to establish an informal partnership involving the Leaders and the Mayor of Lewisham and senior leads from Jobcentre Plus and the Skills Funding Agency. This is what is now referred to as the Better Placed partnership.
10. The purpose of the work was to better understand the individual needs of those with the most complex circumstances, who were further away from the labour market and faced particular barriers to work, training and skills progression. The partnership wanted to be clear on why current approaches, in particular those related to national employment support programmes being delivered locally, were not consistently helping our most vulnerable residents back into employment.
11. This work led to the development of a pilot employment project, Pathways to Employment. Pathways was designed to test an integrated work and skills

system with a single pathway for claimants with complex barriers to employment. Pathways was about taking an individual from their universal credit/welfare application to employment using a key worker approach.

12. The first phase of the Pathways programme, which is due to conclude shortly, secured £150,000 of Transformation Challenge Award (TCA) funding. A second phase of Pathways is now planned with over £1.1m of TCA funding secured, and the possibility of a further £1.1m from European Social Fund. Consequently there will be a significant increase in scale alongside opportunities to better integrate with existing employment support activity. There will also be opportunities to join up commissioning approaches on a multi-borough basis. It is therefore timely to consider strengthening governance arrangements. This will help minimise risks attached to a higher level of funding and programme delivery and realise opportunities for further integration of services and approaches, where relevant.

### **Strengthening governance**

13. To date, the community budget initiative has been managed through the informal partnership first set up by the two borough Leaders and Mayor of Lewisham. The partnership has directed joint activity through a Leaders' Group which provides political oversight to a programme board made up of senior officers from each of the Councils and senior leads from Jobcentre Plus, Skills Funding Agency, and related partners across the employment and skills sector locally.
14. The current partnership has no formal joint decision making capacity in of itself. All formal decisions, if ever required, must be made on an individual organisational basis. This would often be assumed by the relevant partner who chooses to act as lead for a particular set of activities or funding. This is reasonable whilst the project is of relatively small scale but it becomes increasingly insufficient as the project expands in size. A longer term sustainable governance position is therefore required.
15. At the outset of the Better Placed partnership, the boroughs' intention was always to explore the possibilities for greater integration and joint commissioning. This reflected the three boroughs commitment to deliver a genuinely transformative service delivery model that worked for all residents across the area. Greater integration would mean that Lambeth, Lewisham and Southwark were better placed to respond proactively to the wider devolution agenda, most recently set out in the Cities and Local Government Devolution Bill. Joint work would also be grounded in tangible and practical action, delivering better value for money to the public purse.
16. Establishing a Joint Committee at this time will therefore strengthen the governance arrangements for the Better Placed partnership and community budget programme going forward. It will provide a platform for joint working and oversight in the future. A Joint Committee will provide a proper legal and financial oversight. It will provide a sound legal basis for joint decision making and allow transparency, whilst permitting each local authority to retain autonomy and independence where and when this is more appropriate.
17. Beyond the financial and legal benefits, the Joint Committee is an important symbol of the three boroughs' stated intention to collaborate to achieve better outcomes for residents locally. The committee creates the infrastructure for the

boroughs to lobby for funding or for devolved responsibility in order to help advance a joint approach to employment, skills and welfare across the area. Furthermore, the responsibilities of the Joint Committee can be amended over time, thereby meaning that the boroughs can continue to be flexible, agile and pragmatic in their approach.

### **The Joint Committee model**

18. It is proposed that the Joint Committee is executive in nature in that every member appointed to the Joint Committee by an authority operating executive arrangements must be a member of that authority's executive (i.e. Cabinet).
19. Joint Committee meetings will be open to the public. The administration and process for agenda management including publishing will be decided across the authorities and is at the discretion of the committee, subject to any legislative requirements and the standing orders of the constituent authorities. Because this is a new committee, there is an opportunity to maximise opportunities from a digital by default approach.
20. Joint Committees are subject to overview and scrutiny requirements under section 9 of the Local Government Act 2000 and to call in. In practice that means each borough publishing a record of the decisions taken within the authority. The procedure for what happens if a decision is called in, within any one authority, will be developed in accordance with each authority's local arrangements for scrutinising executive decisions.
21. At present the law does not permit local authorities to discharge their functions through a non-local authority body or through mixed bodies. Therefore, stakeholders and other partners can be co-opted on to the committee but in an advisory capacity only. As a result relevant key stakeholders who have a substantial impact on furthering the outcomes of the Better Placed partnership and community budget programme (e.g. JobcentrePlus) would be co-opted as members of the committee. It will be for the committee to determine such arrangements.
22. To be quorate, there must be a representative from each borough at the meeting. The proposal for Southwark is for the Leader of the Council to be the named member, with an appropriate cabinet member determined as deputy. In the absence of the leader, the presence of the deputy from the respective borough will allow for the meeting to remain quorate. Each authority will have one vote. The members will appoint a chair and this will rotate every 12 months unless members agree to retain the chair for another 12 month term. As Southwark will be servicing the meetings it is envisaged that meetings will take place at Southwark premises unless agreed otherwise by members of the board.
23. Draft terms of reference for the Joint Committee are set out at Appendix A.
24. In order to establish a joint committee, there will need to be a legal document in place. A Joint Committee must be authorised by Cabinet decision. Sections 101(5) and 102 of the Local Government Act 1972 and The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 provide that two or more authorities may discharge any of their functions jointly by a Joint Committee. In addition to authorising the Joint Committee, Cabinet will also be delegating executive functions to another local authority, which

requires Cabinet approval.

25. Subject to the conditions in paragraph 20 being met, there is no specific requirement as to the form of agreement but it would be sensible to have a partnering agreement to sit alongside the terms of reference for the Committee, which is common in other joint committees. As such a draft Memorandum of Understanding which acts as the collaborative / partnering agreement is attached at Appendix B.

### **Supporting the Joint Committee**

26. Southwark will take lead responsibility for the administration and servicing of the committee, with the other boroughs providing support. Each council will all have different democratic requirements, as laid out in their respective constitutions and in line with relevant legislation. It will be for the lead authority to work with partner boroughs to ensure the servicing of the Joint Committee is in line with any local constitutional requirements.
27. There will be a resource implication attached to the administration and servicing arrangements for the Joint Committee. Southwark will monitor the impact on local resources over the first year of operation and review, if appropriate, whether additional financial contributions are required from partner boroughs. Given the likelihood that meetings will be infrequent and the opportunities afforded from a digital by default approach, the expectation is that resource implications are not significant.

### **Next steps**

28. If all three boroughs agree to the establishment of a Joint Committee, it is envisaged that the first meeting of the Committee takes place before the end of 2015 (and following agreement being reached on the Memorandum of Understanding). A review of arrangements is anticipated in April 2016.

### **Policy implications**

29. The power to form a Joint Committee between two or more local authorities is found under section 101(5) of the Local Government Act 1972. There are many Joint Committees across the country, particularly for the oversight of Local Enterprise Partnerships and other growth-based initiatives.
30. The South London Partnership is in the process of setting up a Joint Committee. The Growth Boroughs (Barking and Dagenham, Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest) are set up as a Joint Committee and are about to publish a prospectus for devolution. Central London Forward is looking at establishing a Joint Committee.
31. Devolution is top of the political agenda at the moment nationally and in London. The Government has made clear that it requires strong governance to be place to devolve responsibility or funding. For example, the Association of Greater Manchester Authorities (AGMA) reaffirmed their Joint Committee in 2008 which “provides streamlined decision making; excellent co-ordination of services across the combined administrative area; mutual co-operation; partnering arrangements, and added value in the provision of shared services”.

32. These arrangements were established under section 20 of the Local Government Act 2000 and Regulations 4, 11 and 12 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 and section 101(5) of the Local Government Act 1972.

**Resource implications (CED/MD/15/19)**

33. This report relates to the governance arrangements for the new Joint Committee, and as such it is not expected that there will be any significant resource implications directly related to it. Any costs related to the governance of the Joint Committee will be contained within existing budgets in the first year of operation with the option of receiving further contributions from partner boroughs if a review of expenditure shows this to be necessary.
34. Resource implications relating to the implementation of the Better Placed Community Budget programme, including those regarding funding, will need to be considered by the Joint Committee at the appropriate time.

**Community impact statement**

35. The public sector equality duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities.
36. This report asks that the Leader agrees to establish a Joint Committee with the London Boroughs of Lambeth and Lewisham to support governance arrangements of the LLS Better Placed Community Budget programme. The work of the three boroughs in this regard is about ensuring residents, especially those with complex needs, get the right intervention at the right time, from welfare through to work. This is about creating the right level of opportunity for residents to gain work and improve skills to access future jobs across London. As such the work of the Joint Committee is ultimately about eliminating any unnecessary barriers to employment by providing residents with the right advice, signposting and support.
37. More broadly, as a cross-borough initiative, the work promotes improved partnership working across the councils and with key partners in the Jobcentre among other important stakeholders.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Strategic Director of Finance and Governance (CE/15/010)**

38. The resource implications in paragraphs 33 and 34 are noted. It is observed that there is no resource implications directly associated with the governance of the Joint Committee and that decisions regarding funding will be made by the Joint Committee at the appropriate time.

**Director of Law and Democracy**

39. The director of law and democracy notes the report sets out the procedure for

the establishment of Joint Committees.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix A	Draft terms of reference - Joint Committee of the London Boroughs of Lambeth, Lewisham and Southwark
Appendix B	Draft Memorandum of Understanding – Supporting the Joint Committee of the London Boroughs of Lambeth, Lewisham and Southwark

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Peter John, Leader of the Council	
<b>Lead Officers</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Stephen Gaskell, Head of Strategy and Partnerships	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<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>
Strategic Director of Finance and Governance	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		8 October 2015

## APPENDIX A

### Draft Terms of Reference

#### Joint Committee of the London Boroughs of Lambeth, Lewisham and Southwark Purpose and function:

The London Boroughs of Lambeth, Lewisham and Southwark have established a Joint Committee to discharge executive functions on behalf of the three boroughs, in so far as they relate to joint activities or areas of common concern in relation to growth, economic development and skills. Over time the committee may consider other areas. The committee will:

- Provide oversight and decision-making of the Pathways to Employment pilot.
- Work together to transform local public services in employment support.
- Work collectively with employers, colleges and other stakeholders on jobs and skills, where appropriate.
- Represent the collective interests of the constituent boroughs to national and local government and other bodies, where appropriate.
- Jointly bid for funding, training and employment programmes e.g. EU funding and oversight of that funding.
- Manage and allocate spending of funding and other financial resources within its remit.
- Take on additional responsibilities and funding delegated from Government where the Committee judges this to be in best interest.

The governance arrangements provide flexibility so that these functions can be added to or amended over time.

The Joint Committee does not have power to exercise non-executive functions on behalf of the three boroughs.

#### Membership

It is proposed that each council appoint its Leader / Mayor to sit on the Joint Committee. Each council should also appoint a named substitute (to be an executive member for those operating executive governance arrangements) to attend in the Leader / Mayor's absence.

Partners and stakeholders will be invited to be part of/or send representatives to the meetings of the Joint Committee as appropriate; they will attend in an advisory capacity only.

#### Quorum

The quorum for meetings will be at least one member from each of the boroughs.



## **Voting**

Each member of the Joint Committee will have one vote and all questions coming or arising before the Joint Committee shall be decided by a majority of the members of the Joint Committee present and voting (in accordance with paragraph 39 of Schedule 12 to the Local Government Act 1972).

## **Overview and scrutiny**

Decisions of the Joint Committee are subject to scrutiny and 'call in' by each or any of the three boroughs.

Each of the three boroughs has established overview and scrutiny arrangements for the Joint Committee.

In the event that a decision of the Joint Committee or any sub-committee is 'called in' the Chief Executive (or an officer designated by the Chief Executive) for the relevant borough will attend the relevant scrutiny committee together with the member or their substitute nominated from that borough to be on the Joint Committee.

## **Administration**

Administrative support for the meetings of the Joint Committee will be provided by Southwark Council and the Chief Executive of Southwark Council will be formally designated as clerk to the Joint Committee with responsibility for the provision of administrative support.

## **Lead Borough / Accountable Body Arrangements**

Where necessary a lead borough shall be identified from amongst the parties to implement any necessary activities. Subject to any change from Joint Committee members, below details the initial roles and responsibilities of Joint Committee members:

London Borough of Lambeth – lead accountable body for procuring and contracting with third parties

London Borough of Southwark – lead accountable body for administering the Joint Committee

London Borough of Lewisham – lead accountable body for bidding for and holding grant funding and managing Community Budget staff

Any changes to this will be accepted by unanimous agreement by voting members.

## **APPENDIX B**

### **Draft Memorandum of Understanding (MoU)**

#### **Supporting the Joint Committee of the London Boroughs of Lambeth, Lewisham and Southwark**

#### **BETWEEN:**

- (1) THE LONDON BOROUGH OF LAMBETH of Town Hall, Brixton Hill London SW2 1RW
- (2) THE LONDON BOROUGH OF LEWISHAM of Town Hall, Catford Road London SE6 4RU
- (3) THE LONDON BOROUGH OF SOUTHWARK of Town Hall, 160 Tooley Street, London SE1P 5LX

Hereinafter called "the three boroughs".

#### **1. Introduction**

- 1.1. The London Boroughs of Lambeth, Lewisham and Southwark are establishing a Community Budgets / Better Placed Joint Committee to:
  - Share risk and facilitating joint decision-making in relation to the community budget pilot, including but not limited to the Pathways to Employment programme;
  - Provide a mechanism that could be used to support joint decision-making in relation to future joint initiatives and local co-commissioning arrangements; and
  - Support devolution of responsibilities from Whitehall in relation to welfare and employment support.

#### **2. Purpose**

- 2.1. The purpose of this MoU is to clarify the relationship, roles and responsibilities of the three boroughs in establishing a Joint Committee.

#### **3. Status of this Memorandum of Understanding**

- 3.1. The Memorandum of Understanding is an operational document. It is not a formally binding legal agreement and the partnership is not a legal entity.
- 3.2. The Authorities enter into the MoU intending to honour all their obligations in a spirit of commitment to joint working and co-operation. The Partners individually and collectively agree to use all reasonable endeavours to comply with the terms and spirit of the Memorandum of Understanding.

- 3.3. Under the Memorandum of Understanding the Partners cannot employ staff, let contracts or commit financial resources on behalf of the constituent Partners without their formal agreement.

#### **4. Management and governance arrangements**

- 4.1. Administrative support for the meetings of the Joint Committee will be provided by the London Borough of Southwark on a lead borough basis and the Chief Executive of Southwark Council will be formally designated as clerk to the Joint Committee with responsibility for the provision of administrative support and to ensure that all access to information requirements are met.

#### **5. Meetings**

- 5.1. Joint Committee meetings will take place as required, likely to be twice a year.

#### **6. Funding and finance**

- 6.1. Any funding requirements will need to be agreed by the voting members and liabilities will be split equally unless otherwise agreed by unanimous decision of voting members.
- 6.2. London Borough of Lewisham will be responsible for administering and holding grant funding, and will be the accountable body for any such grant funding.

#### **7. Duration**

- 7.1. This MOU will take effect from October 2015 and will terminate on such date as shall be agreed by all the Parties. This is a non-statutory agreement and is subject to the applicable national and international laws of the states to which the Parties belong.

#### **8. Review, amendments, dispute resolution and termination**

- 8.1. The content of this MOU will be reviewed annually or at the request in writing of one of the Parties. Amendments can only be made on the agreement of the three boroughs.
- 8.2. Disputes and/or disagreements between the members of the Joint Committee will be referred to the chief executives of the authorities to deal with the matter directly.
- 8.3. Disputes and/or disagreements arising from officers in the boroughs in the Joint Committee will go to Directors and then to Joint Committee members.
- 8.4. The Parties will actively seek to develop co-operation, MOUs and other forms of agreement with other local authorities and regional stakeholders.

#### **9. Intellectual Property Rights**

- 9.1. Subject to the rights of third parties, the Partners will share equally the intellectual property rights to all data (except personal data), reports, specifications, designs, inventions or other material produced or acquired including copyrights in the course of their joint work. The Partners agree that any proposal by one Partner to permit a third party to utilise the documents and materials produced by the partnership shall be subject to the agreement of all other Partners. Any changes, amendments or updates made to the documents and materials, if made under the terms of the Memorandum of Understanding, shall be jointly owned by the Partners.

## **10. Freedom of Information Requests**

- 10.1. If any partner receives a freedom of information request in respect of shared work associated with the Memorandum of Understanding it will be shared at the earliest opportunity with the other relevant authorities in order to determine and achieve a consensus as to what information shall be released.

## **11. Termination**

- 11.1. Any of the Partners may withdraw from the Memorandum of Understanding at any time. Any Party wishing to withdraw from the Memorandum of Understanding must obtain the approval of all members of the Joint Committee, who will give any such approval subject to conditions that will ensure an orderly winding down of that Partner's responsibilities without detriment to the other Partners that would arise from premature withdrawal. No Partner may withdraw agreed funding which has already been committed by the Lead contracting party to third parties, or which would expose the lead accountable Partner to financial loss.
- 11.2. If the Memorandum of Understanding is terminated, the Partners agree that any reports, studies or any other information which has been jointly prepared by the Partners can be used by each of the Partners separately.

## **12. Indemnities**

- 12.1. The three boroughs agree to indemnify against any costs, losses, liabilities and proceedings which the Lead Boroughs may suffer as a result of or in connection with its obligations hereunder provided and to the extent that such costs, losses, liabilities and proceedings over and above that which each borough to this Agreement is required to contribute and such extra costs are not due to any avoidable negligent act or omission (determined at law) of the Lead Borough or breach by the Lead Borough of its obligations hereunder.
- 12.2. Any Lead Borough appointed hereunder shall indemnify the other Parties against any costs, losses, liabilities and proceedings over and above that which each borough to this Agreement is required to contribute and such costs which the other Party or Parties may suffer as a result of or in connection with any breach of the Lead Borough's obligations hereunder and/or any avoidable negligent act or omission (determined at law) in relation thereto.

12.3. Each borough to this Agreement shall inform the other boroughs at the earliest opportunity of any issue or matter or legal process or proceedings which may affect the three Boroughs' obligations under this Agreement.

**13. Signatories**

Signed for and on behalf of Lambeth Council

Name.....  
Title.....

Signature .....  
Date.....

Signed for and on behalf of Lewisham Council

Name.....  
Title.....

Signature .....  
Date.....

Signed for and on behalf of Southwark Council

Name.....  
Title.....

Signature .....  
Date.....

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		New Southwark Plan – Preferred Option	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

This New Southwark Plan sets out how we will deliver further regeneration and wider improvements for our great borough in the years to come. We have welcomed development to our borough, providing much needed homes and affordable homes for our residents, along with jobs – both in construction and in the completed schemes themselves. At the same time as welcoming new development we have maintained a strong commitment to preserving and enhancing the historic nature and identity of our borough. Our location, with large amounts of our borough being in Central London, provides an opportunity for all of Southwark’s residents to benefit from new developments.

Looking to the future we must answer the pressing need for housing – of all tenure types – for our residents, we need more affordable homes and in particular new council homes. To meet this need, Southwark has an ambitious target to deliver 11,000 new council homes by 2043 with the first 1,500 completed by 2018. This New Southwark Plan sets out that we expect to deliver a significant proportion of these homes through new developments, as well as through estate infill and regeneration. By working with our communities and local residents we will identify opportunities to deliver an increase in council homes on our existing estates. We have set out in our Council Plan a Fairer Future promise to make Southwark an age-friendly borough and this New Southwark Plan will help to promote a wider range of different types of homes that help to meet the needs of an aging population.

The regeneration of the former Heygate Estate and the wider Elephant and Castle continues to gather pace and is a clear demonstration of our commitment to improving the lives of our borough’s residents. To enable further estate regeneration we have adopted the Aylesbury Area Action Plan, Peckham and Nunhead Area Action Plan and are making great progress with the Canada Water Area Action Plan and the Old Kent Road Area Action Plan. All of these plans will help realise the potential of these distinct areas and deliver the homes and jobs our residents so desperately need.

This new plan also contributes to the borough’s new responsibilities for public health and helping our residents lead healthy and active lives. This plan complements our new Cycling Strategy which will set out how we will unlock the cycling network for our borough and help us get many more residents cycling. We continue to take a firm stand on limiting payday lenders who blight many of our high streets and town centres. This New Southwark Plan also sets out visions for all of our borough’s neighbourhoods including Camberwell, Borough, Tower Bridge, Bankside, Bermondsey and The Blue, Blackfriars Road, Dulwich and Herne Hill.

I look forward to hearing from residents, businesses and community groups from across our borough on the policies set out in this preferred option New Southwark Plan. By working together we can continue delivering the homes, jobs and high quality public spaces our borough needs.

## **RECOMMENDATIONS**

That Cabinet:

1. Agree the New Southwark Plan Preferred Option (Appendix A and B) for consultation.
2. Note the consultation plan/report (Appendix C Parts 1 and 2).
3. Note the Integrated Impact Assessment (Appendix D).

## **BACKGROUND INFORMATION**

### *Background to the New Southwark Plan*

4. The council has prepared a set of issues and options for consultation. The New Southwark Plan will form part of Southwark's development plan along with the London Plan and area action plans. It is a regeneration strategy for Southwark and will be used to make decisions on planning applications. While the New Southwark Plan must be in general conformity with the London Plan and the National Planning Policy Framework, it can adapt some of these policies to reflect specific issues in Southwark. It will replace the Core Strategy (2011) and saved Southwark Plan (2010) policies.
5. The Southwark Plan will be prepared with several stages of consultation taking place between 2013 and 2017. The first stage of consultation was the *issues* consultation from October 2013 to February 2014. This consultation was a community conversation on 'Health of the High Streets'. The 'Issues and Options' set out a detailed strategy for regeneration in Southwark and the Council's approach to planning to deliver the Fairer Future promises updating the strategy and area visions in the Core Strategy. Consultation took place from October 2014 to February 2015.
6. There will be detailed visions for Aylesbury, Bankside, Bermondsey and the Blue, Blackfriars Road, Camberwell, Canada Water, Dulwich, Elephant and Castle, Herne Hill, London Bridge, Old Kent Road, Nunhead, Peckham and Tower Bridge Road in the submission version. These are being prepared with considerable consultation as part of this preferred option.
7. The regeneration strategy, planning policies and implementation plan aim to deliver Fairer Future promises to achieve the strategic objectives of the Council.
  - Strategic policies set out the council's ambitious strategy to work with local people to see their values reflected to improve neighbourhoods and create new opportunities for the future.
  - 'Quality Affordable homes' sets out how the Council will lead to build all types of homes within Southwark. Detailed policies set out percentages of affordable and new family homes; protection of homes, private rented homes, housing for older

people, households with specialist needs and houses in multiple occupation. Also optimising delivery of new homes.

- ‘Revitalised neighbourhoods’ sets out how to make places everyone can be proud of to live and work. The detailed policies enable this and cover design of places, quality and residential design; tall buildings, efficient use of land, listed buildings and structures, conservation areas, conservation of the historic environment and natural heritage, borough views, archaeology world heritage sites and the River Thames.
  - ‘Best start in life’ sets out how young people will have the best start in life with a safe, stable and healthy environment where they have the opportunity to develop make choices and feel in control of their lives and future. Detailed development management policies cover education places and student homes.
  - ‘Strong local economy’ sets out ways to enable residents to benefit from a strong economy. This will bring opportunities for employment and a place for town centres to thrive. Detailed policies include transition of preferred industrial locations to mixed use neighbourhoods, railway arches, small business units, town and local centres, development outside town centres, protected shopping frontages, shops outside protected shopping frontages, town and local centres, shop fronts, betting shops, pawnbrokers and pay day loan shops, hotel and other visitor accommodation and pubs; access to employment and training, outdoor advertisements and signage, broadband and telecommunications,
  - Healthy active lives sets out how we will maintain and improve the health and well being of residents. Detailed policies cover leisure, arts and culture, flexible community uses, hot food takeaways, public transport, network impacts, walking, Low Line walking routes and cycling, infrastructure improvements, car and cycle parking, parking standards for disabled people and the mobility impaired.
  - Cleaner, greener, safer sets out how we will lead the way in making people feel safe and the borough green. Detailed policies include protection of amenity, designing out crime, open space and open water space, biodiversity, trees, environmental standards, energy, reducing waste, land for waste management, environmental protection, improving air quality, reducing noise pollution, reducing water use and improving water quality and reducing flood risk.
  - The implementation section includes policies on infrastructure, Community Infrastructure Levy and planning obligations, enforcement, compulsory purchase order and monitoring.
8. There will be a separate consultation on a number of issues:
- Site allocations when the sites document is prepared for the Old Kent Road in the Spring. Site discussions as part of the visioning consultation will inform this consultation;
  - The Old Kent Road Area Action Plan/Opportunity Area Planning Framework preferred option in the Spring;
  - Gypsies and Travellers policy and sites as part of the site allocations document.



## KEY ISSUES FOR CONSIDERATION

9. The approach to regeneration has changed by restructuring the plan to be clear how the Fairer Future promises will be delivered.
10. There are new policies:
  - DM11 Private rented housing policy to raise standards and consider allowing flexibility for the delivery of affordable housing if high standards are met;
  - DM21 Mixed use neighbourhoods to ensure business and infrastructure land uses are retained whilst the site allocations and Old Kent road opportunity area framework/area action plan is being prepared;
  - DM25 there is a new town centre at Tower Bridge road and Old Kent Road/East Street;
  - DM27 Protected shopping frontages where there are now primary and secondary frontages which will require different levels of retail in different areas. This works together with the Article4 directions;
  - DM29 There is a new policy to provide the detailed requirements for shop fronts;
  - DM 41 Low Line policy to set out the approach for the new walking route;
  - DM49 Broadband is now included to ensure that the infrastructure is taken into account in development
  - DM51 The trees policy sets out how trees will be protected and provided.
11. There are updates to policies:
  - SP4 The various types of designations with town centres, action area cores etc have been all pulled together into a Regeneration areas designation which then applies to all areas with considerable activity.
  - DM2 Family housing policy has the level of family housing increased in the Elephant and Castle, Potters Field and North of Blackfriars Road from 10 to 20% and in the Urban zone from 20 to 25%;
  - DM4 Housing for older people to provide specialist housing and a consideration of all types of housing;
  - DM5 Homes for households with specialist needs allows for housing and specialist needs in addition to wheelchair housing so that particular families and needs can be catered for. It also allows for in lieu payments to the council scheme so that more purpose built housing can be built for those in need;
  - Design policies have been collated into 3 main policies: DM7 Design of places considering buildings and the spaces around them, DM8 Design quality considering buildings and DM9 Residential design considering detailed quality of homes;
  - DM10 Tall buildings is about being commensurate with the significance of the location and the prevailing heights and townscape rather than a 30m distinction of height;
  - DM17 Borough views are protecting important views within the borough;
  - DM20 Student housing asks for some of the homes to be available at a rent affordable to students in addition to the policy which exists of affordable housing requirements of 35%.
  - DM22 Office and business development, DM24 Small business units, DM 26 Community facilities has been regularized with an 18 month marketing period being required and no vacancy period being required;
  - DM27 East Street and Old Kent Road town centre has been added.

- DM39 Open water space is now distinct from open space.
  - DM48 Car parking for disabled people has been changed to 1 per development rather than unit due to the need for the parking spaces and concerns over provision of the spaces and the impact they have on the viability of development.
12. There are removed policies:
- Preferred Industrial Locations have been replaced by DM21 Preferred industrial locations transition into mixed use areas;
  - Private housing in wards with a high concentration of social housing as there are now different economic and demographic circumstances due to rising house prices and changes in profiles;
  - Gypsies and Travellers.
  - Local list and local views
  - Active design, local character, public realm, urban greening and green infrastructure have been consolidated into the remaining design and environmental policies due to overlap.
  - The proposed public art policy has been consolidated into DM39 Leisure, arts and culture.
  - Community Food Growing is now referenced in other policies.

## **CONSULTATION**

13. The Planning and Compulsory Purchase Act 2004 (amended 2008), the Town and Country Planning (Local Planning) (England) Regulations 2012 (“the 2012 Regulations”), and the council’s statement of community involvement (2008) set out the consultation requirements for the New Southwark Plan.
14. The council will carry out extensive consultation on the New Southwark Plan. This will include a consultation strategy, a consultation plan for every stage of consultation and a consultation report. The consultation report (Appendix C – Part 2) summarises the consultation carried out and the responses received on the Issues version of the plan
15. A Consultation Plan (Appendix C – Part 1) sets out how consultation on the New Southwark Plan preferred option will take place.

## **Community impact statement**

16. The purpose of the New Southwark Plan is to facilitate regeneration and deliver the vision of the Fairer Future promises, ensuring that community impacts are taken into account. An Integrated Impact Assessment that includes an equalities analysis to make sure that the New Southwark Plan is having a positive impact on different groups and is delivering the most sustainable option is attached as Appendix D.

## **Financial implications**

17. There are no immediate resource implications arising from this report as any additional work required to complete the work will be carried out by the relevant policy team staff and budgets without a call on additional funding.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

18. The National Planning Policy Framework (“NPPF”) came into force in March 2012 and since then due weight when making planning decisions should be given to relevant development plan policies according to their degree of consistency with the NPPF.
19. The report identifies that the Core Strategy was adopted in 2011 whilst the relevant Southwark Plan policies were saved in 2010. There is therefore growing pressure to reconsider policies and the council is required by section 17, Planning and Compulsory Purchase Act 2004 to keep the development plan documents under review.
20. It is required that such documents set out the authority’s policies relating to the use and development of land in the borough. In order to allow a review of these policies it is necessary to consider what issues arise in respect of the current policies and what options the Council has in setting new policies. The report sets this out at Appendix A.
21. The New Southwark Plan will emerge as a result of the series of consultations which will be carried out over the next few years. When appropriate it will be put forward for an independent examination in public when it will be considered as to whether or not it is compliant in accordance with the requirements of the 2004 Act (as amended). It is only after this process has been completed that the Plan can be considered for adoption which will fall to be determined by council assembly in accordance with paragraph 10 of part 3a of the Constitution.

### Human Rights Considerations

22. The decision to adopt the New Southwark Plan potentially engages certain human rights under the Human Rights Act 2008 (“the HRA”). The HRA prohibits unlawful interference by public bodies with conventions rights. The term ‘engage’ simply means that human rights may be affected or relevant. In the case of the New Southwark Plan, a number of rights may be engaged: -
23. The right to a fair trial (Article 6) – giving rise to the need to ensure proper consultation and effective engagement of the public in the process;
24. The right to respect for private and family life (Article 8) – for instance the impacts on amenities or the quality of life of individuals;
25. Article 1, Protocol 1 (Protection of Property) – this right prohibits interference with individuals’ right to peaceful enjoyment of existing and future property / homes. It could be engaged, for instance, if the delivery of any plan necessitates CPOs or results in blight or loss of businesses/homes;
26. Part II Protocol 1 Article 2 Right to Education – this is an absolute right enshrining the rights of parents’ to ensure that their children are not denied suitable education. This is a relevant consideration in terms of strategies in the plan which impact on education provision.
27. It is therefore essential that throughout the process of preparing the New Southwark Plan there is robust public participation coupled with sustainability and equalities

assessments. By undertaking the process as outlined in the report, the Council will be able to maintain the appropriate balance between making strategic policies for its communities against possible interference with individual rights. The issue of human rights will be specifically considered at the time the New Southwark Plan Comes forward for adoption.

### **Equalities Considerations**

28. The Equality Act 2010 brought together the numerous acts and regulations that formed the basis of anti-discrimination law in the UK. It provides for the following “protected characteristics”: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. Most of the provisions of the new Equality Act 2010 came into force in October 2010 (“the 2010 Act”).
29. In April 2011 a single “general duty” was introduced namely the Public Sector Equality Duty (PSED). Merging the existing race, sex and disability public sector equality duties and extending the duty to cover the other protected characteristics namely age, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation, (including marriage and civil partnership)
30. The single public sector equality duty requires all public bodies to “eliminate unlawful discrimination, harassment and victimisation”, “advance equality of opportunity between different groups” and “foster good relations between different groups”.
31. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
  - (a) “promote equal opportunities between disabled persons and other persons;
  - (b) eliminate discrimination that is unlawful under the Act;
  - (c) eliminate harassment of disabled persons that is related to their disabilities;
  - (d) promote a positive attitude towards disabled persons;
  - (e) encourage participation by disabled persons in public life; and
  - (f) take steps to take account of disabled person’s disabilities even where that involves treating disabled persons more favourably than other persons.”
32. The council’s approach to equalities has always been broader than that required under previous legislation by protecting the now extended ‘protected characteristics’.
33. The council has already undertaken an Integrated Impact Assessment which includes an equalities analysis.

### **Departmental Finance Manager**

34. This report recommends that cabinet agree to consult on the New Southwark Plan – Preferred Option.

35. There are no immediate financial implications arising from the adoption of the recommendations, and staff time to effect these recommendations will be contained within existing budgeted revenue resources.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
London Plan 2011	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.london.gov.uk/priorities/planning/londonplan">http://www.london.gov.uk/priorities/planning/londonplan</a>		
Southwark Statement of Community Involvement 2008	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.southwark.gov.uk/info/856/planning_policy/1238/statement_of_community_involvement_sci">http://www.southwark.gov.uk/info/856/planning_policy/1238/statement_of_community_involvement_sci</a>		
Saved Southwark Plan 2010	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan">http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan</a>		
The Core Strategy 2011	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.southwark.gov.uk/info/200210/core_strategy">http://www.southwark.gov.uk/info/200210/core_strategy</a>		
National Planning Policy Framework	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.gov.uk/government/publications/national-planning-policy-framework--2">http://www.gov.uk/government/publications/national-planning-policy-framework--2</a>		
New Southwark Plan Issues and Options	Southwark Council 160 Tooley Street London SE1 2QH	planningpolicy@southwark.gov.uk
Link: <a href="http://www.southwark.gov.uk/newsouthwarkplan">http://www.southwark.gov.uk/newsouthwarkplan</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>	<b>Held at</b>
Appendix A	New Southwark Plan – Preferred Option 2015	Hard copy provided with the report and circulated separately
Appendix B	New Southwark Plan – Preferred Option 2015 Appendices	<a href="http://www.southwark.gov.uk/newsouthwarkplan">http://www.southwark.gov.uk/newsouthwarkplan</a>
Appendix C	Consultation Plan – Part 1 Consultation Report – Part 2	<a href="http://www.southwark.gov.uk/newsouthwarkplan">http://www.southwark.gov.uk/newsouthwarkplan</a>
Appendix D	Integrated Impact Assessment	<a href="http://www.southwark.gov.uk/newsouthwarkplan">http://www.southwark.gov.uk/newsouthwarkplan</a>

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Juliet Seymour, Planning Policy Manager	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 October 2015	

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Aylesbury Regeneration: Amersham Site (Plot 18) Redevelopment	
<b>Ward(s) or groups affected:</b>		Faraday	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

### **FOREWORD - COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

The regeneration of the Aylesbury Estate is more than just replacing poorly designed and constructed homes with new homes of the highest quality, it is about providing all of the elements for a successful and thriving community. This includes new affordable homes, new parks and open spaces, better connections for people rather than cars, and brand new community facilities. This report seeks approval to proceed with the submission of a planning application for the redevelopment of the Amersham site (Plot 18) to ensure the delivery of these new community facilities, including a new library, a health centre and pharmacy, early years facility, community space plus public open space and approximately 120 residential units. These will be delivered at an early stage within the Aylesbury regeneration programme so that residents can start benefiting from them as soon as possible.

### **RECOMMENDATIONS**

1. That the cabinet notes the update progress report of the work carried out by the council and its development partner, Notting Hill Housing Trust (NHHT), in bringing forward the regeneration of the Aylesbury Estate as set out below:
  - Detailed Planning consent for the First Development Site and outline Planning consent for the remainder of the estate Masterplan (Phases 2, 3 and 4) has been granted by the Council and the associated section 106 agreement has been signed.
  - Demolition of vacant buildings within the FDS is now underway with the commencement of the internal soft strip contract in August 2015.
2. That the cabinet agrees to proceed with the submission of a planning application for a new Library on the Aylesbury Estate, along with a range of community facilities, including a health centre and pharmacy, early years facility, Community Space plus Public Open Space and approximately 120 residential units, to be delivered through the redevelopment of the Amersham site (Plot 18), ensuring that community facilities are provided at an early stage within the Aylesbury regeneration programme.
3. That the cabinet notes the funding implications of the proposed community facilities are currently being reviewed and will be reported back to cabinet as part of the capital monitoring report.

4. That the cabinet also notes the improvement works proposed to Westmoreland Road as a key gateway into the Aylesbury Estate.

## **BACKGROUND INFORMATION**

5. Having undertaken an EU-compliant procurement process, the council appointed Notting Hill Housing Trust (NHHT) to bring forward the phased regeneration of the Aylesbury Estate, and a Development Partnership Agreement (DPA) between the Council and NHHT was signed on 28 April 2014. This partnership will see the development of a further 3,500 new homes across the Aylesbury development area, along with a number of community facilities, commercial facilities and a range of parks and open spaces and high quality public realm. In addition to the physical regeneration, the partnership provides for a number of social and economic regeneration initiatives for the duration of the anticipated 19 year development period.
6. This report sets out the progress made on the development by the council's development partner, since the latest report to cabinet, and seeks approval to proceed with the early delivery of a range of community facilities, including a new library, at Plot 18 of the development site, as well as public realm improvement works on Westmoreland Road.

## **KEY ISSUES FOR CONSIDERATION**

### *General update*

7. Planning approval for both the detailed planning application for the First Development Site and Outline Planning application for the Masterplan for the estate, were granted by the council in August 2015. The section 106 Planning agreement for the development was signed in August 2015. The statutory period to challenge the consents through application for Judicial Review has expired and the Council has not been made aware of any application being made for a Judicial Review of the Planning consent.
8. The council has made significant further progress in re-housing the remaining occupiers of the First Development Site. Three blocks within the site are fully vacant, those being 69-76 Chartridge, 77-105 Chartridge and 106-119 Chartridge, and internal soft strip demolition of those blocks was commenced in August 2015.
9. Of the remaining blocks on site, presently just one tenant remains and is due to move once alternative premises identified become available. There are now just 14 leaseholders remaining on site, with 2 leaseholders recently moving to brand new Notting Hill properties at Camberwell Fields through the Council's re-housing assistance programme, while another is progressing a Council tenancy. 8 of the remaining leaseholders are non-residential leaseholders, of whom 4 have accepted offers from the Council.
10. The Public Inquiry into the Compulsory Purchase Order (CPO) was opened at the end of April 2015 and ran for 5 days. The Inquiry was adjourned by the Planning Inspector, to allow objectors to secure legal representation, and was reconvened on 13 October 2015. A decision on whether to confirm the CPO is expected from the Secretary of State in early 2016.



11. Decant of Phase 2 is well underway and tenants are moving out at a rate of approximately 30 per month, in line with the Council's re-housing programme. An early buy back programme is under way until March 2016 for leaseholders within Phases 3 and 4 who wish to sell their property back to the Council ahead of the programme for re-housing those phases. The Council has received 37 enquiries and has already either completed or agreed the buy back of 14 properties under this scheme.

*New Library and community facilities*

12. In 2009, the Council committed to delivering new community facilities early on in the Aylesbury regeneration programme, and this is reflected within the Aylesbury Area Action Plan (AAP). The Amersham site was identified within the AAP (as Site 10) as the optimum location the new community facilities as it is situated in the heart of the development area, mid-way along Thurlow Street, and forms a key link between the conservation area to the west and Surrey Square park to the west.
13. This report seeks approval to proceed with the submission of a planning application for redevelopment of the Amersham site to deliver a new Library, along with a range of other community facilities. The scheme will ensure the delivery of key facilities at an early stage of the development programme to support the community over the period of the regeneration of the estate, serving existing residents on the estate and surrounding residential areas as well as serving the future residents of the redeveloped estate. The early delivery of this site will also facilitate the relocation of existing community facilities on the estate located in Taplow, in line with the timetable for the re-housing programme for residential properties within Phase 3.
14. The council has consulted extensively with key stakeholders in developing the brief for the new community facilities on the site, and these will comprise the following:
  - Approx. 3,100m<sup>2</sup> Health Centre, to provide new premises for the Aylesbury Medical Centre and the Aylesbury Community Health (both located in Taplow)
  - Approx. 1,000m<sup>2</sup> Early Years facility
  - Approx. 950m<sup>2</sup> Community Space, comprising a new Library, Stay and Play facility and community trust offices
  - Approx. 350m<sup>2</sup> retail space, including a pharmacy to provide new premises for the Medi-pharmacy (currently located in Taplow)
  - Public Open Space
  - Approx. 120 residential units.
15. While the precise tenure split of the residential units remains to be finalised in the coming month, at least half of the new homes on the site will be affordable in tenure, split between social rented and intermediate shared ownership. All new social rented homes within the scheme will be let at target formula rents, as is required by the section 106 for the whole of the Aylesbury development area. It is also anticipated that a local lettings policy will be drafted based around creating a mixed community of people over 55 years in age, whose children are no longer living at home, thus improving health and wellbeing and reducing long-term need for external care services.
16. NHHT will deliver the new facilities on this site on behalf of the council, under

arrangements set out within the DPA, including progressing and submitted the Reserved Matters Planning application and procuring and managing the construction of the development. Outline Planning consent for the new facilities has already been granted by the Council as part of the Masterplan for the overall estate, approved in August. Following completion of detailed design work, a Reserved Matters Planning application will be submitted to the Council in November, with Detailed Planning consent anticipated to be granted in early 2016.

17. The DPA provides for Notting Hill to deliver the scheme on Plot 18 under a Building Lease with a plot lease for the north block to be granted to Notting Hill upon completion with sublease carved out for the Council-owned library and community space. The south block will remain in the Council's ownership, and the Council will grant leases for the new the GP medical practice and community health facility on commercial terms.
18. The development site comprises 300-313 Missenden, the three blue huts and adjacent multi-use games court, and arrangements are in place for the properties to be vacated to allow for demolition to commence in Spring 2016. In addition, in February 2015, the Council decided to bring forward the decant of 57-76 Northchurch from Phase 3 into Phase 2 to mitigate any negative impacts of the construction of Plot 18 on residents.

#### *Westmoreland Road Public Realm Works*

19. Public realm improvement works to Westmoreland Road have been identified as part of the Aylesbury regeneration programme due to the nature of this route as a key gateway into the Aylesbury development area from the west.
20. The proposed works will improve the visual amenity of the streetscape through the introduction of three new street trees and use of granite as a high quality paving materials in footways matching those used on Walworth Road, and will improve pedestrian safety and accessibility through the introduction of raised pedestrian crossing table, while footways adjacent to the pedestrian crossing and at the junctions with Horsley Road and Red Lion Row will be extended.
21. The proposed works were recently presented at Community Council for approval to proceed to detailed design and, subject to the outcome of statutory consultation, implementation. The anticipated programme is for commencement of works in March 2016 with completion in July.

#### **Policy implications**

22. The recommendations set out within this report are intended to ensure the council is able to deliver on vision for the regeneration of the Aylesbury Estate in line with the principles set out in the Aylesbury Area Action Plan and the Council's Core Strategy. Both the Aylesbury Area Action Plan, approved by Council assembly in January 2010, and the Core Strategy, approved by Council assembly in April 2011, set out the Council's detailed vision for the future of the Aylesbury and provide the Planning policy framework for the area.
23. The council is currently reviewing the Core Strategy and Southwark Plan to articulate its vision for the regeneration of the Borough over the next 10-15 years. Public Consultation on the options for the New Southwark Plan, as well

as the scope for the impact assessment of the new plan, took place over the period February to March 2015. The New Southwark Plan reaffirms the Council's vision for the regeneration of the Aylesbury estate as established within the 2010 AAAP.

### **Community impact statement**

24. Section 149 of the Equality Act 2010 states that the council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons.
25. The recommendation of the current report is to proceed with the submission of a Planning application for the development of a new Library and a range of other community facilities at the heart of the Aylesbury Estate. This is required to deliver on the regeneration of the estate in line with the vision set out within existing policy framework of the AAAP, as detailed above. Equalities considerations have been expressly considered at each step of the process.
26. An Equalities Impact Assessment into the Aylesbury Estate Renewal Programme was undertaken as part of the development of the AAAP and this together with any appropriate updates is a material consideration in Planning decisions regarding the estate. Following an Examination in Public into the AAAP, the Inspectors report, published in November 2009, concluded that the estate "shows clear signs of stress, and there is evidence that the built fabric would be expensive to retain in the long term and would in any event be unlikely to achieve a satisfactory residential environment."
27. Equalities considerations were expressly taken into account by the council in its determination of the Planning applications for both the First Development Site and the outline Masterplan for the wider estate. In undertaking an assessment compatible with the council's equalities duties, it was concluded that the development will have some beneficial impact on protected groups, the advancement of equality of opportunity and the fostering good relations between persons who share a relevant protected characteristic and persons who do not share it. Officers concluded that the scheme will deliver a mixed and balanced community that provides for individuals and groups over the short, medium and long term.
28. The proposed redevelopment of plot 18 will result in the early provision of new facilities for a range of uses. The development will comprise a new library with Stay and Play facilities, GPs practice and community health facility, early years facility and community trust space. These will support the existing community and throughout the period of the regeneration of the estate and assist in establishment of sustainable balanced communities beyond. Overall it is considered that the scheme will promote good community relations, enhancing equality of opportunity for all residents.
29. There will also be further consideration of the equalities impact of the proposed development of the new library and community facilities on the Plot 18 site as part of the council's consideration of the reserved matters planning application, once submitted.

## Resource implications

30. There is an existing allocation, which was approved in November 2013, of £76.7m within the Council's Housing Investment Programme for the regeneration of the Aylesbury estate for the period up to 2019/20. This was identified to meet a range of council capital costs in delivering the regeneration of the estate, including land assembly and demolition. This funding provision was estimated to be sufficient to bring forward Phases 1 and 2 of the programme. In April 2014, the DPA Business Plan, produced by Grant Thornton as part of the procurement of NHHT as development partner for the estate, confirmed that the ultimate cost under the DPA to the council in bringing forward the redevelopment of the estate over the 20 year programme would ultimately be in the region of £150m.
31. Under the arrangements set out within the DPA, the council is to fund the council works within the scheme, which comprises the new community facilities and public open space within Plot 18. Shared costs, such as associated professional fees, are apportioned between the council and NHHT with the basis for this set out within the Business Plan under the DPA. Under the DPA, NHHT are required to pay the council an infrastructure fee of £9m, in stages linked to the start of work on the First Development Site. This infrastructure fee was intended to contribute to the delivery of social infrastructure in the area and can be used towards the provision of new community facilities on Plot 18. In addition, at planning committee on 4 November 2014, Members approved the release of £3,082,784.40 of existing section 106 funding towards the new health centre, library and open space on the Amersham Site.
32. The delivery of the Plot 18 forms an early element of the wider Phase 2 of the Aylesbury development, under the DPA with NHHT. NHHT has confirmed its commitment to take the scheme for Plot 18 to Planning submission in November 2015. Subsequent commencement of development works, currently anticipated to be in Quarter 3 2016/17, will be dependent upon NHHT demonstrating the viability of the wider Phase 2, under the DPA.
33. Further assessment of the capital funding impact of the proposed community facilities is currently underway and will be reported back to cabinet through the capital monitoring process. The Councils' share of the costs of design fees and surveys required to bring the scheme to Planning submission are estimated at £1.1m. This is being funded through the existing committed section 106 funds.
34. As set out in more detail below, there has been extensive consultation with stakeholders including the council's Libraries and Leisure and Children's and Adults' Services teams, the Aylesbury Medical Centre, Guys and St Thomas' Trust, NHS Southwark CCG and the local community trust, on the development of the brief and detailed designs for the community facilities proposed on the site. The proposed uses represent a combination of new facilities and expanded re-provision of existing facilities in the area. There is in-principle commitment from each party, and the running costs associated with the new facilities are being built into future budget assumptions. In addition, the letting of the new GP medical practice and community health facility on commercial terms will result in a revenue stream to the council.

## Consultation

*Community consultation*

35. There has been a long history of consultation with the community on the proposals for the regeneration of the Aylesbury estate, which has been detailed in previous reports. There was extensive public consultation on the Aylesbury Area Action Plan (AAP), which sets the overall vision for the regeneration of the Aylesbury Estate, during the period of its development from 2007 to its adoption in January 2010, including a statutory Examination in Public in September 2009.
36. The planning applications for the First Development Site and for the outline Masterplan for the redevelopment of the wider Aylesbury Estate, which were developed within the framework set by the AAP, were the subject of further community consultation, including over 20 different events over the period March and August 2014, in advance of the submission of the Planning application in October 2014, after which there was further statutory consultation in early 2015. The Council's Planning committee resolved to approve both applications in April 2015.
37. There has been consultation with the community throughout the development of the designs for Plot 18, starting in March 2015 with workshops on the design of the new public open space and on the over-55s residential block. More recently, a consultation event was held on Wednesday 16th September 2015 at East Street Library to seek the community's feedback on what they would like to see in the new library, while a weekend consultation event took place on Saturday 3rd October 2015 to gain feedback on the overall emerging designs for Plot 18.
38. Once the planning application for Plot 18 has been submitted to the Council for consideration, there will be further statutory public consultation on the detailed designs.

*Stakeholder consultation*

39. In addition to community consultation described above, the council has undertaken an extensive programme of key stakeholder consultation in the development of both the brief and designs for the community facilities being delivered as part of redevelopment of the Amersham Site. In relation to the new library, stay and play facility and community trust office space, there has been on-going consulting with the Council's Libraries and Leisure team as well as local groups such as Creation Trust. The new Health Centre, comprising GP medical practice and community health facility, has been developed through close working with staff at the Aylesbury Medical Centre, Guys and St Thomas' Trust and NHS Southwark Clinical Commissioning Group through a Project Steering Group, which also includes representation from other health specialists. Finally, regarding the Early Years Facility there has been on-going engagement with LBS Children's and Adults' Services.
40. The development of the brief for the site was the product of joint working and significant involvement from each of the stakeholders over the period June to November 2014. The brief development was led by the council's Aylesbury regeneration team, with specialist input appointed for the Health and Early Years brief, through a collaborative process which included an initial joint workshop session, visits to precedent facilities and a programme of regular meetings throughout the development of the brief. This process generated a 150-page

briefing document, setting an overview of the projects and detailed brief for each facility, including the relevant technical standards, schedule of accommodation and adjacency diagram. The brief was agreed by the stakeholders in November 2014.

41. Thereafter, key stakeholders were involved in the selection of the design team to bring forward the new development over the period November to December 2014. Stakeholders for the Health Centre and Early Years Facility were engaged as panel members in the interview and selection process for architects for the “feature” South building containing the Health Centre and Early Years, through which Duggan Morris Architects were selected, from shortlist of 6 practices, to work along side HTA who were engaged for the overall Masterplan and the North Building comprising residential, retail and Library and community facilities on ground floor.
42. Stakeholder involvement continued throughout design development over the period January 2015 and on-going up to Planning application submission programmed for November 2015. Designs have been developed through very close working with each of the stakeholders throughout the design period, inputting into key aspects of the layout requirements in terms of end-user operations. Stakeholders were engaged through a programme of design meetings in both at Concept and Detailed Design stages, as well as visits to precedent facilities. In addition there has been regular engagement with the Council’s Planning and design officers throughout the project. Officers were consulted on the outcome of the feasibility study and their input fed into the design brief. A formal Pre-Application agreement has been entered into by NHHT, under which regular design and Planning meetings have taken place, as well as two Design Review Panel reviews of the scheme designs in March and August, which concluded that the Panel broadly endorsed the designs. Each of the stakeholders will sign off the final designs, layout drawings and schedule of accommodation, in late October prior to Planning submission.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

43. This report seeks approval for the council as landowner to submit a planning application for the redevelopment of the Amersham site at the Aylesbury Estate. This will include a new library together with a range of community facilities. The position relating to the funding of the project will be reported back to cabinet at a future date.
44. The report refers to the public sector equality duty as contained within the Equality Act 2010 and paragraph 14 refers to the extensive consultation which has been undertaken and paragraph 27 concludes that the proposed development will in fact have some beneficial impact for protected groups.
45. The planning application will in due course be considered by the council's planning committee in accordance with its statutory obligations. At this stage, the decision to proceed with a planning application is clearly one which may be taken by cabinet.

### **Strategic Director of Finance and Governance (FC15/028)**

46. The strategic director of finance and governance notes recommendations in this report including to proceed with planning application for Plot 18, Amersham community site redevelopment. This report specifies that a total existing funding of £12m has been identified (paragraph 31) with the remaining sources of funding currently under review; to be reported through the capital budget monitoring reports.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Area Action Plan	Chief Executive's Dept Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 0207 525 7495
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/200211/area_action_plans/1327/aylesbury_area_action_plan">http://www.southwark.gov.uk/info/200211/area_action_plans/1327/aylesbury_area_action_plan</a>		
Selection of a Preferred Partner to Work with the Council to Deliver the Regeneration of the Aylesbury Estate	Chief Executive's Dept Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 0207 525 7495
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4326">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4326</a>		
Aylesbury Regeneration – Early activation of 57-76 Northchurch	Chief Executive's Dept Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 0207 525 7495
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s52089/Report.pdf">http://moderngov.southwark.gov.uk/documents/s52089/Report.pdf</a>		

## APPENDICES

No.	Title
Appendix 1	Amersham Site (Plot 18) scheme – visualisations of the completed scheme

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Neil Kirby, Head of Regeneration South	
<b>Report Author</b>	Matt Derry, Senior Regeneration Manager	
<b>Version</b>	Final	
<b>Dated</b>	7 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		Yes



**APPENDIX 1****Aylesbury Regeneration: Amersham site (Plot 18) redevelopment**

Amersham Site (Plot 18) scheme: visualisations of the completed scheme

*Image 1: Nighttime elevation*



*Images 2 & 3: Public square*





*Image 4: Library entrance*



<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Southwark Regeneration in Partnership Programme Procurement Approval	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Southwark Council has the largest council home building programme anywhere in the country, combined with record investment in bringing our existing council homes up to a decent standard, and securing the second highest number of new affordable homes through the planning system of any council in England, no other borough is as committed to tackling the housing crisis and investing in social housing as we are.

We have an ambitious target to deliver 11,000 new council homes by 2043, with the first 1,500 by 2018. These will be delivered through a combination of in-fill development on our existing estates, purchasing some directly from developers, and developing land that we own. This report sets out how we will procure development partners for the final category. This will deliver a mix of new council homes of the highest quality, intermediate homes and private sale homes. By making best use of our land, cross-subsidy from some private sales and other funding sources, we could potentially deliver more than 460 council homes at no net cost to the authority, of which around 300 will be completed by 2018.

In addition to providing much needed council homes for lower-income residents, we also need to address the growing affordability crisis for people who can no longer get on the property ladder. Traditionally shared-ownership was the answer for this group, however due to high house prices the deposits required are increasingly difficult for people to raise. Therefore the intermediate housing that will be delivered as part of this programme will be let at discounted market rents for key workers.

This report also confirms that all development partners will have to pay at least the London Living Wage, and that for every £1m of spend we expect one apprentice to be taken on and trained.

**RECOMMENDATIONS**

**Recommendations for the Cabinet**

That cabinet:

1. Approve the use of the GLA’s London Development Panel as outlined in paragraphs 43 to 62 of this report to procure two development partners for a package of Southwark Regeneration in Partnership Programme sites over a 6 to 10 year period.

2. Approve the inclusion of the sites as listed in Appendix 1 in the package of the Southwark Regeneration in Partnership Programme to be tendered in two separate lots.
3. Note that the indicative financial appraisals as outlined in paragraphs 118 to 120 indicate that the package is viable and will attract sufficient market interest to assure best value is achieved.
4. Note that the director of regeneration will be responsible for making a recommendation to the cabinet member for regeneration and new homes on the final blend of sites and tenure variations across the two lots.
5. Note that the forward funding requirement of £2,000,000 will be met from the Housing Investment Programme by re-profiling current commitments and duly note the financial assumptions underpinning this investment as outlined in paragraph 129 of this report.

### **Recommendations for the Leader of the Council**

6. That the leader approve the delegation to the cabinet member for regeneration and new homes to agree (in consultation with the director of regeneration) the financial viability of, and any variation to, Lots A and B of the Southwark Regeneration in Partnership Programme prior to tender as condition of this procurement approval.
7. That the leader approve the delegation to the cabinet member for regeneration and new homes to approve the contract awards (one for each lot).

### **BACKGROUND INFORMATION**

8. On 27 January 2015, cabinet agreed the development of the Southwark Regeneration in Partnership Programme. The aim of the programme is to identify a number of council owned sites of varying size and development potential, which would be packaged to create viable opportunities for development and regeneration. These sites could be developed for a range of mixed use schemes, including housing that would maximise the utility and value of these assets by leveraging in the investment and expertise of established developers through a joint partnership.
9. In July 2014, the council renewed its pledge to deliver a fairer future for all in Southwark in a set of 10 new fairer future promises as well as specific commitments, some of which include:
  - Deliver value for money across all services
  - Build more quality affordable homes of every kind across the borough
  - Become an age friendly borough
  - Improve standards across schools
  - Provide enough places to offer young people and families, including those who are vulnerable, the right support
  - Revitalise neighbourhoods
  - Support local people into work.
10. The promise to build more quality affordable homes across the borough relates to the councils pledge in July 2013 to build a total of 11,000 new homes over a 30-year period, and in July 2014, to deliver 1,500 of those new homes by 2018.

11. The demand for traditional residential care is declining but there is an increase in the projected demand for varied Adult Care provision of all types, such as the Extra Care facility currently under development in Cator Street and the need for accommodation that will enable residents to remain in their homes for much longer.
12. Alongside this, there is recognition for the need to not only create new, but also improve, existing educational and health provision across the borough.
13. The need for more efficient and higher quality provision comes at a time of financial constraints faced by the council as it prepares for further reductions in funding from central government. This is in addition to the savings of around £120m that the council has had to make in the four years to March 2015 and are expected to make an additional £100m savings over the next three years. As such, the council is exploring ways it can continue to deliver value for money for residents and businesses by making even better use of its resources.
14. It is in this vein that officers have identified a number of council owned sites of varying size and development potential. These sites could be developed for a range of mixed use housing-led schemes that would maximise the utility and value of these assets by leveraging in the investment and expertise of established developers through a joint partnership.
15. The aim of the programme, known as the Southwark Regeneration in Partnership Programme (SRPP), would be that a joint partnering arrangement would enhance both the value and quality of the development outcome and the council's assets and services.
16. This report sets out the council's approach to procuring two development partners for the Southwark Regeneration in Partnership Programme through which it seeks to deliver more efficient use of the council's assets, more quality homes of every kind and create new opportunities to enhance services and maximise value across the borough.

### **Summary of the business case/justification for the procurement**

17. The identified sites offer opportunities to develop and rationalise land and buildings which are under utilised (including that held in the education and health and adult care services) and to co-locate services to support regeneration and the value of public sector buildings and services.
18. The programme's objective is to leverage in the investment and expertise of established developers through a joint partnering arrangement that would maximise and enhance the utility, value and quality of the development outcome and the council's assets and services.
19. The Southwark Regeneration in Partnership Programme's key deliverables:
  1. Maximise and enhance the utility, value and quality of council-owned land and buildings to deliver/re-provide:
    - High quality homes of every kind (including supported housing)
    - New GP surgeries where supported and approved by NHS England and the CCG
    - New community facilities

- Improved streetscapes and permeability
  - Employment and training opportunities.
2. Deliver high quality and fit-for purpose public buildings at good value.
  3. In relation to the housing element, the aims are:
    - a. to deliver an equal mix of council, intermediate and private homes across each lot (mainly 1/3 each). However, for each site, the baseline requirement will be a planning compliant scheme and within the affordable element maximising the quantum of council homes will be prioritised.
    - b. to have as many of the council homes as possible completed by 2018 to count towards the 1,500 new council home target. As such a majority of council homes will need to be front-loaded on the programme, but will be deliverable through the overall financial model.
  4. All council outlay (including for feasibility studies) are recovered upon completion.
  5. The expectation would be that our development partners deliver the council homes and facilities at nil capital cost to the Council (achieved through profit sharing and overage agreements).
20. Approximately 19 sites have been identified across the borough and will be packaged into two lots (Lot A and Lot B), which will be tendered separately. The sites are attached as Appendix 1. In total the sites have the potential to produce approximately 1400 units, of which up to one third will be council homes.
  21. Amongst the sites there are a number of quick wins (identified on the site list) that the council aims to have on site by 2016, to contribute towards the goal of 1500 new homes by 2018.
  22. Development appraisals of the identified sites are being carried out by BNP Paribas and Lambert Smith and Hampton. The appraisals are testing the viability of three options using the following assumptions:
    - a. Option 1: Equal Mix - Sites built to council's preferred tenure mix of 33% council, 33% intermediate and 34% private homes.
    - b. Option 2: Planning Compliant Mix - Sites built to planning compliant tenure mix of 25% council, 10% intermediate and 65% private homes.
    - c. Option 3: Variant Mix – A blend of equal mix (option 1) and planning compliant mix (option 2) potentially producing a mix of 28% council, 22% intermediate and 50% private homes.
  23. Thus far, the appraisals suggest that a package with an equal mix of tenures is marginally viable (producing a reasonable developer's profit on cost with 8 of the 19 sites returning a negative residual land value). However, achieving the programme's objectives requires that both lots are not only economically viable, but are attractive to developers.
  24. A variation to the council's preferred mix of a third across all tenures may be needed

on unviable sites, but with the baseline being a planning compliant scheme on all sites. This is the basis of the variant mix which is expected to produce a viable developer's profit on cost and a positive residual land value across all sites.

25. Therefore, it is recommended that the Director of Regeneration recommend the tenure mix (which would never be less than planning compliant) and make up of the 2 lots that are tendered and that this decision be delegated to the Cabinet Member for Regeneration and New Homes, prior to the packages being tendered.
26. This will impact on the assumptions that will inform how the two lots are inputted into the HCA's Development Appraisal Tool, which is the basis on which developers will bid, and ultimately the achievability of council objectives.

### Intermediate Housing

27. The council's priority for the provision of intermediate housing is intermediate discounted market rent with particular focus on offering homes in Southwark for key workers who are contributing to the well being of Southwark residents. For the purposes of the New Homes Programme intermediate rent is defined as discount market rent (up to 80%), which will be aligned with the affordable housing income threshold to encourage take up.
28. The intermediate housing units, along with the private sale units will be held by the development partner. There is significant interest in the private rented sector particularly from institutional investors for this type of product, so it should produce a healthy return.
29. There will be a contractual requirement on the purchaser of the intermediate housing units to market them to Southwark residents only and key workers during the first 6 – 9 months of an agreed marketing period. Thereafter, they will be available to all who qualify.

### Risk

30. Both Lots have similar risks and mitigation, such as:
  - a. Failure to obtain planning consent; which we will mitigate by early engagement with the planners and community.
  - b. Sites not financially viable, which we will mitigate through the packaging/phasing strategy.
  - c. Community objections to proposals, which we will mitigate by early engagement with community and internal stakeholders to identify and resolve concerns.
31. However, there are site category specific risks around vacant possession:

No.	Site Category	Vacant Possession	Mitigation
1	Adult Social Care Buildings	Plans for relocation and/or re-provision fail or are delayed.	Early engagement with ASC options appraisal
2	Education Sites	Relocation and /or re-provision  Not getting SofS consent for change of use	Early engagement with stakeholders  Establish a clear and supportive base case for change of use



No.	Site Category	Vacant Possession	Mitigation
3	Housing Sites	Delay in re-provision Refusal to move	Use of Council's repossession powers (Ground 10 and/or Ground 10a) and use of compulsory purchase powers (CPO)
4	Commercial Assets	Delay in re-provision Licensees refuse to move	Early engagement with licensees and prompt CPO application
5	Environment and Leisure Buildings	Relocation proposals fail	Early engagement and continued communication with responsible officers
6	Health Centres	Relocation and re provision proposals are delayed or agreement cannot be reached with NHS England, the CCG and the GPs	Early engagement with NHS, CCG and local GPs to ensure that they have adequate time to consider proposals for rationalisation and improvement and NHS processes.

32. Adult Social Care (ASC) service delivery is currently under review with a view to housing those in need in general needs housing with above par fixtures, fittings and finishes – such as: rounded edges in kitchens, under floor heating, shatter proof windows, window guards and cluster homes with concierge/guardian facility – to enable the provision of independent living within the community.
33. As the service delivery review is still on-going, it is not possible for ASC to fully identify their specific requirements at this time. Until such time as the review is completed, and requirements finalised, it is our intention to allow and cost within the programme, scope for a number of units to be built out as adaptable flats as per the ASC design specification and to also identify a handful of sites where cluster homes could be developed.
34. Housing have been consulted on the design and build of the new homes in relation to future repairs & on going maintenance, i.e. build materials, fittings and fixtures, etc. Issues around housing management, i.e. shared cores, service charges, shared amenity, etc. have also been flagged and discussed.
35. A design and specification guide (Southwark Design Guide) has been developed to provide the architects and development partners with an overview of the council's aspirations and requirements for well designed homes. Housing colleagues have had the opportunity to input and comment on the finalised document that will act as the basis for the Employer's Requirements for any future development of homes built within the borough regardless of tenure. The guide is made up of three parts, incorporating the council's design values, design standards and technical specification.

### Market considerations

36. Successful delivery of the programme in a partnership venture depends on the continued good health of the property market in Southwark. Growth in the residential market has been strong recently. This has been assisted by the borough's good communications and improvements in transport infrastructure. Relative to other parts especially in the north and west of London, Southwark still represents good value and will benefit from further enhanced transport links such as the Bakerloo extension. The wider demographics and strong demand generally for living space in London point to continued success. As long as economic factors remain positive, demand is anticipated to remain high.

37. Factors affecting value such as tenure mix will need to be considered further along with the ability of certain sites to deliver increased financial revenue and thereby make the optimum contribution to the programme. Packaging of development opportunities will need to reflect a market-led approach bringing sites forward for sale on an appropriately phased basis.

## **KEY ISSUES FOR CONSIDERATION**

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

38. In choosing the preferred method of procurement, the following options were explored:
- a) Southwark Housing Company Ltd.
  - b) Joint Venture Vehicle
  - c) OJEU Procurement
  - d) Existing Frameworks
    - London Construction Programme
    - Scape
    - Islington New Build
    - GLA London Development Panel (LDP)
39. Southwark Housing Company Ltd.  
In April 2015, the Leader of the Council agreed the formation of Southwark Housing Company Ltd., a wholly owned company limited by shares with a £1 share issued to the council for the purpose of delivering new homes. Legal advice is that land should be transferred from the council to the company and that the company should then let the build contracts. As such, it is assumed that schemes completed or on site will remain within the HRA. The initial view is that mixed tenure schemes, such as those proposed on a number of the Southwark Regeneration in Partnership Programme sites, would be appropriate for detailed appraisal. In these cases, delivery through the company may be more efficient and would likely reduce the risk of limiting the council's capacity to undertake direct delivery elsewhere. However, it should be noted that the operational and governance details of the company, which is not currently trading, are still being worked through. This will be given further consideration with regards to the various procurement vehicles that represent best practice for future packages.
40. Joint Venture Vehicle  
This method is used to share risk and reward and can be delivered under the umbrella of a separate company with its own board and objectives. This idea was discounted due to time constraints, our objective is to deliver a number of new council homes by 2018, and the setting up of a company make this an unfeasible option for the first phase of sites. This will be given further consideration with regards to the various procurement vehicles that represent best practice. Advice will be sought from external legal advisers to consider a model that would fit with the council's longer term objectives.
41. OJEU Procurement  
A full OJEU process whilst feasible is not recommended given the time constraints to deliver the programme. On average, given the detailed stages of scheme development, the OJEU process would take a minimum of nine months from contract notice to contract award. This time could otherwise be spent on developing the project and undertaking procurement through a framework, where the Developers who would most likely be procured through an OJEU, have already been pre selected and where early engagement is feasible in a process that would

not be feasible though an OJEU. This will be given further consideration with regards to the various procurement vehicles that represent best practice for future packages.

#### 42. Existing Frameworks

The benefit of this option is that most of the developers would have gone through the prequalification stage of the OJEU process, resulting in a shorter time frame and therefore we chose to explore this option given our time constraints. A number of frameworks were explored, although most were found to be construction frameworks, with a limited few, development led. Of the limited number of construction frameworks, the Housing and Communities Agencies (HCA) framework cannot be used in London, the London Construction Programme framework and the Islington New Build framework are contractor rather than developer frameworks.

##### a) The London Construction Programme, Major Works 2014 Framework Agreement

This new framework covers all types of construction projects including offices schools, leisure, housing refurbishment and design and build, etc. It is available from 12 May 2015 until 11 May 2019. The framework is set up in regional lots, 3 value bands and 2 key work areas. The applicable work area for this project is housing. The regional lots have value band of £100,000 - £999,999; £1m - £4,999,999 and over £5m. However, although this framework was designed to make procuring construction works simpler, faster and more robust, it was not intended to enable inward investment from private sector developers.

##### b) Islington New Build

Set up by Islington Council to deliver a mixed tenure of new build homes between 2014 and 2018, the framework consists of 2 lots each with 8 contractors. The value of Southwark's programme puts it in Lot 2 (contract values in excess of £2m) and of the 8 contractors in the lot, 6 are on the GLA LDP framework.

##### c) Scape

Scape is a local authority controlled company that works collaboratively with private sector partners to deliver construction and works projects through six sole supplier national frameworks. Officers considered Scape's National Major Works Framework, which is designed to deliver construction projects with a value of over £2m and expires in May 2017. However, it is a contractor framework which (amongst other limitations) offers a single supplier, Willmott Dixon. This route offers no opportunity for private sector investment and would preclude the option of spreading delivery risk by packaging the sites into 2 lots.

##### d) GLA London Development Panel (LDP)

The GLA LDP framework is the Greater London version of the national HCA framework and provides the most 'fit for purpose' opportunity. It supports the building of new homes in housing led mixed use developments, on land owned by the public sector. The GLA LDP provides the most competitive advantage of all the options that were considered and consists of 25 specialist developers to select from, some of which have worked or are familiar with Southwark. The GLA LDP is made up of all the main developers, both registered providers and contractors; it is the main framework for London and is operational. It includes a standard form Development Partnership Agreement (DPA) that will reduce legal costs and avoid the need to negotiate with Developers on the content, since it forms the basis of the Panel. It does however allow for scheme specific

amendments. It would therefore be preferable to opt for the GLA LDP framework, which offers a more competitive advantage by having 25 developers to choose from

### **Proposed procurement route**

43. The GLA has developed a multi-supplier framework panel (the GLA LDP) to accelerate the release of public land for residential led development. The GLA LDP is expected to speed up the process of procuring a development partner(s), increase efficiency and reduce costs by pre qualifying suppliers under set terms and conditions.
44. The GLA LDP is made up of 25 panel members (Appendix 2) that provide a range of services necessary to the delivery of housing and associated infrastructure and is not only available to the GLA, but also to London's councils. The GLA LDP commenced in May 2013 for a 4 year period until May 2017. The main objectives of the GLA LDP Panel are for the development of homes to include all activities necessary to construct homes and associated infrastructure including but not limited to:
- raising of development finance
  - obtaining planning permission
  - supply chain management
  - design and construction of housing
  - provision of affordable housing (in association with a registered provider)
  - design and construction of infrastructure to support housing
  - sales and marketing of homes
  - aftercare and maintenance.

Specifically:

- development and disposal of sites for residential use
  - development and disposal of mixed-use housing-led sites. Mixed-use elements to include community facilities, retail or commercial development ancillary to and in support of housing
  - demolition, site remediation and enabling works to prepare sites for residential or mixed-use development
  - design and construction of homes
  - development of Extra Care accommodation
  - self-build enabling as part of a larger development
  - maintenance and site management.
45. Use of the GLA LDP framework agreement will enable the council to speed up the procurement of a development partner, increase efficiency and significantly reduce costs because suppliers have been pre-qualified under set terms and conditions, which meet council requirements
46. Early independent legal advice was sought from Pinsents who were responsible for drafting the framework development agreement and associated documentation, confirmed that the framework was the most efficient approach in terms of time, costs and competitiveness. In March 2015, Trowers and Hamlins were appointed as Legal Advisers to support the council through the procurement process and amend

the DPA to ensure the council's objectives are met. The firm has previous knowledge and experience of the GLA LDP DPA having worked with other Local Authorities who have used the framework.

47. Officers have considered the flexibility within the agreement to accommodate the Council's aims without introducing procurement risk. There is scope to make scheme specific amendments to the DPA. It should also be possible to significantly reduce legal costs since a standard form development agreement has been agreed with all members of the Panel. This means that only the scheme specific elements should need detailed consideration.
48. The proposed procurement route is to undertake a three Stage Competitive tender process. This will be set out as follows:
  - a. Expression of interest
  - b. Sifting
  - c. Mini-competition.
49. The GLA LDP Framework allows for Soft Market Testing and Early Stage Advice to be undertaken. It is our intention to hold briefing sessions, prior to the expressions of interest being issued where we put forward the Council's proposals to all 25 developers on the panel and gauge interest levels and offer one to one briefings. This would inform the content of the expression of interest. We will also hold a Bidders' Day at the sifting process stage, for interested Panel members.
50. An expression of interest will be sent out to all 25 GLA LDP members using the framework's template which asks the panel members to confirm their interest in bidding or not for either Lot A or Lot B. As this is a self selection process, it is important the 'Expressions of Interest' invitation be sufficiently detailed to allow developers to make an informed choice as to whether they wish to bid. The expression of interest period is 5 working days.
51. Following response to the Expression of Interest a Sifting Brief using the framework's template will be sent to all interested parties. The sifting brief is not intended to be a second PQQ exercise; rather it will focus on the specifics of the project and test the capabilities and experience of panel members in delivering the things that are critical to the success of the project. As such, panel members will be asked to provide method statements (500 word limit each) in response to questions which is likely to include the following aspects:
  - i. Response to financial assumptions
  - ii. Approach to community consultation
  - iii. Response to project objectives
  - iv. Response delivery programme
  - v. Response to design standards brief.
52. The aim will be to sift down to 6 to 8 tenderers per lot. The sifting period will be 6 weeks.
53. GLA LDP members whose submissions were not successful will be formally notified and each lot will be put out for tender to the GLA LDP members shortlisted.
54. To procure a developer from the GLA LDP we are required to provide detailed information at the mini competition stage as follows:
  - 1) Master plan and feasibility modelling including surveys and cost plans
  - 2) Development appraisals including valuations

- 3) Scheme specific amendments to the DPA
55. The technical and financial work has been undertaken with a combination of internal and external expertise. The scheme specific amendments to the DPA are being undertaken by Trowers and Hamlins with past experience of using the DPA.
  56. Final amendments to the development appraisal and/or any variations to Lot A and Lot B will be subject to agreement by the Cabinet Member for Regeneration and New Homes before tender action begins.
  57. Using the framework's ITT template, tenderers are likely to be asked to submit the following documents:
    - i. Development proposal – include tenure mix
    - ii. Design quality approach method statement
    - iii. CVs of project team members and structure chart
    - iv. Branding/marketing proposal
    - v. Proposal on use of apprenticeships and local labour
    - vi. Project and site management proposals
    - vii. Financial bid based of the HCA's Development Appraisal Tool (DAT)
    - viii. DPA marked up with any amendments
  58. Tenders will have an opportunity to seek clarification on the ITT before the submission deadline. Clarification meetings will be held with tenderers prior to evaluation to ensure the panel fully understands their submissions. All non-confidential clarifications and responses will be shared with all tenderers.
  59. The tender action period will be 8-10 weeks.
  60. Following this tender action, Gateway 2 approval will be used to appoint the selected partners to enter into a DPA with the Council.
  61. Tenderers whose bids were not successful will be formally notified.
  62. Confirmation of selected tenderer(s) will be issued.

#### Identified risks for the procurement

Risk No.	Identified Risk	Likelihood	Risk Control
1.	Insufficient market interest	Low	Soft market testing. Bidder's day to promote programme. Develop proposals and packages that offer benefit/ incentive to developer and are sufficiently detailed and clear, so that developers can make an informed decision as to whether they wish to pursue this opportunity.
2.	Employer's Requirements inadequate or diluted by development partner	Medium	Ensure a comprehensive quality and deliverable specification is issued – to this end, officers have commission a Southwark design and specification to inform the ERs. Ensure the DPA enshrines robust

Risk No.	Identified Risk	Likelihood	Risk Control
			governance agreements and conditions. Establish a multi-disciplinary Project Team who will be able to provide specialist guidance to cover all areas required from the specification and deliverables
3.	Viability – packages not viable	Medium	Procured a competent financial and property adviser to carry out development appraisal exercise. Developers level of return enshrined within the DPA, secure overage on the title. Viability testing at agreed stages and confirmation that the entire package is viable throughout the term of the development
4.	Do not achieve competitiveness and value for money	Medium	Tender is managed in a way that ensures a degree of competitiveness with quantity surveying and financial advice to scrutinise the content of packages and site proposals. Ensuring that the sites are packaged so each lot is viable and attractive to the market, whilst guaranteeing value for money to the council.
5.	Deadlock – council and its development partner fail to agree	Medium	Ensure that conflict resolution/deadlock feature within the DPA disincentivises against disputes and gives sufficient comfort that neither partner has the power to override the other.
6.	Leveraging of council assets contravenes state aid rule	Low	Obtain legal advice to ensure state aid rules are followed
7.	Developer's cost inflation to mitigate stall/failure due to administrative delays.	Medium	DPA enshrines clear decision making protocol – including parameters around “reasonableness” that should give developers sufficient comfort. Effective use of existing processes to ensure efficient decision making by senior officers. Internal governance and approval arrangements are realistically accounted for in overall programme plan.

### Key /Non Key decisions

63. Due to the impact this project will have across the borough over the 6 year life of the development agreement, this is considered to be a key decision.

### Policy implications

64. The programme has been shaped by the promises and commitments made in the Council Plan, such as building more quality affordable homes of every kind and

revitalising our neighbourhoods making them places in which we can all be proud to live and work.

65. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Saved Southwark Plan policies, the Aylesbury Area Action Plan, the Canada Water Area Action Plan, the Peckham and Nunhead Area Action Plan and a revised Canada Water Area Action Plan.
66. The New Southwark Plan is being prepared in consultation with residents, land owners, developers, employers, local organisations and other groups over the next two to three years, having commenced in October 2014. This New Southwark Plan will set out the strategy to bring the full benefits and opportunities of regeneration to all Southwark's residents.

### Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	27/04/2015
DCRB Review Gateway 1	20/07/2015
CCRB Review Gateway 1	17/09/2015
Notification of forthcoming decision - Cabinet	13/10/2015
Approval of Gateway 1: Procurement strategy report	20/10/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/10/2015
Completion of tender documentation	30/10/2015
Approval of Lots A & B Viability - IDM	01/11/2015
Expression of interest to GLA LDP Panel Members	02/11/2015
Closing date for receipt of expressions of interest	09/11/2015
Sifting Brief to EOI respondents	11/11/2015
Bidders' Day	17/11/2015
Closing date for receipt of response to Sifting Brief	09/12/2015
Completion of sifting exercise	23/12/2015
Invitation to tender to shortlisted tenderers	06/01/2016
Closing date for return of tenders	02/03/2016
Completion of any clarification meetings	16/03/2016
Completion of evaluation of tenders	30/03/2016
Forward Plan (if Strategic Procurement) Gateway 2	27/04/2015
DCRB Review Gateway 2:	18/04/2016
CCRB Review Gateway 2	28/04/2016



<b>Activity</b>	<b>Complete by:</b>
CMT Review Gateway 2 (if applicable)	N/A
Notification of forthcoming decision – IDM	16/05/2016
Approval of Gateway 2: Contract Award Report	24/05/2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	07/06/2016
Contract award	08/06/2016
Add to Contract Register	10/06/2016
Contract start	11/06/2016
Initial contract completion date	10/06/2022
Contract completion date – (if extension(s) exercised)	10/06/2026

### **TUPE/Pensions implications**

67. N/a

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

68. The housing regeneration and delivery team will be responsible for developing the tender documentation for each lot to enable works to be tendered. Technical design requirements and specifications will be developed based on Southwark's Design Standards and Technical Specification. Policy related requirements will be referenced using relevant appendices, links and insertions.
69. The contract will be a Development Partnership Agreement which will be based on the specifics of the project being tendered.
70. The tender documentation will be based on a set of Employers Requirements which will include the following:
- Development Partnership Agreement with scheme and Council specific amendments
  - A location plans and site plans
  - Confirmation of ownership of the site
  - Outline role/expectation of the Tenderer
  - Details of what is to be built, tenure and tenure mix
  - What funding/finance is available
  - Land sale/transfer arrangement
  - Timescales
  - Proposed management arrangement
  - Building Services performance specification
  - Southwark Design Guide.

### **Advertising the contract**

71. Panel Members have been appointed to the GLA London Development Panel through a two stage restricted procedure in compliance with the Public Contracts Regulations 2006, advertised through a contract notice published in the Official Journal of the European Union (OJEU). Bidders shortlisted at Pre-Qualification Questionnaire (PQQ) stage submitted a tender response in December 2012. The Greater London Authority (GLA) procured the panel on behalf of itself and the authorities listed in OJEU notice (2012/S69-113942).

### **Evaluation**

72. There will be two evaluation panels, one evaluating the financial offer and the other quality. Both panels will have a minimum of three members.
73. At the expression of interest, the GLA LDP panel members will just be asked to give a simple "Yes" or "No" response and, if they are declining, a short statement explaining their reason. All panel members that express an interest will be invited to respond to the sifting brief.
74. The sifting brief will be evaluated on the following criteria:
- i. Response to financial assumptions
  - ii. Approach to community consultation
  - iii. Response to project objectives
  - iv. Response to delivery programme
  - v. Response to design standards brief
75. The responses will be scored between 0 and 10 (where 0 is no response given and 10 is response that exceeds expectation). The aim will be to sift down to the top 6 to 8 highest scoring submissions per lot.
76. Respondents whose submissions were not successful will be formally notified.
77. Successful submissions for each lot will be invited to tender. Those not submitting a tender will be asked for a short statement explaining their reasons.
78. The evaluation of the tender returns will be based on a 70:30 Price/Quality split.
79. The quality criteria is likely to be:
- i. Quality and employer's requirements
  - ii. Design approach consent
  - iii. Project management and resources
  - iv. Programme
  - v. Approach to gaining planning
  - vi. Construction approach and technical proposal
  - vii. Risk assessment
  - viii. Health & Safety
80. The financial offer will be checked against Schedule 6a of the Framework agreement and is likely to be evaluated on the following criteria:
- i. Sale values (the value the developers will achieve from the sale of the new homes)
  - ii. Construction costs (the contract value and on-costs of the build)
  - iii. Land value (the amount the developers will pay the council for the land)

- iv. Overheads and profit (the compensation the developers expect from their investment).
81. In respect of the financial offer the tenderer with the most competitive offer will receive the maximum score in each criterion. Each remaining tenderer will be awarded a score based on the percentage difference between their offer and the most competitive offer.
  82. Notwithstanding the scoring methodology referred to above, tenderers will be advised that the council will scrutinise very carefully any tender that contains a financial offer which appears very low (having regard, amongst other things, to the financial offers submitted in the other tenders received) and will reject abnormally low offers in compliance with the Lead Authorities' power under regulation 30(6) of the Public Contract Regulations 2006 (as amended) to disregard/reject any Tender that is abnormally low.
  83. The overall score of price and quality added together will be used as the assessment to appoint the selected development partner for each lot. Where the same panel member is the successful bidder for both lots only one lot will be awarded to that bidder. The decision making process for dealing with this likelihood will be clearly specified within the tender documentation.

#### **Community impact statement**

84. A robust consultation programme, that takes into account the views of all residents and relevant stakeholders as well as engaging with those that live in the vicinity of any new development site, has been developed and is being implemented.
85. To ensure community engagement is inclusive, open and accessible to all, we are also consulting with service users, internal stakeholders and affected businesses.
86. A community impact statement will be collated to capture community priorities, issues and needs, in particular groups displaced or impacted by the development proposal. It is proposed that the community impact statement will focus on two distinctive communities:
  - Geographical communities - people living, accessing or working close to the development
  - Community of identity – groups that share characteristics such as the older people, minority ethnic groups, faith groups, people with disabilities and young people, etc.
87. Under the Equality Act 2010's Public Sector Equality Duty (PSED), as a public body we must have due regard to the need to:
  - 1) Eliminate unlawful discrimination, harassment and victimisation
  - 2) Advance equality of opportunity between different groups
  - 3) Foster good relations between different groups
88. Officers will conduct an equalities impact assessment to ensure that there is no disproportionate or discriminatory impact on groups with protected characteristics.

#### **Sustainability considerations**

89. The Public Services (Social Value) Act 2012 requires the Council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.
90. The Council's approach to procurement of the design, development and construction processes will ensure a requirement to maintain and improve sustainability to each tendered project.
91. All homes will have to achieve the Code for Sustainable Homes Level 5 (CfSH5); measures will have to be taken at all stages of development to achieve this.
92. At design stage, requirements will be in place to meet sustainable specifications including the following :
- Energy efficiency
  - Reduce carbon emissions
  - Conserve water & energy
  - Mitigate flooding risk
  - Safeguarding biodiversity.
93. During construction the appointed contractor/developer will be required to adhere to guidelines outlined in the London Construction Guide which include and are not restricted to the following:
- Procuring and using materials sustainably
  - Selecting materials with low lifecycle impacts
  - Using local materials
  - Use of materials with high recycled
  - Meet minimum standards set out in Building Regulations.

### **Economic considerations**

94. The programme will be subject to Section 106 Planning Obligations and Community Infrastructure Levy (CIL) to address the impact of development on the various sites.
95. Section 106 planning obligations will be used to address site specific impacts of developments, such as jobs during construction and replacement employment and mitigations against loss of employment floor space on or near the site.
96. CIL, on the other hand, will be used to fund local and strategic infrastructure required to support growth across the borough.
97. As part of the DPA, we will seek commitment to employ local labour, and promote and use local suppliers and businesses where applicable.
98. The programme will also seek to deliver more affordable low-cost market housing through its intermediate rent product which will be targeted at key workers and other middle income households that are being priced out of the inner London homeownership and private rental markets.

### **Social considerations**

99. As the council explores ways it can continue to deliver value for money, it is essential that it makes even better use of its resources to meet the needs of residents and businesses in the borough.
100. The Southwark Regeneration in Partnership Programme seeks to maximise the utility, value and quality of council buildings and services by leveraging in the investment and expertise of established developers through a joint partnership. In doing so it will deliver high quality homes and public buildings and improved life changes for current and future generations while minimising the cost burdens of regeneration to the council.
101. Each site within the programme will deliver high quality affordable homes of all kinds to meet housing need, and together the sites will also offer improved health, education, social care and commercial facilities to ensure that residents are able to access the support and services they need within their community
102. The social rent homes delivered will be retained as council homes on the same terms as those delivered via the direct delivery programme.
103. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful development partner for this contract will result in quality improvements for the council. These should include a high calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful development partner will be expected to meet the LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process. Officers will investigate how to incorporate a requirement to enhance employment opportunities.
104. The council recognises that apprenticeships are an important route to sustainable employment for our residents and a great way to develop local talent for businesses and is committed to ensuring that its partners and their supply chain support its efforts to create 2,000 new apprenticeships in the Borough by offering apprenticeships and other employment training opportunities to local people. In that vein, developers will be required to provide a minimum of 1 apprenticeship per £1m spend per lot.

### **Environmental considerations**

105. In line with the Energy and Carbon Reduction Strategy, we will work towards the target reduction rate for new council build homes of 15% by 2022.
106. We will aspire to achieve Code for Sustainable Homes Level 5, and therefore have to reduce carbon emissions, conserve fuel and energy as set out in Building Regulations (Part L) Value the Environment.
107. Specifications outline that there should be an efficient approach to waste management. At design stage there is direction for designers to exercise reasonable skill care and diligence in the selection of materials. At construction

stage contractors are required to minimise construction waste and maximise the use of recyclable /reusable products and materials.

108. Specifications stipulated within the Employers Requirements will ensure that development activity is controlled in a way that positively contributes to achieving sustainability.

### **Plans for the monitoring and management of the contract**

109. At a strategic level the programme will be overseen by a Project Board. The Housing Regeneration and Delivery team will carry out contract administration, management and monitoring of this programme. Operationally, project coordinators will be responsible for day to day management and monitoring of the DPA contract, responsibilities will include seeking gateway approvals, main point of contact, budget control, administrative duties, etc.

### **Staffing/procurement implications**

110. The Housing Regeneration Programme Manager will be responsible for the delivery of the overall programme, under the management of the Head of Regeneration - Capital Works and Development, will be responsible for ensuring that the programme is adequately resourced and coordinated to deliver its objectives and procured efficiently and effectively in accordance with best practice for major projects procurement. The Team has recently been restructured and along with new appointments is able to manage this additional workload.
111. The procurement of the development partner required the earlier procurement of additional support strands such as architectural services that carried out feasibility studies and initial design development, financial and valuation consultants who undertook valuations and the development appraisals, legal consultants who provided procurement advice and drafted the DPA.

### **Procurement decision making framework**

112. A key advantage of using the GLA LDP framework is its efficiency – the GLA estimates that the process should take approximately 6 months from EOI to award. However, it also means that developers that have signed up to the framework expect quick decision making.
113. As such the council must be clear about its red lines and outcomes, be able to take decisions quickly during the tender action and to expedite the approval process.
114. As the programme includes sites and deliverables that impact upon a number of service areas, the key to the success of this process is cross departmental involvement through a decision making framework that prioritises, and resolves tensions between objectives quickly.
115. A procurement management group of internal stakeholders will be established to input into the tender documentation and, during the tender, clarifications, evaluations and subsequent gateway reports. Membership will include officers from Finance, Procurement and Legal so that their supplementary advice can be incorporated during report drafting. This is contingent on advance notification of timetable and meeting dates, and buy-in from all participants. In stage decisions will be taken by the director of regeneration and the regeneration – capital works and

development team will be responsible for managing the process and outcomes. The financial implications of the successful bid will be signed off at the Housing Investment Board prior to seeking approval of contract award.

### **Property implications**

116. This proposal seeks to bring forward 19 or more sites for a partnership initiative which will deliver mixed-tenure and mixed-use development in many parts of the borough. It will make a significant contribution to the new council homes target.
117. The recommended approach is a departure from traditional disposals in which an individual site would typically be marketed for bids, with the successful bidder then taking a scheme through the planning process. While the traditional disposal route would be expected to bring affordable housing through planning policy, it would not deliver any more than the policy level. In order to secure additional provision and ownership by the council, a procurement of some kind would inevitably be required. The strategy set out here enables the council to use an existing framework and thereby reduce the time and resource needed in comparison with other routes.
118. Appraisal work already carried out demonstrates that the sites being considered for inclusion have an aggregate capital value of over £100m currently, assuming each were sold by way of an individual open market disposal for a planning compliant scheme, i.e. one with 35% affordable housing. This figure does not allow for developers being willing to bid over market value in order to secure scarce development land in a competitive environment.
119. The proposal therefore takes in a significant number of assets. For comparison, the total in recent years from all property sales and related receipts throughout the council has been circa £50m per annum. With a restricted tenure mix the value of sites would be affected and non-financial returns and/or variations from the usual market value basis of disposal would need to be considered.
120. The council is legally required to secure the best consideration reasonably obtainable for property sales, except for those from the Housing Revenue Account to which different conditions apply. The council has discretion, subject to state aid compliance, to approve a reduction from that level of receipt of up to £2m in each case. Discounts in excess of £2m have to be approved by the Secretary of State. Applying to the Secretary of State may require a decision by Council Assembly.
121. In assessing whether bids by partners meet this duty, the council could take account of non-financial benefits such as new housing to rent against the likely cost of acquiring such housing from developers or through direct delivery. With a package of sites the value and benefits may be considered on an aggregate basis. Any council requirement which reduces the amount of private development for sale will in turn reduce the value of the site to a developer and the amount they are willing to bid.
122. Market activity and the wider economy will affect the appetite of developers to bid for these packages of sites and conditions at present are favourable. Bid returns will be compared with valuations. This will help to minimise the risk that releasing a large number of sites would have a downward effect on value. It may be necessary to review tenure mix and package composition and this report seeks to delegate approval of the final package to the Cabinet Member for Regeneration and New Homes. If our marketing generates proposals which overall are not considered

acceptable, it will be necessary to reappraise the mix. This will be kept under review.

123. Some sites considered for inclusion are subject to residential or other occupation. If these sites are taken forward, acquisition of interests and/or relocation of occupiers will be needed with compensation to be determined. Further authorities may be needed for related activity such as acquisitions, compulsory purchase, central government consents and these will be sought if and when appropriate.

### **Financial implications**

124. In setting out the requirements for the programme the following financial assumptions have been made:
- 1) There will be no net capital cost to the council on completion of the programme, this is predicated on a
    - i. fixed price for the land value and a profit sharing overage on sale values,
    - ii. the return on investment for the programme will be based on a minimum 30 year cash flow
  - 2) The development costs for the council homes and council facilities will be delivered through either cross subsidy from sales or land values.
  - 3) The council will retain the freehold.
  - 4) All social rent units will be council homes with rents and service charges in line with those delivered by Direct Delivery.
  - 5) Intermediate units and private units will be held by the developer.
125. As outlined in paragraphs 22 to 25, the development appraisals being carried out by BNP Paribas and Lambert Smith and Hampton suggest that while an equal mix of tenures is viable on a majority of sites, a variation to the sites where a third across all tenures is unviable (with the baseline being a planning compliant scheme on all sites) would greatly improve viability across the entire package.
126. Indicative figures on the variant mix option suggest a potential gross development value of over £500,000,000 with a positive aggregated residual land value and a viable profit on build costs.
127. This suggests that the package will attract sufficient market interest and competitive value to achieve the following best value objectives:
- i. Deliver council homes and facilities at nil capital outlay from the council
  - ii. Achieve a per unit cost for the council homes that is comparable or better than that could be achieved via direct delivery
  - iii. Generate a capital receipt and full cost recovery for the council
  - iv. Generate future revenue streams and create savings across service departments
128. Taking into account the financial value of the above outcomes, it is considered that the differential in the value between the disposal of the sites and their development through the Southwark Regeneration in Partnership Programme will not be significant. If grant or external funding is available to support the delivery, this will be pursued.



129. An initial budget of £2.5m was established from the Housing Investment Programme and the Regeneration and Development Reserve towards feasibility and legal costs. However, an additional budget of £2m is now required to meet the following costs:
- 1) Planning costs including technical surveys - £1.75m
  - 2) Stakeholder consultation - £10,000
  - 3) Procurement costs – including soft market testing - £40,000
  - 4) Contingency/risk pot - £200,000
130. This additional budget requirement is expected to be funded from the re-profiling of existing estate regeneration commitments within the Housing Investment Programme. This budget virement will be reflected in the 2015/16 quarter 2 capital monitor report to cabinet for formal approval.
131. Officers are also reviewing the option of the above costs of progressing the scheme to development stage to be reimbursed to the council, in future, under the development agreement between the council and the development partners.
132. Once the agreed sites are progressed to development stages, land appropriation issues between the general fund and the housing general fund will also need to be clarified and confirmed.

### **Legal implications**

133. Please see concurrent from the strategic director of law and democracy.

### **Consultation**

134. A robust consultation strategy to involve internal and external stakeholders will be central to the delivery of both lots of sites; a range of consultative tools are being applied to maximise engagement, involve residents and key partners, including those that live or have an interest in the immediate vicinity of any new development.
135. A comprehensive and inclusive approach to promote, educate and engage stakeholders on the regeneration development proposal has been adopted, supplemented by a consultation timetable. The Council's strategic and local consultative groups (area forums, community councils, tenant associations and resident steering groups and other interest groups) are being engaged using correspondence, public meetings, information packs and various social media formats.
136. The consultation programme is being delivered on a site specific and phased basis. Site specific consultation invitations and events are extensively publicised and each site has an allocated project co-ordinator lead to manage the development proposal consultation process. To maximise inclusiveness and participation project co-ordinators will provide sufficient meeting notice; and will minimise barriers of engagement by targeting all marginalised local groups.
137. Ward Councillors are being fully briefed prior to any public consultation and their comments/feedback incorporated into any initial proposals. Council officers will meet with T&RA groups following the Councillor briefings and again, prior to any public consultation.

**Other implications or issues**

138. None

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

139. This report is seeking approval for the procurement strategy for two development partners to deliver quality affordable homes and other facilities via the GLA's London Development Panel framework (LDP). The report seeks approval to enter into the joining agreement with the LDP and confirms the programme will be for a period of 6 to 10 years.
140. The report explains that the sites will be packaged into two lots ensuring the best financial viability for the council and interest from the 25 specialist developers on the framework.
141. The report confirms that LDP framework is an EU compliant route for procurement and that all of the providers that appear on this framework have been subjected to a full EU procurement process.
142. The project timetable included within the report is both reasonable and achievable for the proposed procurement strategy, provided that appropriate resources are allocated to the project at the appropriate time.
143. Paragraphs 72 to 83 confirms the evaluation methodology for this procurement will be on the basis of the most economically advantageous tenders and in determining this will use a weighted evaluation model of 70/30 price/quality for both lots . The report confirms that the operating rules laid down by the frameworks allow for this model to be adopted.
144. Paragraph 115 confirms that a delivery programme board has been set up to ensure the programme is tracked and successfully delivered. Within these governance arrangements it is important that an appropriate mechanism is in place to decide on the use of the frameworks or approved list for each scheme.

**Director of Law and Democracy**

145. This report seeks the approval of the cabinet to a number of recommendations relating to the procurement strategy for the Southwark Regeneration in Partnership in Partnership Programme (as further in paragraphs 1-5) and to the Leader in relation to agreement of detail relating to the lots, and contract award (as noted in paragraphs 6 and 7). As this is a strategic procurement (having an estimated contract value in excess of £15m) then the approval of the procurement strategy and award is reserved to cabinet.
146. The nature of the contracts to be procured are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015. However as noted in this report, the intention is for the council to award 2 contracts after undertaking mini-competitions through the GLA LDP framework, which has been procured through an EU compliant process, and therefore meets the 2015 regulation requirements.

147. The cabinet will be aware of the public sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet is referred to the community impact statement at paragraphs 84-88 setting out the consideration that has been given to equalities issues which should be considered when agreeing this procurement strategy.

### **Strategic Director of Finance and Governance (FC15/027)**

148. The strategic director of finance and governance notes the recommendations in this report to procure two development partners for two packages of Southwark Regeneration in Partnership Programme sites over a 6 to 10 year period.
149. It is noted that the financial viability of the two lots will be confirmed prior to tender as condition of this procurement approval.
150. The strategic director of finance and governance notes that the development appraisals carried out by BNP Paribas and Lambert Smith and Hampton on the proposals indicate no net capital cost to the council on completion of the programme based on the assumptions outlined in the financial implications.
151. The financial implication section indicates that the total cost of progressing the schemes to development stage has risen from an initial £2.5m to a current estimate of £4.5m which is expected to be funded from the budgets in the Housing Investment Programme and Regeneration and Development Reserve.
152. The additional forward funding requirement of £2,000,000 to be met from existing Housing Investment Programme resources by re-profiling current commitments. The HIP is projecting major gap in resources of £99m in 2015/16 and £614m over the life of the 10 year capital programme (as at Q1 of 2015/16). Officers are currently reviewing the spend profile and availability of funding options to ensure the programme can be sustained across the years.
153. It is noted that officers are reviewing the option for the above costs to be reimbursed to the council within the development agreement between the council and development partners.
154. Paragraphs 116-123 outlines the property implications from the proposals which will need to be reviewed further once the bids from the development partners are submitted and evaluated.
155. Paragraph 128 refers to grants and external funding. At present there are no grant schemes in operation. If either of the successful tenderers receive grant support this will be reflected in the overall development agreement.
156. It is also noted that land appropriation issues between the general fund and housing revenue account will need to be clarified and confirmed as the scheme progresses to development stage.

157. The financial offer contained in the tenders is to be checked against Schedule 6a of the Framework agreement and is likely to be evaluated on the following criteria:
- i. Sale values:
    - Sale values to the developer from private for sale properties
    - Sale costs of the social rented properties returning to the council
  - ii. Construction costs (the construction and on-costs of the build)
  - iii. Land value (the amount the developers will pay the council for the land)
  - iv. Overheads and profit:
    - Lower overheads would be rated more highly
    - Profit share to the council (where higher profit share is rated more highly)
158. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Cabinet, 27 January 2014 (Item 14) Southwark Regeneration in Partnership Programme	160 Tooley Street, London SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4</a>		

## APPENDICES

No	Title
Appendix 1	SRPP Site List
Appendix 2	GLA LDP Panel Members

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Stephen Platts, Director of Regeneration	
<b>Report Author</b>	Diana Hall, Project Coordinator, Housing Regeneration	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	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>	8 October 2015	

Appendix 1 - SRPP Site List

	<b>Site</b>	<b>Ward</b>	<b>Held by</b>
1	Day Centre, 345 Southwark Park Road SE16	Riverside	Adult Social Care
2	Fred Francis Centre, 269 Lordship Lane SE22	East Dulwich	Adult Social Care
3	Land at Wyndam Road and Redcar Street SE5	Camberwell Green	Commercial Portfolio
4	Car Park Site Copeland Road SE15 (q)	The Lane	Commercial Portfolio
5	Civic Centre, Albion Street SE16 (q)	Rotherhithe	Commercial Portfolio
6	Flaxyard Site Sumner Road SE16 (q)	Peckham	Commercial Portfolio
7	Petrol Station, 233-247 Old Kent Rd SE1 (q)	Grange	Commercial Portfolio
8	Shops & Council Offices Manor Place / Stopford Rd SE17 (q)	Newington	Commercial Portfolio
9	South Dock Marina Boatyard, Plough Way SE16 (q)	Surrey Docks	Commercial Portfolio
10	Sumner House, Sumner Road SE15	Peckham	Commercial Portfolio
11	Workshops, 42 Braganza Street SE17 (q)	Newington	Commercial Portfolio
12	Land at Peckham Library Square Peckham High Street SE15 (q)	Peckham	Commercial Portfolio
13	21/23 Parkhouse Street SE5 (q)	Faraday	Commercial Portfolio
14	The former site of Bellenden Primary School, Reedham Street SE15	The Lane	Education
15	The former site of Cherry Gardens School, Macks Road SE16	South Bermondsey	Education
16	Land at Angel Oak Academy, Longhope Close SE15	Peckham	Education
17	Land at Albion Primary School, Albion Street SE16	Rotherhithe	Education
18	Seven Island Leisure Centre, 70-86 Lower Road SE16	Rotherhithe	Environment & Leisure
19	Wickway Community Centre, St. Georges Way SE15	Peckham	Housing
20	Other sites under investigations *	Various	Various

Notes:

\* A number of sites are still under investigation and could, with the approval of the Cabinet Member for Regeneration and New Homes, be included in the programme.

## Appendix 2: London Development Panel Members

- Affinity Sutton Homes Ltd
- Ardmore First Base Partnership Limited
- BDW Trading Ltd
- Bellway Homes Limited
- Bouygues Leadbitter Consortium
- Carillion-igloo and Genesis
- Catalyst Housing Limited
- Countryside Properties (UK) Limited
- Family Mosaic & Mulalley
- Galliford Try PLC
- Hadley Mace Holdings Ltd
- Higgins Group PLC
- Kier Limited
- Lend Lease Europe Holdings Limited
- London & Quadrant Housing Trust
- Lovell Partnerships
- Notting Hill Housing
- Places for People Homes Limited
- Redrow Homes Ltd
- Regenter Limited
- Rydon Construction Limited
- Taylor Wimpey UK Ltd
- The Berkeley Group PLC
- Telford Homes Plc
- Wates Construction Ltd

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Elephant and Castle Place-Making: The Next Step	
<b>Ward:</b>		Cathedrals and East Walworth	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

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

As the regeneration of the Elephant and Castle progresses we are now seeing real benefits being delivered for Southwark's residents. The first new homes on the former Heygate Estate, now Elephant Park, are complete, the new leisure centre is nearly ready and will open soon, and significant improvement works are now underway to the northern roundabout which will create a new square for London. So far we have delivered or consented 4,776 new homes in the area, a total net increase of 3,564 homes, which includes 1,481 affordable homes. We also know that as the regeneration gathers momentum more developments will come forward, which will deliver even more jobs and affordable homes for Southwark's residents.

A key part of the regeneration of the Elephant and Castle is the shopping centre that sits at the heart of the area. This was opened in 1965 and was the first covered shopping mall in Europe, however it is clear that the shopping centre needs to be redeveloped to meet our residents' needs for more homes, an increase in the number of shops, cultural uses, a new expanded home for the London College of Communication, and a new Northern Line station that will have escalators to replace the notorious lifts that are currently in place.

Delancey, who own the shopping centre, are currently consulting with local residents on their plans for the centre and the current LCC site. To enable this development, and the benefits it will bring for our residents, to happen we may be asked to make a compulsory purchase order. The shopping centre and surrounding area is home to a wide range of ethnic minority businesses, and we need to ensure that any impact on these businesses and communities is fully understood before a CPO could even be considered. Therefore this report recommends that the council undertake a full equalities impact assessment to guide us on our Public Sector Equalities Duty should we seek to make a CPO, and that this will inform a full mitigation strategy should a CPO be taken forward.

We are proud of our borough's rich diversity, and also our history of welcoming people from around the world who make Southwark their home and contribute to the success of our area. Conducting an EqlA at this very early stage will mean we will be in a stronger position to help meet the need of our diverse communities, and help make the regeneration of the Elephant and Castle a success for all.

## **RECOMMENDATIONS**

That Cabinet notes:

1. That it may in the future be asked to resolve to make a compulsory purchase order to enable the regeneration of Elephant and Castle Shopping Centre to proceed.

That Cabinet agrees:

2. An Equalities Impact Assessment be commissioned to guide it on its Public Sector Equities Duty in the event it is asked to make the resolution referred to above.

## **BACKGROUND INFORMATION**

3. It has been a long standing council policy for the Elephant and Castle area (as defined in the Elephant and Castle Opportunity Area Supplementary Planning Document (E&CSPD) that was adopted in March 2012 to undergo a comprehensive regeneration to provide a high quality mixed use sustainable neighbourhood that integrates with the surrounding area. The E&CSPD sets out the council's vision for the Opportunity Area as an attractive central London destination with excellent shopping ,leisure facilities and cultural activities based around a highly integrated and efficient public transport hub. It provides a target for 4,000 (net) new homes [including a minimum of 1,400 affordable ones] and 5,000 new jobs over the period 2011-26. It also has the vision that the University of Arts London (UAL) will develop further as an important centre of learning. This policy came about as a result of the area not meeting its potential in terms of building quality, land use, social cohesion, infrastructure and customer (resident, employee or passer-through) experience.
4. To bring about such a transformation the council has worked with a number of partners and promoted and brought together a number of individual projects. The most significant has been in respect of the former Heygate Estate where it procured a partner (Lend Lease) and entered into a Regeneration Agreement to take forward the redevelopment of a site of around 6½ hectares.

## **TAKING STOCK**

5. It is now an appropriate time to take stock of what the Project has achieved in place-making terms. A thematic approach is taken.

### *Housing*

6. It has always been recognised that a vital part of the Project is to provide additional and better quality housing for the area.
7. Appendix One to this Report sets out details of the housing schemes that have taken place or have been consented to so far as a result of the Project. As stated in paragraph 3 there is a net target of 4,000 new homes for the Project for the period 2011-2026 many of the schemes listed in that Appendix will contribute towards this target when they completed. Other significant schemes are in the pipeline that will contribute towards this objective include the remaining phases of Elephant Park, site of the former Manor Place depot and the Borough Triangle (Peabody Housing Association site at Borough Road/Newington Causeway). The headlines figures to date are:

4,776 new homes  
1,212 homes lost



3,564 net gain of homes in a context of demand/need for homes in Southwark and London exceeding supply

8. The homes lost are as a consequence of the demolition of the Heygate Estate. 1,023 dwellings on the Estate were for letting on secure Council tenancies and 189 had been sold on long leases. To mitigate the loss of homes for social rent, 335 replacement homes have been built on sites outside the former estate as part of the replacement programme. The final 84 units at Stead Street are in the process of construction. A total 1,481 affordable units have either been built or are under construction or have consent on sites across the Opportunity Area. Of these, 747 are for rent of which the vast majority (691) are social rent. The 56 affordable rent units are charged at 50% of market rent and not the full 80% which is potentially allowable. As advised earlier, there are other significant sites coming forward including subsequent phases of Elephant Park that will generate affordable homes including for social rent.
9. The council has recently agreed to extend the right to return policy for qualifying former Heygate residents to all remaining phases of Elephant Park. This decision confirms the council's original commitment to provide former tenants who have requested it with an opportunity to return to the regeneration area. Homes provided as part of the schemes are of high quality thus fulfilling one of the reasons for the regeneration. This can be clearly seen at Appendix Two.
10. The new housing provided and consented to, has radically altered the perception of the Elephant and Castle both in the minds of the public of London and in the business community. This change in perception has resulted in confidence in the area that will maintain the momentum of transformation.

#### *Transport*

11. The southern roundabout has been removed and work is ongoing to remove the northern roundabout and realign that road junction. This work will make the area safer and more amenable to pedestrians, improve safety for cyclists and enhance traffic flow. The works should also give rise to better visual amenity thus defeating the former perception of the area between the roundabouts as being impenetrable other than for road users.
12. It is planned to enhance the underground station for the Northern Line to enable it accommodate additional usage, replacing the lifts with escalators. Paragraph 50 elaborates.
13. The estimated cost of these transport improvements is in the region of £150million and as previously reported, will be met by contributions from TfL, the owner of the Shopping Centre, the GLA and the council through the use of contributions from payments made pursuant to s106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy.

#### *Public Realm*

14. The redevelopment of the Heygate Estate will include Lend Lease providing a brand new park; Elephant Park extending to at least 0.8 hectares (2 acres).
15. The Council has approved £6million to enhance open spaces at Pullens Gardens, Victory Square, Dickens Square, Nursery Row Park, Newington Gardens and St Mary's Churchyard (first phase of which has been completed).

16. In addition to providing the new park referred to at paragraph 14, Lend Lease is in the process of planting 1,200 new trees within a kilometre of the former Heygate Estate. As well as improving visual amenity, this should assist in improving the air quality in and around the locality. In this connection, Lend Lease has received funding from the GLA to carry out a joint study with Kings College to audit the air quality in the area ahead of adopting further measures to assist with its improvement.

#### *Leisure*

17. The new leisure centre will be completed before the end of this year and will provide the locality with a state of the art facility. This will provide a six lane twenty-five metre pool and gymnasium facilities including 150 fitness machines.
18. S106 contributions have been utilised to enable the London South Bank University Sports Hall to be used at times by local residents.
19. The new leisure centre and availability of the University Sports Hall together with policy initiatives such as *Free Swim and Gym* will encourage local residents to participate in fitness activities and consequently the health benefits that arise as a result.
20. Southwark Playhouse has temporarily relocated from London Bridge to Newington Causeway whilst its new home at the 360 Tower (former London Park Hotel) is under construction.

#### *Civic*

21. Following the fire at the former Walworth Town Hall, Cabinet approved a vision for its refurbishment as a new civic centre that will offer local people space and support to grow and play a key role in the improvements that are being delivered at the Elephant and Castle. Work is underway to develop this vision.
22. The fire mentioned above caused the closure of the Newington Library as a result of water damage. To maintain continuity of service a temporary library has been provided as part of the Artworks Project at the corner of Elephant Road and Walworth Road. The Library will ultimately be accommodated in the refurbished Town Hall.
23. The Cuming Museum suffered a similar fate to the Newington Library and had to close. It will be reprovided in the new civic centre.
24. Paragraph 11 advises of work to remove the northern roundabout this will open an area of land that will ultimately be available for a public civic space.

#### *Employment*

25. The construction and infrastructure projects that have already been completed and the ones that are in progress have created thousands of construction jobs. The challenge has been for local people to take advantage of these employment opportunities. In order to maximise opportunities for local residents, the council's partner Lend Lease is working with specialist employment agency Southwark Works to deliver a set of employment targets set out in the signed section 106 planning agreement. Currently, 433 Southwark residents have found work

through this initiative of which 179 were previously unemployed. All employed in this manner are paid at least the London Living Wage. The 322 residents employed, is likely to be a significant under-estimate because they will be many other residents employed either directly or indirectly without using the service of *Southwark Works*.

26. The experience at the Elephant and Castle has highlighted the lack of formal construction training available in the Borough. The construction projects in the area have enabled employees to obtain invaluable on the job training but for formal instruction and learning they have found it necessary to travel outside of the Borough. This is being addressed. A construction learning centre is to open next year. This will initially be situated on the former Heygate Estate in a Council building of modular construction. When its site is due for redevelopment, it is intended to relocate the Centre to the Aylesbury Estate. This learning provision will make it easier for Southwark residents to access the formal training needed to obtain secure construction employment. Funding has been approved through the New Homes Bonus.
27. The Artworks is a new creative business start-up facility formed by shipping containers on three floors. It is a temporary use of part of the former Heygate Estate pending redevelopment. The facility provides serviced, secure accommodation and is available for new businesses on flexible terms. It is proving to be popular with a variety of uses that add to the vitality and optimism of the area.
28. When the former Heygate Estate redevelopment is completed it will give rise to many jobs (estimated at around 1,000) in retail and building/open space maintenance/management.

#### *Community*

29. The Elephant & Castle Community Fund was set up in 2012 *to build on the strengths of local people and celebrate the rich cultural diversity of the area*. So far, the Fund has awarded a total of £125,000 in grants to 19 community projects and organisations and has supported more than 18,000 people, with the help of over 1,000 volunteers. This year the council and Lend Lease have each donated £25,000 to the Fund.
30. The council has also provided funds from its High Street challenge programme to help support the Latin American community. Over the last two years the council has provide £40,000 towards *Plaza Latina* which was a successful Latin American inspired festival for the whole family held in Nursery Row Park over three weekends in August and managed by local arts organisation Carnival Del Pueblo. A further £50,000 has been made available over 2 years to Peabody for a joint project with Carnival del Pueblo to run a community enterprise hub in East Street to support start up and growing businesses. This initiative has recently opened. Finally £22,000 has been awarded to Latin Elephant for a feasibility study into a 'Latin Quarter' at E&C. In addition to these initiatives the council has continued to support Elefest which is an annual community arts event that takes place each October using spaces and buildings in and around the area.
31. The council is developing a new place of worship with community meeting facilities to replace the United Reformed Church on New Kent Road. The facility

will be located on the site of the former Castle Day centre at the rear of Strata and construction is expected to commence shortly.

#### *Retail*

32. The regeneration of the former Heygate Estate will provide around 50 new retail units, 10% of which will be available to independent traders at a discounted rent. The new shopping street will connect to and complement the existing retail in Walworth Road. A retail unit has been provided in the completed Trafalgar Place phase of the redevelopment and this is available to an independent retailer at a reduced rent. Retail premises and a new market are being provided by Delancey at their current redevelopment at New Kent Road.
33. An affordable retail opportunity was recently marketed and local business *Inara* (currently trading in the shopping centre) has now opened a new unit in the podium building of Strata Tower. A new affordable retail opportunity has recently been constructed at Dashwood Studios on Walworth Road and has been marketed to traders in the Elephant and Castle. A decision is expected to be announced shortly which trader has secured this opportunity.
34. The council has worked closely with landowners and local cultural partner *Hotel Elephant* to create a new arts, technology and enterprise cluster in the Elephant and Castle. The redevelopment of 2-10 Steedman Street has provided an affordable workspace opportunity and *Hotel Elephant* will work with the University of the Arts and London Southbank University to provide new start up units for graduates and local residents. The new units are planned to open in later this year.

#### *More to be done*

35. Whilst significant progress has been made in transforming the Elephant and Castle in the past five years there is more to be done to truly make the area a different and better place as envisaged in the previously mentioned Supplementary Planning Document.
36. When most people think of the Elephant and Castle it is the shopping centre they visualise. It is a prominent landmark at a major transport hub. In place-making terms this is a key site as both a destination retail centre and as part of creating a focal (town) centre.

### **ELEPHANT AND CASTLE SHOPPING CENTRE**

37. The Shopping Centre was constructed after the second world war following extensive bombing of the locality. The Centre was designed by Boissevain & Osmond (architects) for the Willets Group. It was considered revolutionary when it opened in 1965 as it was the first covered shopping mall in Europe.
38. As shopping habits changed following construction so did the tenants of the Centre and over the years there was a mass migration of national retailers, this in turn resulted in a less secure rental flow, more unit vacancies and less investment by the Centres owners. Today by virtue of its location, the majority of its shops are let and trading, providing a diverse range of goods and services. The offices above the Centre (Hannibal House) are occupied by way of temporary lettings.

39. The E&C SPD notes that the proportion of shops within the shopping centre that sell comparison goods (jewelry, clothing etc) is low compared with other UK town centres. Despite the location having the highest public transport accessibility rating it has a relatively small catchment area. The E&C SPD states that the main strength of the centre is “the particular concentration of Latin American businesses and independent businesses”.
40. The E&C SPD identifies a number of character areas within the Opportunity Area. The shopping centre site is located within the central area. The E&C SPD states that “this area comprises the heart of the E&C opportunity area”. It goes on to say that “the principles of the 1960’s re-planning which characterise the area have not stood the test of time. The masterplanning has resulted in an environment which is hostile to pedestrians and cyclists. Public spaces are dominated by roads. There are a lack of active frontages at ground level. The quality of the public realm is poor and there is a lack of connectivity to the adjoining neighbourhood. As a consequence there is little incentive for residents or visitors to linger”.
41. The E&C SPD also notes that whilst there are some good quality buildings (Tabernacle, Metro Central Heights, Bakerloo Underground station) that the design of other buildings such as the shopping centre is “tired and uninspiring”. The document recognises that development opportunities can be used to transform the character of the central area and improve its appeal as a shopping destination to a wider catchment area. Specific objectives are identified that can help facilitate the delivery of the vision. These include creating a new pedestrian link through the site and beneath the viaduct (to connect to the Elephant Park scheme), strengthening integration links with Walworth Road, the creation of a new civic space and public transport improvements needed to support growth within the Opportunity Area. In addition to the upgrade of the Northern Line Station, the SPD identifies opportunities to improve connections between transport modes (rail, tube, bus) as well as measures to address bus congestion around site that makes it difficult to walk along the footway.
42. As can be seen at Appendix Three, the Centre is not visually appealing; it is from a bygone era. As it stands, it is not appropriate for this landmark site in an area that is being transformed to match modern aspirations and built form.
43. The Centre is now owned by Delancey a national property asset company that is currently building out a site at New Kent Road between the Centre and Elephant Road.

## **GOODBYE SHOPPING CENTRE – HELLO TOWN CENTRE**

44. Delancey in conjunction with APG (a Dutch pension provider and asset manager) propose to demolish the existing Centre and in its place to provide a new town centre that will provide not only modern retail accommodation but also a new campus for the London College of Communication (part of the University of the Arts London), retail accommodation and residential accommodation. This project provides an opportunity to address issues identified in the SPD and deliver specific objectives that are necessary for the delivery of the vision for the area. For example, the emerging proposals provide for works to enhance the Underground Station with the potential for better integration with the mainline railway station. The new town centre should include pedestrian linkage through to Elephant Park and to the public space to be provided on the former northern roundabout (paragraph 24 refers). The new town centre therefore has the

potential to be the linchpin of a transformed Elephant and Castle and contribute towards the successful delivery of the vision for the Opportunity Area including new homes and job targets.

45. The proposals for the town centre have been set out in the previous paragraph in broad terms. They are currently subject to stakeholder consultation ahead of detailed proposals being formulated that will ultimately be reported to the Planning Committee to seek appropriate consents.
46. Delancey has entered into an agreement with London College of Communication to include within the new town centre the College's buildings adjacent the London Metropolitan Tabernacle. It is proposed that this will be achieved by providing a new campus within the regenerated shopping centre area enabling the College to relocate there thus releasing its existing campus for regeneration. The current building locations can be seen at Appendix Four. The concept currently on offer is an exciting comprehensive development that will effectively deliver a new town centre rather than the current stand alone mall and offices.
47. The proposed new college campus will provide state of the art learning facilities for students but it will also enable the College to improve its community presence. In particular, it will enable historic collections held by the College such as the *Stanley Kubrick Archive* as well as its current work to be displayed. In addition the new campus will bring additional employment opportunities to the area.
48. As well as retail and campus premises, the intention is for the proposed regeneration to provide homes to rent, restaurant and leisure provision that will complement other new retail provision to be provided from projects at the former Heygate Estate and Delancey's adjacent scheme on New Kent Road (paragraph 30 refers).
49. A new town centre will attract additional custom from a much wider catchment area and generate extra economic activity to the locality. This will give rise to greater employment opportunities both within the town centre and in the wider Elephant and Castle area.
50. The additional activity set out above, will place more pressure on transport infrastructure particularly at the Northern Line Underground Station. This has been recognised from the time the Elephant and Castle was designated a regeneration area and Delancey as part of its proposal will incorporate a new Underground Station in the overall scheme that will make access and egress to platforms faster and more comfortable. The proposals will also link the new Centre to the Elephant and Castle mainline station more coherently than is currently the case.

### **The Council enabling realisation of the vision**

51. In order to deliver the regeneration, Delancey will require vacant possession. The existing Shopping Centre is subject to many leases granted to occupiers. As a result of the long standing expectation that the Centre will be redeveloped, the majority of these leases can be terminated quickly by Delancey on giving contractual notice. However, there are a minority of leases that cannot be terminated in this way within the anticipated regeneration timescale. The scheme coming forward may also contain some freehold property that has to be acquired (the full extent of the proposed scheme has yet to be decided). In order

to achieve vacant possession, Delancey has requested the council consider exercising its compulsory powers to enable this to be achieved.

52. Delancey propose that if the council is minded to make a compulsory purchase order it will give a full indemnity in respect of council costs incurred.
53. In these circumstances, there are powers available to make an order under the Town and Country Planning Act 1990.
54. Notwithstanding the available powers to make a compulsory purchase order and Delancey's proposal to meet the costs of the order, Cabinet will require a further report setting out all the relevant considerations before deciding whether to make a resolution. To this end, Cabinet is recommended to approve the commissioning of an Equalities Impact Assessment that will be a material consideration. It is intended that the Assessment be procured by the Council with Delancey having no input into its procurement or brief. This is essential for the integrity of the completed Assessment.

### **Community impact statement/Public sector equalities duty**

55. The Equality Act 2010 imposes a general equality duty on public authorities (PSED), in the exercise of their functions, to have due regard to the need to:
  - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
  - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
  - Foster good relations between people who share a relevant protected characteristic and those who do not share it.
56. For the purpose of the PSED the following are 'protected characteristic' considerations:
  - Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
57. The recommended Equalities Impact Assessment will inform on the equality implications of the proposed compulsory purchase order and measures that may be taken to mitigate these.

### **Resource implications**

58. The cost of the proposed recommended community impact assessment can be met from existing budget provision for the Elephant and Castle regeneration project. Other expenditure referred to in the report has previously been budgeted for.

59. In the event, that in the future, cabinet resolve to make a compulsory purchase order for the Shopping Centre and associated land including rights over land, it will be conditional upon Delancey meeting the council's costs in full, including staff time. Under this scenario, there will be no resource implications to the council.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

60. The report recommends that cabinet commission an Equalities Impact Assessment (EqulA) prior to taking any decision relating to the use of CPO powers.
61. As set out in paragraphs 50 and 51 of the report, when making decisions, section 149 Equality Act 2010 requires that cabinet must have due regard to the need to eliminate discrimination and other prohibited conduct. Cabinet must also have regard to the need to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. The information obtained through the EqulA will assist with the performance of this duty.
62. Legal advice relating to the use of CPO powers will be taken and a summary of legal issues will be included in any subsequent report to Cabinet relating to that subject.

### **Strategic Director of Finance and Governance**

63. The strategic director of finance and governance notes the financial implications contained in this report. Costs associated with the proposed equalities impact assessment will be contained within existing budgeted revenue resources for regeneration north team.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>
The Elephant and Castle Opportunity Area Supplementary Planning Document	Web link below
<b>Link:</b> <a href="https://www.southwark.gov.uk/downloads/download/2896/elephant_and_castle_spd_supporting_documents">https://www.southwark.gov.uk/downloads/download/2896/elephant_and_castle_spd_supporting_documents</a>	

## **APPENDICES**

<b>Appendix</b>	<b>Title</b>
Appendix 1	New Housing In Elephant And Castle Opportunity Area
Appendix 2	Photographs of former Heygate and replacement properties
Appendix 3	Photograph of existing Shopping Centre
Appendix 4	Site for new town centre



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Patrick McGreal, Property Services	
<b>Version</b>	Final	
<b>Dated</b>	7 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 October 2015	

**APPENDIX 1 - NEW HOUSING IN ELEPHANT AND CASTLE OPPORTUNITY AREA***Former Heygate Estate*

Units of affordable housing for rent 1,023  
 Units of former affordable units of rent sold under Right to Buy 189

1,212

## New Housing for Opportunity Area (Constructed or consented)

Scheme	Total Units	For sale	Affordable			Intermediate rent
			Total	Social rent	Affordable rent	
<i>Heygate Replacement Housing Sites</i>						
Arch Street	52	0	52	18		34
Bolton Crescent*	103	0	103	88		15
Brandon Street	18	0	18	18		0
Comus Place	37	0	37	37		0
Library Street	40	0	40	21		19
Royal Road*	96	0	96	76		20
St George's Road	15	0	15	15		0
Stead Street	140	56	84	84		0
153-163 Harper Road*	72	0	72	50		22
Wansey Street	19	<u>12</u>	19	<u>12</u>		<u>7</u>
	604	68	536	419		117
<i>Market provision</i>						
360 Tower	457	278	179	44		135
Eileen House	355	270	65	0		65
Meadow Row	19	12	7	3		4
7 Munton Road	29	0	29	25		4
89-93 Newington Causeway	38	27	11	0		11
134 New Kent Road	21	0	21	10		11
O Central	182	138	44	18		26
Printworks	164	97	67	24		43
St George's Circus (128 - 150 Blackfriars Road)	336	275	79	56		23
South Central	113	88	25	13		12
Strata Tower	408	310	98	0		98
1 The Elephant	284	284	0	0		0
Vantage Tower	68	48	20	0		20
237 Walworth Road	<u>54</u>	<u>37</u>	<u>17</u>	<u>9</u>		<u>8</u>
Elephant 1 [50 New Kent Road] **	373	373	0	0		0
5-9 Rockingham Street	30	20	10	4		6
2-16 Amelia Street	55	35	20	10		10
	2984	2292	692	216		476
<i>Elephant park</i>						
Trafalgar Place	235	181	54	26		28
South Gardens ***	360	284	76	4	17	55
West Grove ***	593	470	123	26	39	58
	1188	935	253	56	56	141
<b>TOTALS</b>	<b>4776</b>	<b>3295</b>	<b>1481</b>	<b>691</b>	<b>56</b>	<b>734</b>

\* Outside Opportunity Area but provided as Heygate replacement housing

\*\* £1.5m off site contribution used towards development of Stead Street

\*\*\* Affordable rent charged at 50% of market rent and not the full allowable level of 80%

**APPENDIX TWO**

*Former Heygate (Swanbourne)*



*Replacement Housing (Library Street)*

*Replacement Housing (Royal Road)*



*Replacement Housing (Harper Square)*

*Replacement Housing (Trafalgar Place)*



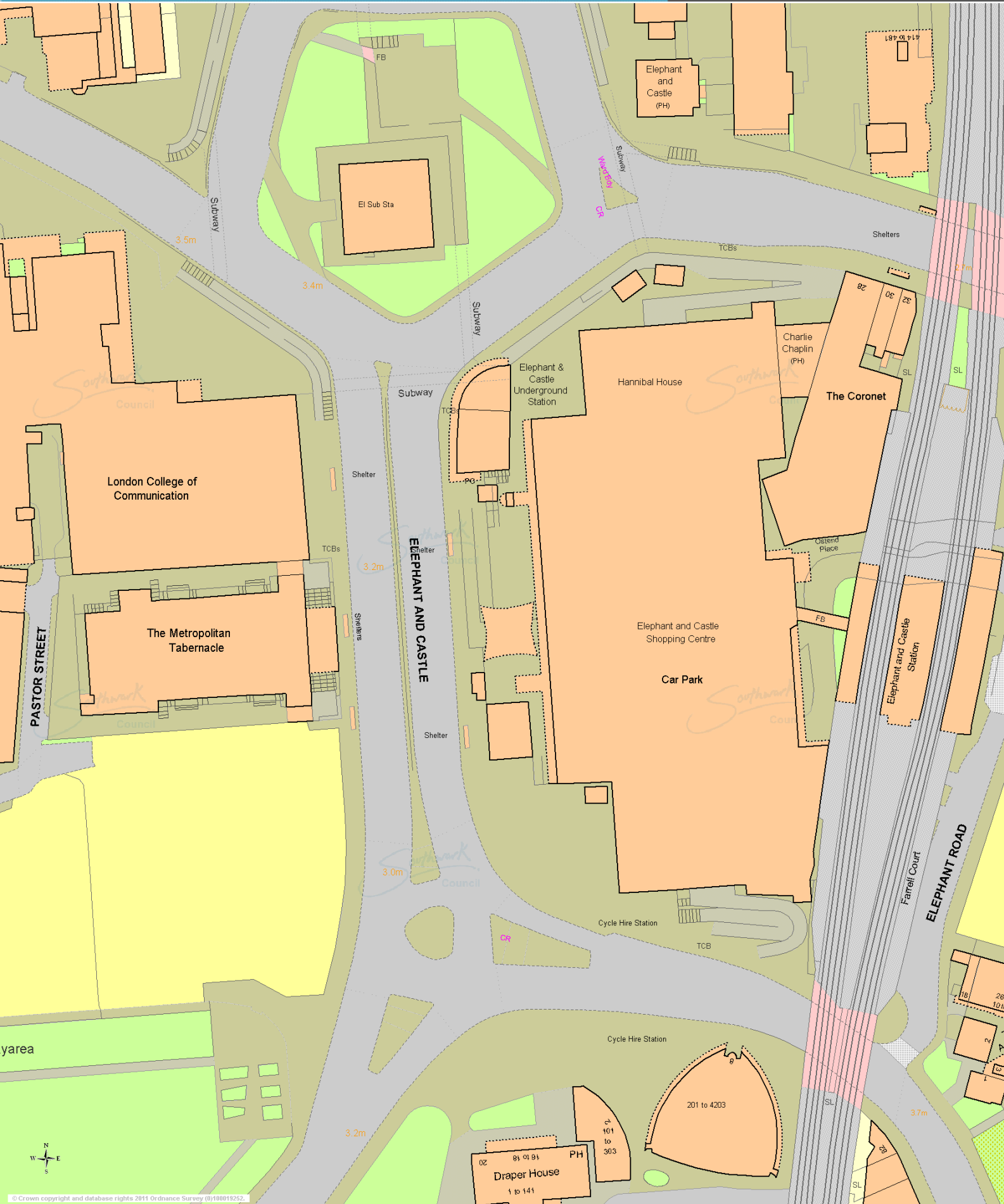
**APPENDIX THREE**

*Elephant and Castle Shopping Centre 2015*





Date 9/9/2015



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<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Asbestos Consultancy Services Contract A – Surveying and Bulk sampling and Contract B – Air Sampling and Monitoring	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

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

This report sets out the procurement strategy for the surveying, sampling and monitoring of asbestos in our council homes for the four-year period starting 1 January 2017. It is proposed to keep the current separation of these contracts between a larger contract (Contract A) that surveys and samples for suspected asbestos and a smaller contract (Contract B) that focuses on air sampling and monitoring following the removal of asbestos. The separation of these two contracts ensures that the council complies with the 2012 Control of Asbestos Regulations.

In the preparation of this procurement strategy, the options of providing this service in-house, using existing procurement frameworks or sharing the service with neighbouring boroughs have all been explored. Unfortunately, the specialised nature of this work has not allowed any of these options to be pursued further and it is therefore proposed to tender out the two contracts.

**RECOMMENDATION**

1. That cabinet approves the procurement strategy outlined in this report for two Asbestos Consultancy Services Contracts - Contract A – surveying and bulk sampling at an estimated annual cost of £1.2m and Contract B – air sampling and monitoring at an estimated annual cost of £274K, for a period of four years from 1 January 2017 to 31 December 2020, with the potential to extend each contract by a further 2 year period, making a total estimated value of £8.84m for both contracts.

**BACKGROUND INFORMATION**

2. Currently there are two asbestos consultancy services contracts providing surveying and bulk sampling and air sampling and monitoring.
3. The scope of each contract is detailed below:
  - Contract A: surveying and bulk sampling of the councils residential and other premises for suspected asbestos containing materials.
  - Contract B: air sampling and monitoring after asbestos removal to ensure airborne asbestos fibres are absent before the area is occupied.
4. The Control of Asbestos Regulations 2012 (CAR) places a duty on the council to manage asbestos contained within its assets to ensure employees, residents and its

contractors are not exposed to asbestos. In addition CAR also places a duty to ensure arrangements are in place to monitor and verify its condition and safe removal.

5. The council's current Management of Asbestos Policy ("the policy") requires independent verification for identifying asbestos - Contract A and confirmation of its subsequent removal - Contract B. The separation of Contracts A and B ensures compliance with the policy and CAR.
6. The current contracts commenced on 1 January 2013 for an initial term of 3 years with the option to extend for two 12 month extensions at the council's discretion.
7. A Gateway 3 report seeking a 12 month extension for both Contracts A and B was approved 9 September 2015.
8. Therefore the existing two contracts are due to expire on 31 December 2016 and there is a requirement to ensure that arrangements are in place for these services.
9. The estimated annual value for both Contracts stands at £1.474m and is apportioned at £1.2m for Contract A and £274K for Contract B.
10. The above contract values are composed of an estimated annual expenditure of £437k revenue and £1.037m capital.
11. Consultation with other council departments identified that there is currently not a requirement for wider usage of these two new Contracts. The corporate facilities management (CFM) team's requirements will be limited to a backup provision only should there be performance issues with the council's CFM contract.

#### **Summary of the business case/justification for the procurement**

12. The council has a legal obligation as a social landlord and employer to ensure it fulfils its statutory obligations under CAR and the Health and Safety at Work Act 1974.
13. The council must also ensure that an asbestos register is maintained and updated. These two contracts will directly contribute towards this and ensure it is up to date.
14. The two contracts directly contribute to environmental improvement by ensuring the safety of residents, contractors and council staff who will be working within the vicinity.
15. The two contracts will provide CFM with back up arrangements for non-housing stock should the need arise and be part of their contract risk mitigation strategy.
16. The council is required to carry out a refurbishment and demolition survey on all refurbishment and demolition works prior to their commencement. This will be provided by Contract A. Should asbestos be identified and in a condition/position where it needs to be removed, then Contract B will provide independent verification that it has been removed safely and that no asbestos fibres remain.
17. The separation of Contract A and B ensures compliance with the council's policy.

### **Market considerations**

18. This is a highly specialised and regulated service industry with a core group of organisations that provide the services for Contract A. The market is less limited for Contract B and therefore a high number of expressions of interest are anticipated after advertisements are placed in trade journals following the publication of an OJEU notice.
19. The rationale for the contract duration of up to six years is to ensure that the asbestos consultancy contracts are closely aligned with the maintenance and major work contracts with the object of reducing delays to housing voids and investment works to council properties with the minimum of disruption and inconvenience to our residents.

### **KEY ISSUES FOR CONSIDERATION**

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

20. The asset management division considered the following options before determining the procurement strategy set out in this report:
  - A. Do nothing - this is not an option to the council. As a landlord and employer it is essential that the council ensures that both independent surveying and bulk sampling and air sampling and monitoring are in place to meet its legal and statutory obligations.
  - B. The council provides these works in-house - the specialist nature of these contracts means that the council does not have the in-house resources to undertake these contracts. Obtaining the correct insurances and health surveillance would not make this an economically viable option.
  - C. The use of internal or external frameworks - there are no existing frameworks.
  - D. Shared Services - neighbouring boroughs already have their own contracts in place which have not been opened up for other boroughs to use.
21. As none of the above options are viable and these services are estimated above the EU threshold for services, it is proposed that an EU restricted tender process is carried out to procure these services.

#### **Proposed procurement route**

22. This procurement will be carried out in accordance with an EU restricted procedure. In response to the OJEU notice, organisations interested in tendering will be required to formally express an interest in order to receive a pre-qualification questionnaire (PQQ).
23. The PQQ and tender evaluation will set out minimum quality and financial thresholds. This will meet the EU restricted procurement process.

#### **Identified risks for the procurement**

24. The table below identifies a number of risks associated with this procurement, the likelihood of occurrence and the control in place to mitigate the risks:



R/N	Risk Identification	Likelihood	Risk Control
R1	Challenges to procurement outcome	Low	Ensure robust procurement in line with EU procurement regulations.
R2	The procurement process fails due to inadequate quality of submissions by tenderers	Low	Ensure that tender documents are drafted to facilitate submissions of required standard.
R3	The procurement process is delayed	Low	Effective procurement project management.
R4	The contractors fail to deliver service	Low	There will be contractual mechanisms in the contract for default. Also, selection of contractors from the council's Approved list may be used.

25. Parent company guarantees will be required should the successful contractors have a parent company. A performance bond will not be required as retention will be held on all interim payments.

### Key /Non Key decisions

26. This deals with a strategic procurement and this report is therefore a key decision.

### Policy implications

27. These contracts will ensure that the council fulfils it's duties in the policy and CAR.

### Procurement Project Plan (Key Decisions)

Asbestos consultancy 2015 – Activity timetable	Complete by:
Forward Plan for Gateway 1	July 2015
DCRB Review Gateway 1 CCRB Review Gateway 1	24 Aug 2015 27 Aug 2015
CMH Review Gateway 1 (if applicable)	14 Sept 2015
Deadline Agenda Planning	28 Sept 2015
Approval of Gateway 1: Procurement strategy report - cabinet	20 Oct 2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	27 Oct 2015
Completion of tender documentation	30 Oct 2015
Publication of OJEU Notice	3 Nov 2015
Publication of Opportunity on Contracts Finder	5 Nov 2015
Closing date for receipt of expressions of interest	11 Jan 2016
Completion of short-listing of applicants	5 Feb 2016
Invitation to tender	8 Feb 2016
Closing date for return of tenders	10 Mar 2016
Completion of evaluation of tenders	22 April 2016
Forward Plan for Gateway 2	May 2016

<b>Asbestos consultancy 2015 – Activity timetable</b>	<b>Complete by:</b>
DCRB Review Gateway 2: CCRB Review Gateway 2:	27 June 2016 7 July 2016
CCRB Review Gateway 2	7 July 2016
CMH Review Gateway 2 (if applicable)	11 July 2016
Notification of forthcoming decision – despatch of Cabinet agenda papers	8 Aug 2016
Approval of Gateway 2: Contract Award Report	20 Sept 2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	30 Sept 2016
Debrief Notice and Standstill Period (if applicable)	5 Oct 2016
Contract award	7 Oct 2016
Add to Contract Register	10 Oct 2016
TUPE Consultation period (if applicable)	19 Dec 2016
Place award notice in Official Journal of European (OJEU)	10 Oct 2016
Place award notice on Contracts Finder	10 Oct 2016
Contract start	1 Jan 2017
Initial contract completion date	31 Dec 2021
Contract completion date – (if extension(s) exercised)	31 Dec 2023

### **TUPE/Pensions implications**

28. It is thought that TUPE will apply to the current two contracts and advice is being sought from the council's legal services department so that all relevant provisions are included in the tender documentation.

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

29. A project team and project board will be set up for this procurement. The procurement team will be responsible for producing the tender documentation and the project board will provide governance.
30. The form of contract to be used will be an over EU Services agreement which will be subject to amendment as directed by the council's legal services department.

### **Advertising the contract**

31. The contracts will be advertised by way of an official notice that will be published in the official Journal of the European Union (OJEU).
32. In addition, the contracts will also be advertised in the asbestos trade journal and the council's website.
33. After publication of the OJEU notice, an advert will also be placed on the council's website as well as the Contract Finder website.

## **Evaluation**

34. The PQQs returned will be evaluated by officers in the council's asset management division. The selection process will be an evaluation of each contractor's economic and financial standing, technical knowledge, accreditation, experience and their ability and capacity to do the work. A number, to be agreed by the project board, will be shortlisted and invited to tender. Contractors will be allowed to bid for both Contracts A&B but the evaluation methodology will set out that only one contract can be awarded to ensure that the council complies with its policy.
35. Tenderers will be evaluated on the basis of M.E.A.T (most economically advantageous tender) using a weighted model of 70:30 price and quality. This achieves a balance between cost and the quality of service delivery.
36. Price evaluation will be undertaken by officers in the council's asset management division and checked by officers in housing finance.
37. Quality evaluation will be undertaken by officers in the council's asset management division. Tenderers' will be evaluated based on the method statements for:
  - Mobilisation and quality of resources available
  - Service delivery in achieving specification, customer care, health and safety and key performance indicators
  - Response to a scenario
  - London living wage.
38. The full evaluation methodology will be agreed by the project team and approved by the project board.

## **Community impact statement**

39. The two contracts are borough wide and support the council's commitment to providing warm, dry and safe homes and the future kitchen and bathroom replacements.
40. Both contracts will be of low impact to residents as the majority of surveys are carried out to properties prior to refurbishments. Any surveys undertaken will be under controlled conditions, which will mean restricted access in areas where samples are being obtained and/or air sampling and monitoring is being carried out.

## **Sustainability considerations**

41. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs, which set out economic, social and environmental considerations.

## **Economic considerations**

42. It is envisaged that expressions of interest will be submitted by interested parties within the EU in response to the published OJEU advertisement.

43. Due to the specialised nature of these services it is not feasible to provide work experience opportunities but consideration will be given to office based contract administration and data management apprenticeships.

#### **Social considerations**

44. Contractors will be required to demonstrate that they operate an Equal Opportunities Policy.
45. The successful contractors are expected to meet the London Living Wage (LLW) requirements. For these contracts, the quality improvements are expected to include a high calibre of surveyors that will contribute to the delivery of the services on site and it is therefore considered that best value will be achieved by including this requirement. As part of the tender process, tenderers will be required to confirm that they pay the staff, who will be engaged on the contracts, equal to or more than the minimum LLW hourly rate and will continue to do so through the contract term and confirm how productivity will be improved by payment of LLW and. On award, any associated quality improvements and cost implications will be monitored as part of an annual review of each contract.
46. Contractors will be encouraged to register with and seek to secure accreditation through the TfL Fleet Operator Recognition Scheme (FORS).

#### **Environmental considerations**

47. Both contracts will encourage the use of low emission vehicles and the minimisation of journeys needed. Contractors must provide waste consignment to ensure materials containing asbestos are disposed of at controlled sites and not fly-tipped.

#### **Plans for the monitoring and management of the contract**

48. The contracts will be let and managed by the asset management division.
49. Key performance indicators will be set and challenged to ensure the successful contractors' performance. In particular, targets will be set to ensure survey data is uploaded to the council's asbestos register and void properties are surveyed within set time limits to prevent re-letting delays.
50. The council's commercial team will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
51. To ensure robust contract management arrangements are in place, officers will undertake audit site inspections to ensure that method statements are adhered to and surveys, sampling and air monitoring results are accurate.
52. Monthly progress meetings, to be attended by officers will be arranged and recorded to review performance and compliance.
53. Where CFM engage the services of these contracts as a back up then CFM will carry out inspections and attend the appropriate meetings.

#### **Staffing/procurement implications**

54. There will be no impact on staff as the existing asbestos management team are already performing the contract management functions.

### **Financial Implications (FIN0866 – JP)**

55. The current HRA asbestos budget for both Contract A and B is £453k and has not been highlighted for savings in 2016/17. Therefore, the indicative budget would be sufficient to cover the expected costs of £437k. And each Housing Investment Programme scheme has an allocated budget for asbestos surveys approved within each gateway, so the level of expenditure (estimated at £1.037m) will remain dependent on each individual scheme approval.
56. These contracts are due to commence in January 2017, and will be subject to budget decisions to be agreed by cabinet as part of budget setting for 2016/17 and subsequent years. Further information on the prices obtained and the likely budget requirements will be provided as part of a subsequent report when the contracts are recommended for award.

### **Investment implications**

57. None.

### **Legal implications**

58. Please see supplementary advice from the director of legal services.

### **Consultation**

59. Meetings will be arranged with the resident tenant groups and internal business units within the council to ensure services are maintained.

### **Other implications or issues**

60. None.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

61. This report seeks approval for the procurement strategy of two asbestos consultancy contracts (contract A, surveying and bulk sampling and contract B, air sampling and monitoring).
62. The report explains that the services are required to meet legal obligations in line with the control of asbestos regulations 2012 (CAR) and that these contracts shall replace existing contracts that are due to expire in December 2016.
63. The options for procuring these services have been explored and the report concludes that the most viable option is for the council to carry out a competitive tender process following an EU restricted procedure. The process described in the report is in line with the Council's contract standing orders (CSO's) and EU regulations.
64. The evaluation methodology for this procurement will be on the basis of the most economically advantageous tender and in determining this shall use a price/quality ratio of 70:30.

65. Through the procurement process tenderers will be allowed to bid for both contracts, however, each of the contracts shall be awarded to different providers to ensure compliance with the council's current management of asbestos policy, which requires the services to be provided independently of each other.
66. The project timetable included within the report is both reasonable and achievable for the proposed procurement strategy, provided that appropriate resources are allocated to the project at the appropriate time.
67. The report confirms that both project team and project board will be put in place which will help support successful delivery of this procurement.

#### **Director of Law and Democracy**

68. This report seeks the approval of cabinet to the procurement strategy for two Asbestos Consultancy Contracts (Contract A – surveying and bulk sampling) and (Contract B – air sampling and monitoring) at an estimated annual cost of £1.2m and £274k respectively, for a period of four years from 1 January 2017 to 31 December 2021 with the potential to extend each contract by a further 2 year period, making a total estimated value of £8.84m for the contracts as outlined in this report.
69. The nature and value of these services are such that they are subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15). Paragraphs 21 and 22 of this report confirm that an EU restricted procedure will be followed which will comply with PCR15 and contract standing order (CSO) tendering requirements.
70. As this procurement strategy falls within the circumstances noted in CSO 4.4.2 a), the decision to approve the procurement strategy is reserved to the cabinet or cabinet committee, after consideration of this report by the corporate contracts review board (CCRB).

#### **Strategic Director of Finance and Governance (Ref No FC15/021)**

71. The strategic director of finance and governance notes the recommendations in this report for the procurement of asbestos consultancy contracts. The contracts will incur costs in all financial years from 2016/17 to 2020/21, and potentially until 2022/23. The financial implications note that there is sufficient budget at present to meet the costs of the proposed contracts, and that this will be reviewed once the tenders are received and evaluated.

#### **Head of Specialist Housing Services (For Housing contracts only)**

72. The asbestos consultancy services are a service chargeable cost under the terms of the lease. Communal elements of the work will be service chargeable within the terms of the lease and will be included as part of revenue service charges where undertaken. Statutory consultation is required on agreements that are Qualifying Agreements (in excess of 12months) under the terms of the Commonhold and Leasehold Reform Act 2002. However, I note that the costs associated with this agreement are below those that require statutory consultation and it is therefore not necessary for this contract.

**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 3 – ‘open’ report approved on August 2015 Asbestos Consultancy Services Contract A – surveying and bulk sampling and Asbestos Consultancy Services Contract B – air sampling and monitoring	Engineering & Compliance, 160 Tooley Street	Gavin Duncumb 020 7525 0685
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5140&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5140&amp;Ver=4</a>		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Cabinet Member for Housing	
<b>Lead Officer</b>	David Markham, Head of Major Works	
<b>Report Author</b>	Reuben Humphries, Procurement Officer	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Head of Specialist Housing Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 October 2015	

<b>Item No.</b> 20.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Asset Management Strategy	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

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

Last month, Cabinet considered a report showing how we have moved from a position where only 56% of our council homes met the Decent Homes standard in April 2010 to a position of having 90% meet the standard by next April. This success, delivered through our Warm, Dry and Safe programme, clearly demonstrates what can be achieved with the ambition to improve our council homes and the commitment to clearly set out for all our homes what improvements will be carried out and when.

This report starts the consultation with the council’s tenants and leaseholders on the next cycle of major works, clearly setting out timescales for work on each estate, block and street together with our priorities, in particular our commitment to ensure that every council tenant will have a quality kitchen and bathroom.

Unfortunately, the government’s recent decision to impose rent decreases on social landlords, without a financial contribution to address the shortfall, has meant that it will now take the council longer to carry out the next cycle of major works than originally envisaged. As a consequence, it will now take until the 2022/23 financial year to complete the kitchens and bathroom programme.

The report also reintroduces regular cyclical decorations for our homes, ensures that homes are safer from fire risks, and improves mechanical and electrical systems, including lifts. It also establishes an options appraisal for our district heating systems to investigate how the council can best improve a number of these systems.

This report is the most comprehensive programme of housing major works that the council has ever produced. The proposals tell all our tenants and leaseholders what work they can expect and when in the programme that starts from next April. I hope that as many of them as possible feed back their comments and observations of this programme so that we can fine tune it before taking final decisions in the New Year.

**RECOMMENDATIONS**

That cabinet:

1. Comments on the draft asset management strategy for consultation.
2. Approves the consultation plan for the strategy and notes the initial consultation on the principles of the strategy that has been taking place up to the cabinet date and is included as an appendix to this report.



3. Approves the first year programme for delivery in 2016/17 and agrees design and initial consultation for the schemes is progressed immediately.
4. Notes the revised standard, maintaining decency and delivering the kitchens and bathroom guarantee and cyclical decorations.
5. Notes that the draft asset management strategy sets out a delivery timetable for:
  - a. Maintaining a high level of decency
  - b. Delivering a cyclical works programme
  - c. Completing the kitchen and Bathroom programme within the first cycle of the programme
  - d. Delivering of a mechanical and electrical programme
  - e. Bringing all properties to a Fire Risk Assessment (FRA) to a 'tolerable' level by the end of the first cycle of the programme.
6. Approves an options appraisal for 2016/17 on the council's district heating systems. The findings and recommendations will be used to ensure that the investment required is financially viable within the constraints of the business plan. A report will come back to Cabinet with the outcomes of the appraisal and the financial implications to the strategy.
7. Notes that an investment appraisal of the first years programme has identified a small number of properties based on their financial and social sustainability that require further investigation to ensure the long term sustainability of the units. These properties have, for the moment, been removed from the programme for further consultation in line with the Charter of Principles.

## **SUMMARY**

8. The asset management strategy sets out a programme for completing major works for the next eight to ten years. The strategy is aimed at delivering key strategic priorities with resources that are included in the Housing Revenue Account (HRA) 30 year plan.
9. The strategy sets out plans to achieve a well maintained, sustainable housing stock that residents value and enjoy living in.

## **BACKGROUND INFORMATION**

10. Following the Housing Commission report in 2012 the council engaged Savills to carry a stock options appraisal. Their final report was issued in June 2013. This noted that: 'The development of an active policy of managing housing assets which challenges the value for money of each investment decision, based on an analysis of both the value of future cashflows, and the extent to which investment meets the council's social housing objectives could improve long term business plan capacity and resident satisfaction.'
11. Savills' work provided a stock investment financial profile that has been adjusted and used as the financial basis for the investment outlined in this plan. However, this work was prior to recent government proposals on rent reduction and the extension of Right to Buy. Work is continuing on the HRA 30 year plan to balance resources with strategic priorities, with the investment outlined in this report included in the plans assumptions.

## KEY ISSUES FOR CONSIDERATION

12. The council's Warm, Dry and Safe (WDS) standard has focussed on the external structure of estates and street properties, carrying out works to those in the worst condition first and bringing properties to the Decent Homes Standard. This has meant that the structure and external elements will meet the WDS standard on completion of the programme. The strategy proposed addresses wider investment needs including internal works such as kitchens and bathrooms as well as the need for cyclical maintenance.
13. The strategy is aligned to achieve the Fairer Future Promise - **Quality affordable homes**, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.'
14. There are a number of national factors which continue to put pressure on the Housing Revenue Account (HRA) and the council's ability to deliver its priorities including the strong promotion and increases in local authority right to buy, proposals forcing councils to sell vacant council properties in the upper third of values and a 1% reduction each year in social rents over the next four years.
15. Despite these pressures, this report outlines proposals for the delivery of this promise, by setting out plans for a cyclical works programme. As part of this programme the remaining kitchen and bathrooms renewals will be delivered and this programme will also maintain decency. The strategy also plans the mechanical and electrical investment over the period.
16. The council will be moving to this cyclical programme over eight to ten years. In general, in the longer term there will be an average of 7,000 properties included in each annual programme if a seven year programme can be met within budgets. Wherever possible, when carrying out cyclical works, all main internal and external works, such as doors, roofs and windows, are to be carried out to the structure of a block, together with external and communal decorations and repairs. The individual components of buildings, which are the parts of the building that make up the overall structure, such as doors, roofs and windows, will be repaired where feasible or renewed if detailed surveys indicate that the condition is such that the component has reached the end of its repairable life-span. The kitchen and bathroom guarantee will be delivered alongside the cyclical programme. Delivering works together will improve value for money and reduce disruption to residents. The cyclical programme prioritises blocks that have not been in the previous WDS programmes, those falling out of decency and then those in previous WDS programmes. However, programmes are subject to reprioritisation due to emergencies and additional investment requirements.
17. Fire safety remains of paramount importance to the council. As one of the largest landlords in the country Southwark takes its duties very seriously and ensure a fire risk assessment of all communal areas are kept current and plans in place to actively manage risks to minimise the risk of injury or loss of life in the event of a fire. Works required to reduce the risk from the spread of fire and smoke from these Fire Risk Assessments, will usually be integrated into the cyclical programme to bring all remaining blocks to a 'tolerable' rating. The works are typically ventilation adjustments, fire stopping, replacements of doors to properties and communal doors to meet standards required by the fire safety

regulations. The Fire Risk Assessment programme of works is reviewed on a quarterly basis through a joint strategic meeting between the council and the London Fire Brigade to ensure that resources are appropriately prioritised.

18. It should be noted that the Aylesbury Estate has been excluded from officer's plans to develop an ongoing asset management strategy, including kitchens and bathrooms renewal because it is part of a separate estate regeneration programme.
19. The strategy only covers the forward programmes and does not include the resources of schemes under existing programmes such as WDS work identified for Tustin Estate and Portland Estate. These schemes are scheduled towards the end of the new cyclical programme as they are due investment under existing programmes, so will not require work until towards the end of the new cycle.
20. The report outlines an improved standard for homes across the borough delivered through an ongoing cyclical programme initially over 8 – 10 years. The standard can be summarised as:
  - a. Maintaining the WDS standard equating to the Government's Decent Homes Standard
  - b. Keep homes in a reasonable state of decorative repair and maintenance
  - c. Provide a quality kitchen and bathroom
  - d. Providing programmed upgrades to other 'non decency' components such as lifts
  - e. Provide programmed works required from fire risk assessments to maintain all blocks to a 'tolerable' rating.
21. Most of the mechanical and electrical investment is programmed separately. Many district heating systems have far exceeded their life expectancy. It may not be financially prudent to invest in some of these existing systems, but to look at alternative provision. The programme only provides a minimum investment whilst the council commissions a stock and options appraisal to address the future requirements of its needs, such as fuel use, CO2 emissions, service demands and expectations. The appraisal is planned for 2016/17 and the findings and recommendations will be used to ensure that the investment required can be financially viable within the constraints of the business plan. The investment requirement for district heating for the future is expected to increase dramatically and the options appraisal will look at solutions to provide clear evidence for the council to take informed decisions.
22. Security will be increased through the availability of a revenue budget for upgrading obsolete door entry systems and new installations where anti social and criminal activities exist, and the majority of residents, over 50%, agree to a service charge increase.
23. The strategy will be monitored through reporting on key actions and associated measures, primarily through an annual report to cabinet including:
  - a. Delivery of cyclical works programmes
  - b. Delivery of kitchens and bathroom guarantee
  - c. Reviewing of planned and reactive budgets to ensure the best use of resources
  - d. Review planned investment programme to ensure the investment will deliver economic and social performance

- e. Review resident consultation on major works
  - f. Complete an options appraisal for the borough's district heating systems
  - g. Deliver lift and heating programmes
  - h. Deliver the upgrade to the APEX asset management and compliance system
24. The design and initial consultation for the 2016/17 programme needs to be commenced immediately in order to ensure that the works can be delivered in 2016/17. If it is decided that there are changes in the programme as a result of further consultation then schemes can be delayed or new properties brought into the programme at a later stage.
25. Following the Housing Commission report in 2012, Savills consultancy was instructed to carry out work in conjunction with the council to assist with a comprehensive appraisal of the overall performance of current HRA assets. The aim of this review was to:
- a. Consider operational cash flows at a local level and assess their worth to the housing business to provide a measure of financial performance
  - b. Identify non-financial measures of social sustainability and to provide an analysis of this at the same local level.
26. Savills' evaluation of the performance of HRA assets has been used to inform the investment strategy and detailed planning based on an active asset management approach, where the council seeks to make investment decisions that are informed by an understanding of the financial performance of the stock, and the extent to which it delivers the council's social housing objectives. In this way decisions can strengthen the business plan and contribute to meeting the council's policy objectives.
27. The strategy endorses an active asset management approach, undertaking activities to improve or replace properties that have a poor economic and social performance with properties that are fit for purpose. An appraisal of the first year investment included in Appendix 5 of the strategy identifies properties that have, for the moment, been removed from the programme for further consultation in line with the Charter of Principles.

### **Policy implications**

28. The council plan confirmed our ten Fairer Future promises, a set of key commitments to the residents and businesses of Southwark that outline the things we will be working towards as an organisation to create a fairer future for all. The updated promises were approved by cabinet on 2 July 2014.
29. A structured approach to asset management supports three of these promises in particular through providing a structure for prioritising and making investment decisions. Such investment decisions may be investment in our properties but may also be to improve the conditions of the local area for all of Southwark residents.
- a. Promise 1 – Value for Money  
We will continue to keep council tax low by delivering value for money across all our high quality services. The structured asset investment approach will look at priority estates and set out the options for each estate to ensure that Value for Money is achieved from the investment being made.
  - b. Promise 3 – Quality Affordable Homes

We will improve housing standards and build more homes of every kind including 11,000 new council homes with 1,500 by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee. This approach will enable priorities for financial resources to be balanced between existing stock and the delivery of the new homes programme.

c. Promise 9 – Revitalised Neighbourhoods

We will revitalise our neighbourhoods to make them places in which we can all be proud to live and work, transforming the Elephant and Castle, the Aylesbury and starting regeneration of the Old Kent Road. This approach will both improve the physical aspects of our existing housing assets but also look at the wider social economic aspects of the areas in which they are situated.

30. Southwark Housing Strategy to 2043 set out Southwark's first long-term housing strategy, and marks Southwark out over others in setting out a long-term plan of action. Principle 2 states 'We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership' And more specifically the following commitments as set out in the strategy:
- a. Putting in place a robust 30 year business plan, enabling us to invest in our homes, improve energy efficiency and provide a planned, preventative approach to maintaining and investing in our housing stock.
  - b. Providing a quality kitchen and bathroom for all council homes
  - c. Carrying out other improvement works to our stock and the surrounding area, including increasing estate security.

### **Community impact statement**

31. Improving housing in Southwark is central to the council's wider plans to create a fairer future for all. Access to appropriate, good quality, genuinely affordable homes is important not just for residents but also to the wider economy and essential to shaping a borough that all residents can be proud of and which is truly sustainable into the future. A key part of this is the active management of current council housing assets that this report addresses to ensure that they play their part in continuing to make a positive impact on the community.
32. With regard to locations where the decision is taken to proceed with either new council housing or investment in existing stock those living in properties with major works or living close to new developments may experience some inconvenience and disruption in the short-term, while works are taking place but communities as a whole will benefit in the longer term.
33. In local areas, the effects will be mitigated by working closely with residents on the delivery process and using experience gained on a significant number of recent projects. Residents will continue to be at the centre of and involved in works that take place. Where financially viable other positive community impacts will also be included as part of the works.
34. The works will provide a better standard of accommodation for tenants and contribute to improved general health and well being. Due consideration will be given to those tenants with specific needs both during works and after completion.

35. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
36. The consultation plan is designed to be inclusive and provide different ways for residents to feedback and engage. The results of the consultation will be included in the final report to cabinet.

### **Economic considerations**

37. Successful works contractors will be expected to deliver direct benefits to the local community and local residents. It is proposed that these benefits will be delivered through some or all of the following possible means during the enabling works contracts, if available and possible but especially so during the progress of the main construction works:
  - a. Supply chain and procurement
  - b. Use of local labour and training initiatives, including a construction employment, skills and training scheme linked to the council's Building London Creating Futures programme, which aims to match local residents with construction vacancies especially where these are linked to key development sites and regeneration activities
  - c. A commitment to construction apprenticeships in proportion to the size and scale of the development
  - d. Corporate social responsibility and sustainability
  - e. Community initiatives in the borough and on estates where works are taking place.
38. Where appropriate Planning Consent Conditions for projects will include targets for employment and training opportunities with employment and training packages being agreed in consultation with the senior strategy officer of the chief executive's corporate strategy team.
39. Construction personnel and, once occupied, staff, residents and visitors using the new building are likely to bring economic benefit to local traders through increased trade.

### **Social considerations**

40. The appointed contractors will carry out the works under the Considerate Contractor scheme, which seeks to minimise disturbance and disruption in the locality during the construction phase. Their performance will be monitored as a Key Performance Indicator (KPI).
41. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. Anticipated benefits include a more incentivised

workforce and improved staff retention. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

### **Environmental considerations**

42. Through ECO funding and delivery in partnership with British Gas over 7,000 properties benefited from energy efficiency works by March 2015. The council will continue to look for opportunities to maximise funding and deliver energy efficiencies including, carrying out pilot scheme to look at photovoltaics on a council block, replacing redundant lighting with more energy efficient lighting systems and providing insulation when replacing roofs.
43. The council will also improve thermal comfort by replacing single and double glazed units that are beyond repair with modern double glazing and improving the efficiency of district systems through the use of Building energy management systems (BEMS).
44. The code for Sustainable Homes requirements will cover the construction process as well as design and specification and will set targets for minimising the adverse environmental impact of carrying out the works for each project.
  - a. The project briefs prescribe materials and components to be specified for the works. In terms of excluded construction materials, good practice is to be adopted:
  - b. Asbestos products: not to be specified
  - c. Brick slips: only to be used where cast onto pre-cast elements as risk of failure is unacceptably high
  - d. Man-made mineral fibre (MMMMF): the material to be encapsulated in all applications
  - e. No insulation materials in which hydro fluorocarbons (HFCs) are used in their manufacture or application
  - f. No hardwood unless from FSC or equivalent sources.
45. A low energy, efficient and cost effective building engineering services design that keeps running costs to a minimum, will be an essential component of the project brief. Key considerations will include:
  - a. Consideration of whole life-cycle costs;
  - b. Sustainable sourcing, including locally produced materials and, where possible, timber from renewable resources.
  - c. Selection of contractors should take into account their environmental policies;
  - d. Incorporation of environmentally benign heating and lighting provision;
  - e. Provision of facilities and equipment to encourage the re-use and recycling of materials including, where practicable, water recycling;
  - f. Ensuring project achieves Code for Sustainable Homes criteria

### **Consultation**

46. An initial consultation on the principles of the strategy is taking place with the Future Steering Board, Home Owners' Council, Tenants' Council and Area Forums over September and early October and the initial feedback is in appendix 1 of this report.
47. The feedback will be in response to the following questions:

- a. Do you think a seven year cycle for planned maintenance is a reasonable cycle?
  - b. If not, why not and what do you consider a better time cycle?
  - c. Do you agree with the prioritisation set out in the report?
  - d. If not, what do you think they should be?
48. Consultation on the draft strategy will be both through the existing resident forums as well as through the website to encourage wide feedback from the community.

No	Consultation	Date
1	Draft asset management strategy to Cabinet	October 2015
2	Draft asset management strategy to Future Steering board, Tenants' Council, Home Owners' Council, Area Forums and published on the website.  All T&RAs & TMOs to be directly contacted to invite them to participate in the consultation through the website.	November 2015 /February 2016
3	Final asset management strategy including kitchen and bathroom programme to Cabinet	March 2016

## Resource implications

### Financial issues

49. This report is requesting cabinet to note the draft the asset management strategy and other related recommendations which are detailed in the recommendations. The estimated cost of implementing the asset management strategy across the years is summarised below and detailed in Appendix 1 of the Asset Management Strategy attached to this report.
50. The total cost of implementing the asset management strategy across the 2016/17 to 2023/24 period is currently estimated at £796.5m which cannot be contained in the current approved budgets within the Housing Investment Programme. However, cabinet is being asked to approve only the first year of programme which is currently estimated at £48.3m which can be contained in the current approved budgets within the council's housing investment programme.
51. It is expected that a further report will be submitted to cabinet in early 2016 following the outcome of the consultations and appraisal and the full financial implications of implementing the asset management strategy for the next 10 years.
52. The cyclical programme (as reflected in Appendix 1 of the strategy)

Type of Works	1	2	3	4-5	6-7	8-10	Grand Total
External & Communal Maintenance (Estates)	£ 18,680,128	£ 15,229,233	£ 23,042,737	£ 78,238,427	£ 96,654,692	£ 171,976,267	£ 403,821,484
Kitchens & Bathrooms (Estates)	£ 5,293,800	£ 3,949,400	£ 5,841,713	£ 25,671,995	£ 32,290,126	£ 46,627,802	£ 119,674,836
Street Properties (All Works inc. K&B)	£ 9,068,994	£ 14,956,495	£ 6,177,967	£ 6,439,226	£ 38,020,176	£ 31,900,000	£ 106,562,859
Engineering	12,240,000	12,480,000	12,720,000	26,160,000	27,120,000	42,480,000	133,200,000
Fire Risk Assessment	3,060,000	3,120,000	3,180,000	6,540,000	6,780,000	10,620,000	33,300,000
<b>Total</b>	<b>48,342,922</b>	<b>49,735,128</b>	<b>50,962,417</b>	<b>143,049,648</b>	<b>200,864,994</b>	<b>303,604,069</b>	<b>796,559,179</b>



**Budget issues**

53. The business plan will be used to inform individual years' budgets.

**Staffing issues**

54. There are no staffing issues arising directly from this report.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Director of Law and Democracy**

55. The report makes a number of recommendations in respect of a draft asset management strategy for its housing stock including approval of the consultation plan for the strategy.
56. Details of the consultation carried out with interested parties to date and the plan for further consultation are set out in paragraphs 44 to 45 of the report.
57. Cabinet members should satisfy themselves that the consultation plans meets legal requirements. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response, allow adequate time for interested parties to consider proposals and formulate their response. The outcome of the consultation must be conscientiously taken into account when the ultimate decision is taken.
58. The consultation plan should be kept under regular review to ensure that all interested parties are included, that they are provided with clear and accurate information that contains sufficient detail of the proposals, the reasons for them and, where appropriate, refer to alternatives, including those disregarded and the reasons for disregarding them and that consultee's have sufficient time to consider the proposals and respond to them.
59. When considering the recommendations, cabinet members must also have due regard to the public sector equality duty contained within section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Cabinet members are referred to the communities' impact statement contained in this report.

**Strategic Director of Finance and Governance (FC15/026)**

60. This report is requesting cabinet to comment on the draft asset management strategy and other related recommendations as detailed in paragraphs 1-7.
61. The strategic director of finance and governance notes that the total cost of implementing the asset management strategy across the 2016/17 to 2023/24 period is currently estimated at £796.5m which cannot be contained in the current approved budgets within the Housing Investment Programme. However,

cabinet is being asked to approve only the first year of programme which is currently estimated at £48.3m which can be contained in the current approved budgets.

62. The strategic director of finance and governance notes that approval of the asset management strategy for the period 2016/17 to 2023/24 will be subject to a further report to cabinet in early 2016 for approval following the outcome of the consultations and appraisal process outlining the full financial implications of implementing the asset management strategy.
63. It should be noted that contracts and costs should only be committed against approved budgets and confirmed funding.
64. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Asset Management Strategy - Kitchens and Bathrooms Programme 2015/16	Southwark Council Housing and Modernisation Dept Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
Link: <a href="http://moderngov.southwark.gov.uk/documents/s51902/Report%20Asset%20management%20strategy%20-%20Kitchen%20and%20Bathrooms.pdf">http://moderngov.southwark.gov.uk/documents/s51902/Report%20Asset%20management%20strategy%20-%20Kitchen%20and%20Bathrooms.pdf</a>		
Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Need Estates Options Appraisal Project 18 October 2013	Southwark Council Housing and Modernisation Dept Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
Link: <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4</a>		
Housing Investment Programme and Revised Strategy 31 May 2011	Southwark Council Housing and Modernisation Dept Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
Link: <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix 1	An initial resident consultation on the principles of the strategy
Appendix 2	Southwark Housing Asset Management Strategy (circulated separately)

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	Gerri Scott, Strategic Director Housing and Modernisation	
<b>Report Author</b>	David Markham, Head of Major Works	
<b>Version</b>	Final	
<b>Dated</b>	12 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		12 October 2015

## An initial resident consultation on the principles of the strategy

## APPENDIX 1

The initial consultation outlining the principles of the strategy is taking place with the Future Steering Board, Home Owners' Council, Tenants' Council and Area Forums over September and early October. With residents asked to consider the following four questions:

- a. Do you think a seven year cycle for planned maintenance is a reasonable cycle for the longer term?
- b. If not, why not and what would you consider a better time cycle?
- c. Do you agree with the prioritisation set out in the report?
- d. If not, what do you think they should be?

This is the latest version; the final version will be handed out at the Cabinet on the night of the meeting.

Meeting	Question / Comment origin	Question / Comment	Response
Aylesbury Area Housing Forum	Forum representative	How will the commitment to the kitchens and bathrooms programme be applied to residents living on Area 4 of the Aylesbury? People will be housed there for 10+ years so why can they not be a part of the programme if it was commenced now?	Aylesbury is not included for new kitchens and bathrooms as the council could not justify this financially given the limited life for all Aylesbury properties.
Aylesbury Area Housing Forum	Forum representative	If the regeneration is decided against for the Phase 4 (Regeneration) properties, what will LBS be doing to keep up the maintenance of the Aylesbury Estate?	This will be reviewed if any changes are made to the Aylesbury regeneration programme.
Aylesbury Area Housing Forum	Forum representative	How vulnerable will the programme be subject to the Housing Bill going through, and the impact (e.g. of sales of Council Stock, RTB for HAs, rent restrictions, etc).	The exact details of the bill are still not known.
Aylesbury Area Housing Forum	Forum representative	There has been some confusion over surveying for bathrooms. Extensive communications were sent out to residents to residents of Taplow concerning a bathroom programme.	Phase 1 works were about components only and this was made clear in correspondence to residents. These works have now been completed.
Home Owners Council	Formal response	The forum voted for and agreed a five year cyclical works programme.	This cannot be afforded within current resources.
Home Owners Council	Formal response	Agreed with the prioritisation set out in the report.	Not applicable.

Meeting	Question / Comment origin	Question / Comment	Response
Tenants Council	Formal response	Report was noted.	Not applicable.
West Walworth Forum	Forum comment wide	The forum voted for and agreed a seven year cyclical works programme.	Not applicable.
West Walworth Forum	Forum comment wide	The forum want to include fencing and estate paving, as well as gutters in their Major Works programme where access is available.	This cannot be afforded within current resources, but will be reviewed after the first cycle of works.
West Walworth Forum	Forum comment wide	The forum would like provisional items and risk pots to be considered as they feel this can be too high in some instances.	Provisional items and risk pots will be reviewed for each contract and reduced as much as possible.
West Walworth Forum	Forum comment wide	The forum would like Major Works to review materials used as good quality plastic fences in a range of colours are available and offer a low-maintenance product that could improve appearance in some locations.	Fences are not part of the proposed asset management programme.
West Walworth Forum	Forum comment wide	The forum would like Major Works to review the use of scaffolding and/or consider cost-effective methods such as mobile platforms, abseils, towers, etc	Major Works are currently looking to run a pilot scheme using abseiling, and constantly look to carry out works to a high standard safely and at minimal cost.
Rotherhithe Area Housing Forum	Formal response	The forum voted for and agreed a seven year cyclical works programme with a few provisos (below). It was noted that a seven year cycle is much faster than has happened in the past, and is a definite step in the right direction.	Not applicable.
Rotherhithe Area Housing Forum	Forum comment wide	The forum feel that tower blocks should have works carried out every five years – due to the increased level of wear and tear to communal areas.	This issue will be reviewed after the first cycle of works.
Rotherhithe Area Housing Forum	Forum comment wide	The forum feel that stock condition surveys for tower blocks need to be in more detail than at present.	Specific surveyors will carry out surveys at every block prior to works being carried out.
Rotherhithe Area Housing Forum	Forum comment wide	The forum feel that there is a need for contractors that will do a good job.	All contractors carrying out works in the early years of the programme will be selected from the current partnering and tendering agreements.

Meeting	Question / Comment origin	Question / Comment	Response
Rotherhithe Area Housing Forum	Forum comment wide	The forum feel that some jobs need to be done annually, or every two or three years (e.g. roof inspections/clearing) and that these jobs need to be programmed in appropriately alongside the wider seven year cyclical programme.	A separate planned maintenance programme will be investigated for these areas.
Rotherhithe Area Housing Forum	Forum comment wide	The forum feel that the worst blocks need to be prioritised first.	The asset management programme has been developed on this basis.

<b>Item No.</b> 21.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		25 Browning Street, SE17, 8 Trafalgar Avenue, SE15, 26 Hannover Park SE15 and 80 Darrell Road, SE22 – Disposal of Freehold Interests	
<b>Wards or groups affected:</b>		East Walworth, The Lane, East Dulwich	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This report proposes the sale of the council's freehold interest in four properties which are anticipated to have a value of more than £750,000 each.

The capital receipts from these sales are earmarked for the housing investment programme to help finance our council housing Asset Management Strategy as set out elsewhere on today's agenda and our plans to build 11,000 new council homes.

The sale of all four properties would be consistent with the council's void strategy agreed in March 2009.

### **RECOMMENDATIONS**

That the Cabinet authorises:

1. The Head of Property to dispose of the Council's freehold interest in 25 Browning Street, SE17, 8 Trafalgar Avenue, SE15, 26 Hannover Park, SE15 and 80 Darrell Road, SE22 ("the properties"), for a sum that equates to the market value of the individual properties.
2. The earmarking of the capital receipts for the purposes of funding the Housing Investment Programme.

### **BACKGROUND**

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

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

5. In July 2014 Cabinet reviewed the voids policy and revised the criteria for disposal. 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.
6. The properties have been identified as suitable for disposal as they meet the value requirements of the amended criteria, i.e. it is considered that the properties each have a value in excess of £750,000.
7. 25 Browning Street, SE17 is an end of terrace three storey house, 8 Trafalgar Avenue SE15 is a mid terrace three storey house, 26 Hannover Park SE15 is a mid terrace three storey house and 80 Darrell Road, SE22 is a mid terrace two storey house. All four properties require comprehensive refurbishment internally and externally. 25 Browning, 8 Trafalgar and 26 Hannover have all been identified as being 'uneconomic to repair.' The works cost are estimated to be upwards of £87,000 per property. The properties are identified in bold outline on the attached Ordnance Survey extracts at Appendix 1.
8. The properties are currently empty and are at further risk of deterioration and trespass.
9. The properties are held in the Housing Revenue Account (HRA).
10. Authority to sell is delegated to the Head of Property in individual cases where the sale price is below £750,000. The sale price of the properties will exceed this limit and Cabinet approval is therefore required.
11. The properties have been declared surplus to the council's requirements by the Director of Regeneration on 24 August 2015, except for 80 Darrell Road, SE22 which was similarly declared surplus on 18 September 2015.

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

12. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the properties will comply with these requirements.
13. It is considered that due to the structural problems found at the properties, a sale by auction to be the most appropriate method of sale in this instance. The auction route is also quick and transparent. Prior to the auction for each of the properties a suitable reserve price representing market value will be agreed by the head of property in consultation with the auctioneer. A sale will only proceed if the reserve price is met or exceeded.
14. The sale of the properties to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.
15. This report recommends that the receipts from the sale of the properties be earmarked for the Housing Investment Programme.



### **Policy implications**

16. The disposal of the properties will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the Council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
17. The disposal of the properties is consistent with the recommendations contained within the report considered by Executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'. This policy was further endorsed by the 31 May 2011 Cabinet report which noted the progress made to date and resolved to continue and extend the void strategy. More recently in July 2014 Cabinet revised the value threshold for disposal and introduced the need for an additional criteria to trigger a disposal.

### **Effect of proposed changes on those affected**

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

### **Community impact statement**

20. As these individual property sales are considered to be non-contentious, consultation is thought not to be appropriate.
21. The proposed sale of the properties will have little or no impact on the immediate community.

### **Resource implications**

22. This report recommends the disposal of the properties on the open market for a sum that equates to the individual market values of the properties. The properties have been declared surplus to the council's housing requirement.
23. The HRA rent budget for 2015/16 allows for stock loss through void sales and we have requested that CLG take these into account in setting our self-financing debt level for 2016/17 onward. There is a loss of rental income for these properties in 2015/16. There are no current recurring costs.
24. As these properties are being disposed of under the void strategy, set out in the report to Executive on 17 March 2009 and endorsed and extended at Cabinet on 31 May 2011 and 22 July 2014, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the Housing Revenue Account of this strategy.

25. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
26. There are no other risks or costs involved.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

27. 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 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.
28. As the properties fall within the Council's Housing Portfolio, the disposals 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.
29. A number of General Consents have been issued in the General Housing Consents 2013.
30. Consent A3.1.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985-2013 enables a local authority to dispose of land for a consideration equal to its market value subject to exceptions in paragraph A3.1.2. The exceptions in paragraph A3.1.2 are disposals to a body owned or partly owned by the local authority, disposals that fall into a separate consent for reversionary interests in houses and flats and disposals that would result in a local authority tenant becoming the tenant of a private landlord.
31. The report also confirms in paragraph 11 that the properties were declared surplus to the Council's requirements on the 24 August 2014, except for 80 Darrell Road, SE22 which was declared surplus on the 18 September 2014.

### **Strategic Director of Finance and Governance (FC15/023/fh)**

32. The strategic director of finance and governance notes the recommendation to dispose of four properties on the open market, generating receipts to support the Housing Investment Programme.

## **BACKGROUND DOCUMENTS**

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

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	OS plans, 25 Browning Street, SE17 - highlighted in bold
Appendix 2	OS plans, 8 Trafalgar Avenue, SE15 - highlighted in bold
Appendix 3	OS plans, 26 Hannover Park, SE5 - highlighted in bold
Appendix 4	OS plans, 80 Darrell Road, SE22 - highlighted in bold

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Modernisation 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>	8 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 October 2015	

# Draft pdf source



TITLE. 25 Browning Street, SE17 1LN.

DRAWING No. LBS\_3338

DRAWN BY. MMANKTELOW  
Property Division

DATE. 24/9/2015

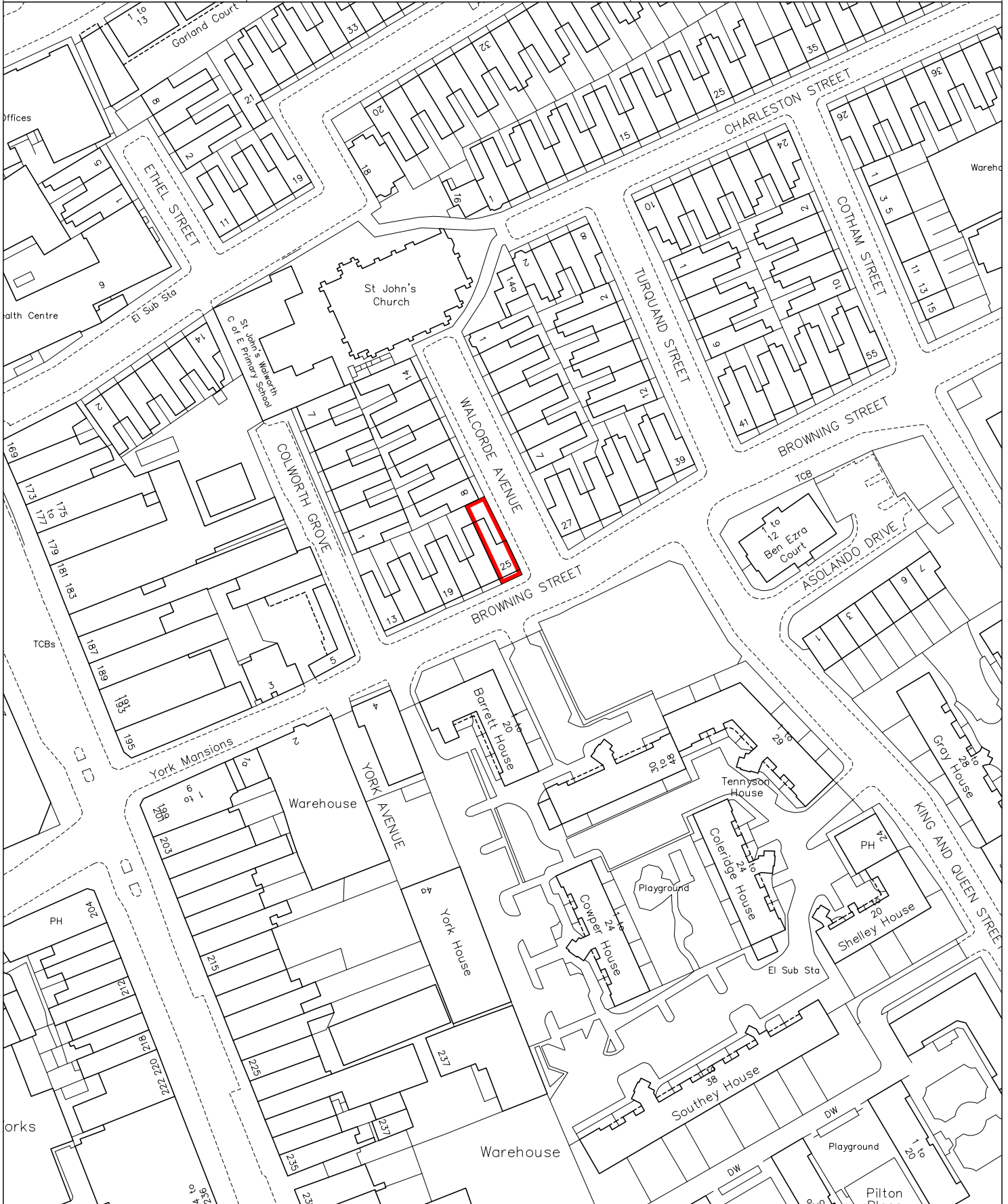
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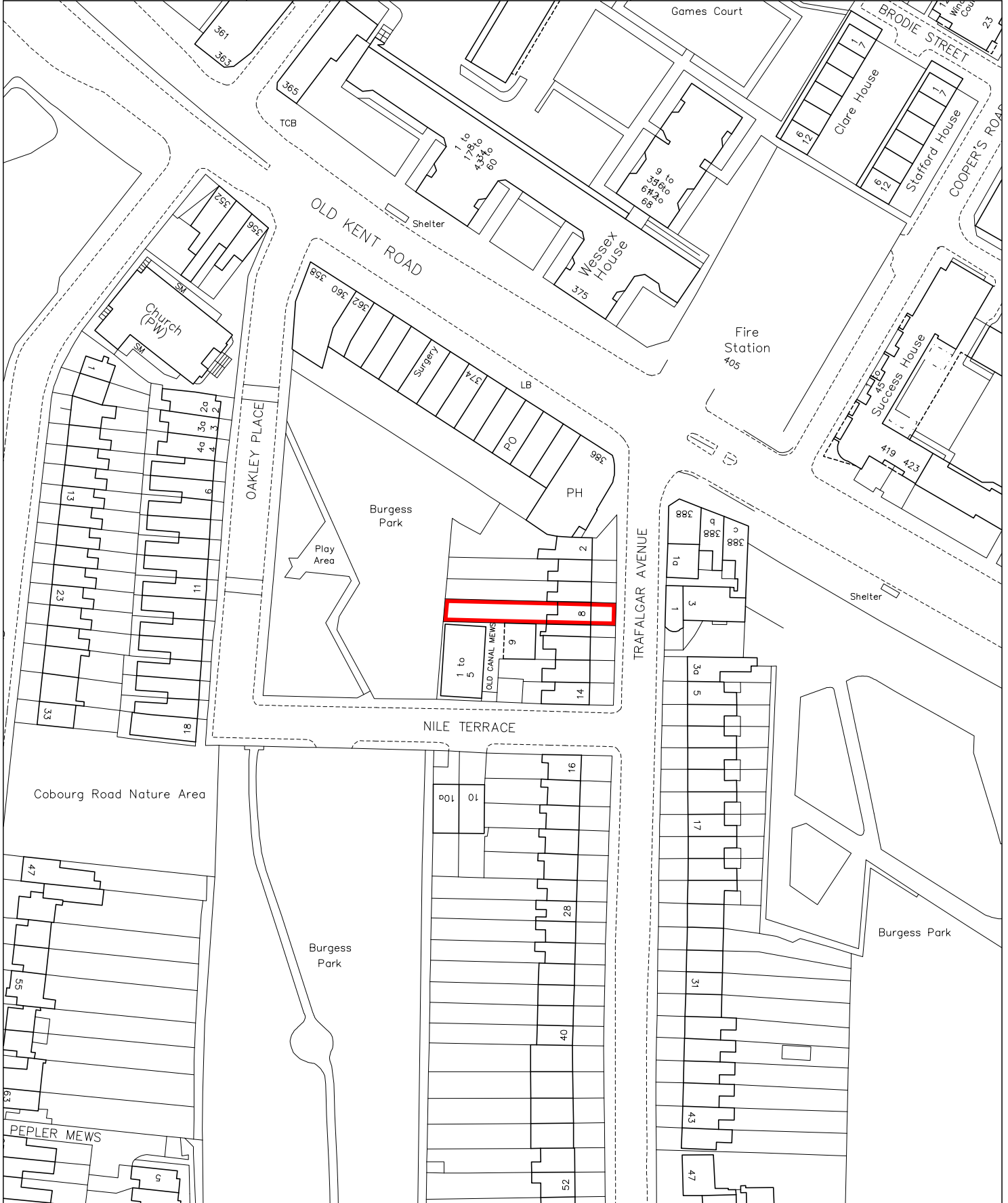
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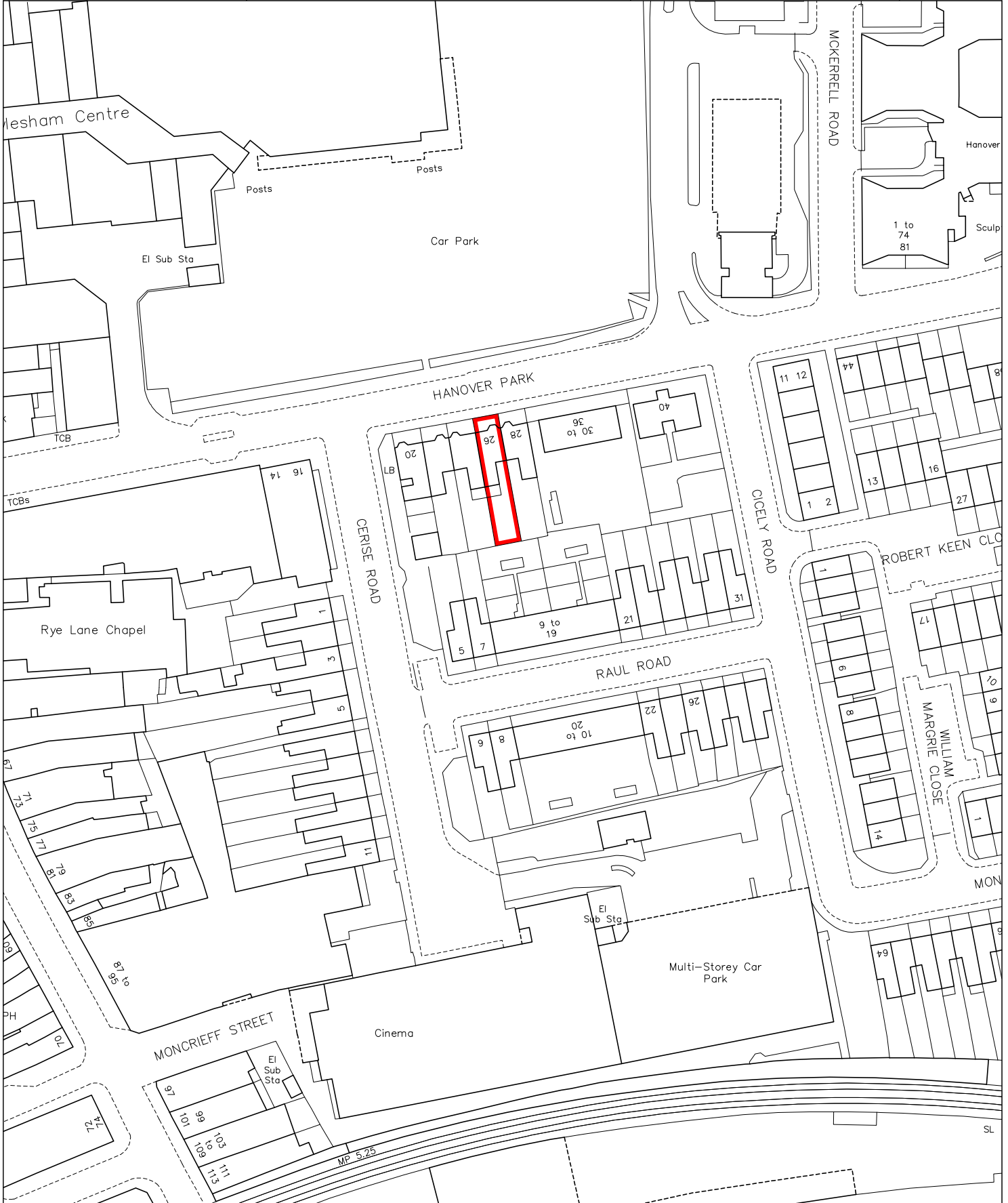
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MMANKTELOW  
Property Division

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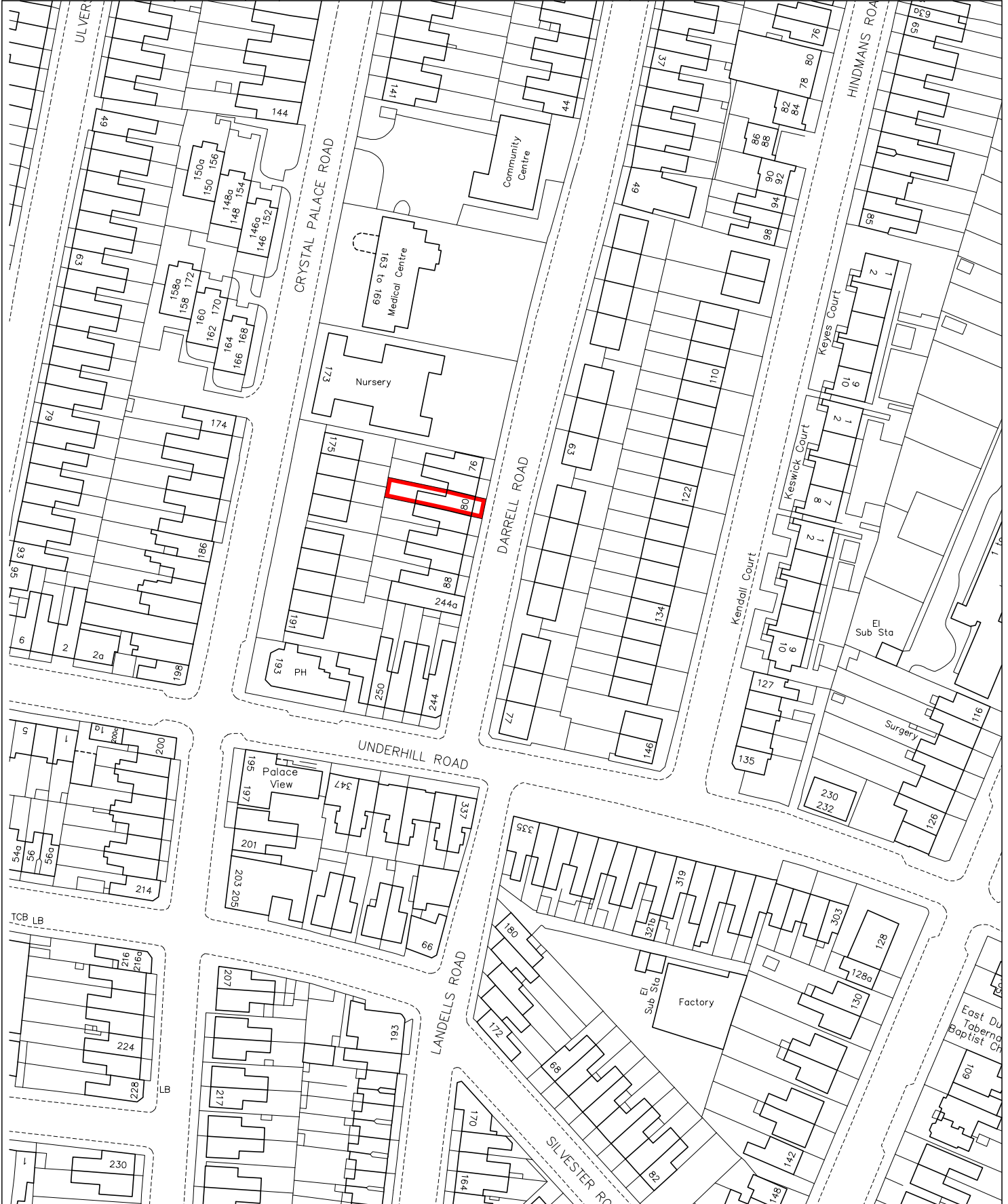
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<b>Item No.</b> 22.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		66 and 68 Ambergate Street, SE17 3RX – Disposal of Freehold interest	
<b>Wards affected:</b>		Newington	
<b>Cabinet Member</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This report proposes the sale of the council's freehold interest in 66 and 68 Ambergate Street, SE17 with the capital receipts being earmarked for the Housing Investment Programme. It also proposes that responsibility for ensuring that the council receives best consideration for these properties is delegated to the head of property, in accordance with council policy.

The properties are currently empty, and are both at risk of deterioration and being squatted. The sale of this property is consistent with both the council's void strategy agreed in March 2009 (as part of the report on Capital Income Generation for the Housing Investment Programme and Hidden Homes) and the May 2011 void disposal Strategy (reviewed in July 2014).

## **RECOMMENDATIONS**

That the Cabinet authorises

1. The Head of Property to dispose of the council's freehold interest in 66 and 68 Ambergate Street, SE17 3RX (the "Property"), for a sum that equates to the market value of the property.
2. The earmarking of the capital receipts for the purposes of funding the Housing Investment Programme.

## **BACKGROUND**

3. The subject property consists of a two storey Victorian terrace house arranged as two self contained units. Unit 66 Ambergate Street consists of a ground floor two bedroom maisonette with a private rear garden, whilst unit 68 Ambergate consists of a first floor two bedroom maisonette with a private roof terrace. Both units are in a fair condition internally and would benefit from general updating throughout. The Properties are identified in red outline on the attached Ordnance Survey extracts, at appendix 1.
4. The property is held in the Housing Revenue Account (HRA).
5. The property was formally held on a lease by the council which satisfied the criteria for enfranchisement. The lease was granted for a term of 99 years from 24 June 1912, which was due to expire on the 23 June 2011. However the expiry date of the lease was



extended as a result of a formal Notice to acquire the freehold, which was served by the council on the 7 February 2011.

6. Funding for the acquisition and associated costs was approved by the Investment Property Group (IPG), from annual budgets set aside for leasehold/freehold acquisition matters.
7. Cabinet approval for the acquisition was obtained on the 17 April 2012 and was required as the price agreed exceeded the limit where individual cases are delegated to the Head of Property.
8. After a lengthy period of negotiations between the valuation surveyors appointed by the council and the then freeholder, along with the legal process, the freehold interest was acquired by the council on the 1 June 2012.
9. Authority to sell is delegated to the head of property in individual cases where the sale price is below a set council threshold of £750,000. It is considered that the sale price of the property will exceed this limit and cabinet approval is therefore required. In addition at its meeting on 17 April 2012, the cabinet also resolved that once full vacant possession of the property had been achieved that the head of property be authorised to market the property for sale but that the sale be brought back to the cabinet for approval and further recommendation.
10. The property has been declared surplus to the council's requirements by the director of regeneration.

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

11. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the property will comply with these requirements.
12. The property will be marketed for sale via auction with a yet to be appointed firm of auctioneers. However, if the head of property considers that another method of sale will yield a higher capital receipt, then he may revert to an alternative means of sale.
13. The sale of the property to owner occupiers, developers and/or investors should ensure that it is quickly brought back into beneficial use.
14. This report recommends that the receipt from the sale of the property be earmarked for the Housing Investment Programme.

#### **Policy implications**

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

16. The disposal of the property is consistent with the recommendations contained within the report considered by executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'. This policy was further endorsed by the 31 May 2011 Cabinet report which noted the progress made to date and resolved to continue and extend the void strategy. A subsequent Cabinet report dated 22 July 2014 reviewed the void strategy with increased property value thresholds, to reflect significant increases in London house prices.

### **Effect of proposed changes on those affected**

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

### **Community impact statement**

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

### **Resource implications**

21. This report recommends the disposal of the property on the open market for a sum that equates to its market value. The property has been declared surplus to the council's housing requirement.
22. The HRA rent budget for 2015/16 allows for stock loss through void sales and we have requested that CLG take these into account in setting our self-financing debt level for 2012/13 onward. There is a loss of rental income for these properties in 2016/17. There are no current recurring costs.
23. As the Property is being disposed of under the void strategy, set out in the report to Executive on 17 March 2009 and endorsed and extended at Cabinet on 31 May 2011 and 22 July 2014, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the Housing Revenue Account of this strategy.
24. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
25. There are no other risks or costs involved.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

26. 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 that imposes limitations on the council's power to dispose of property.
27. 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.
28. A number of general consents have been issued in the General Housing Consents 2013. Consent A3.1.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 - 2013 (which the Property is held under) states that a local authority may, subject to the provisions of that consent, dispose of land (which is defined in the Consent to include dwelling houses) for a consideration equal to its market value. Consent A 3.1.1 does not apply if the land is subject to a secure, introductory or demoted tenancy; is a disposal of a reversionary interest or is a disposal to a body in which the local authority owns an interest.
29. The report confirms that the property is vacant, that it is to be sold with vacant possession and that the Property is to be sold at auction, so the exceptions to Consent A3.1.1 do not apply. Disposal of the property at auction should ensure that it is sold at a price which is equal to its market value.
30. The report indicates in paragraph 10 that the director of regeneration has declared the Property surplus to the council's requirements.
31. If cabinet is satisfied that the requirements of the General Consent will be satisfied by the sale of the Property at auction the cabinet may proceed with the approval of the recommendation.

### **Strategic Director of Finance and Governance ( FC15/024)**

32. The strategic director of finance and governance notes the recommendation to approve the sale of the council's freehold interest in 66 and 68 Ambergate Street, SE17, with the capital receipts being earmarked for the Housing Investment Programme. This forms part of the council's void strategy. It is understood that the council will endeavour to obtain the market value of the property on the open market. The strategic director of finance and governance also appreciates that there are no rental income currently received as the properties are empty; and that there will be reasonable costs and charges as normally related to the sale of properties.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet Report Acquisition of freehold interest – 66 and 68 Ambergate Street, SE17 3RX 17 April 2012 (Item 13)	Jason Guthrie Development Team, Property Division, 160 Tooley Street, SE1 2QH	Jason Guthrie on 020 7525 5681
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3822&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3822&amp;Ver=4</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	OS plans, indicating the property - highlighted

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Cabinet Member for Finance, Modernisation and Performance	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Jason Guthrie, Graduate Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>	8 October 2015	

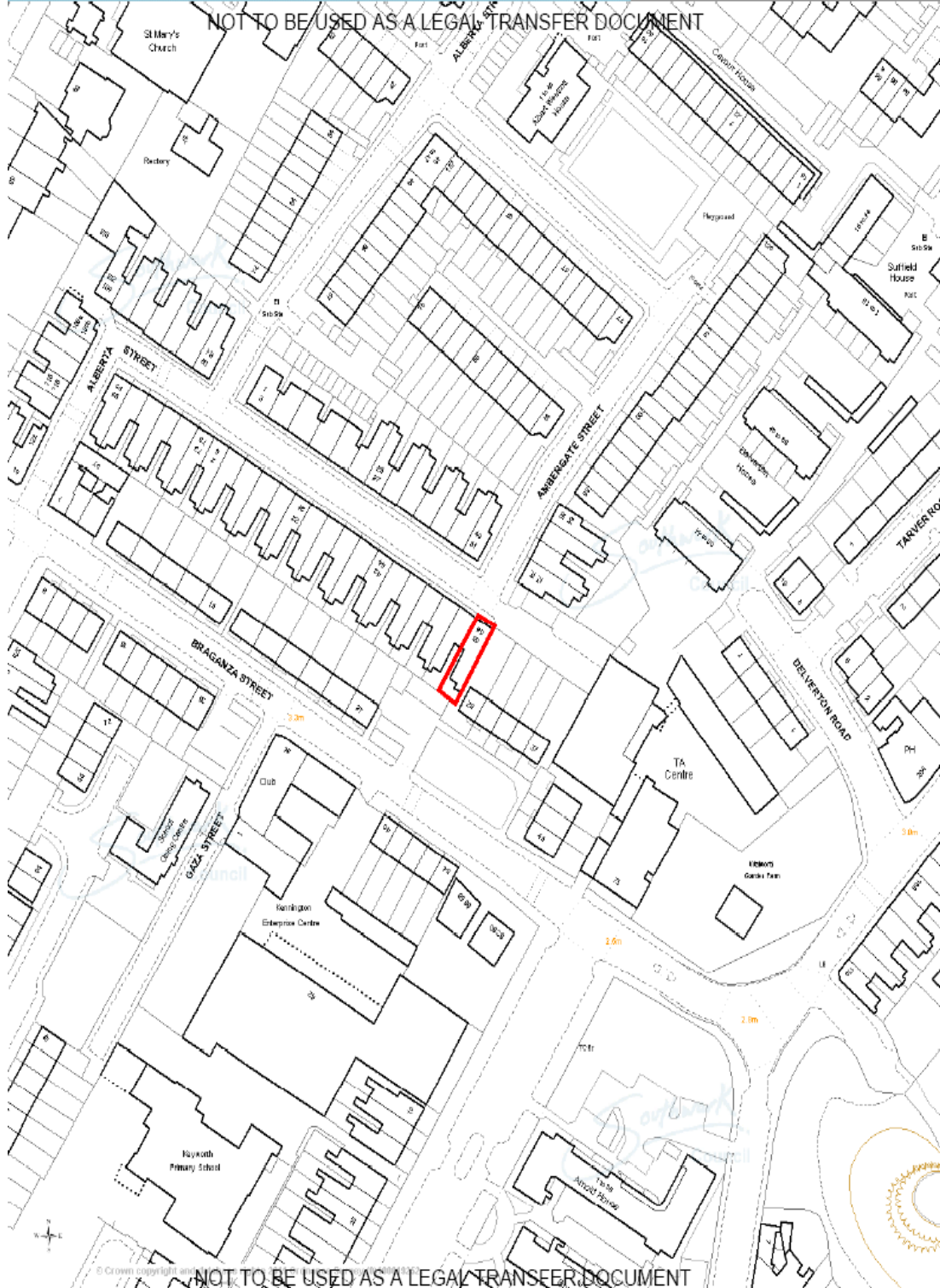
66 & 68 Ambergate Street SE17



Property Services

Date 20/3/2012

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<b>Item No.</b> 23.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 Procurement Strategy Approval: Commercial Fleet	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Environment and the Public Realm	

## **FOREWORD – COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM**

In determining the strategy for commercial fleet procurement the two key considerations for the council are the type of ownership and maintenance arrangements of vehicles and also the type of contract used for procurement.

This report recommends the use of lease arrangements inclusive of all planned maintenance requirements. This will provide business units with fully maintained and reliable vehicles which they need to deliver services, whilst achieving a high level of cost certainty for whole-life operating costs.

This report recommends the use of existing fleet framework agreements that have been procured under the requirements of OJEU. By using these the council is not required to conduct a full procurement process of its own, which would take longer and be more resource-intensive. Each framework agreement has a number of suppliers and a mini-competition will be conducted each time that vehicles are required by the council. Sometimes there will be more than one mini-competition where vehicle types are available through more than one framework agreement and this will ensure that good value for money is achieved.

The fleet framework agreements available to the council are renewed on a 3 or 4 year cycle. This provides the council with access to the most up to date, efficient and sustainable vehicles. Use of framework agreements will facilitate procurement of commercial fleet that is compliant with the Mayor’s Air Quality Strategy and the new Ultra Low Emission Zone (ULEZ) covering the congestion charge zone due to be introduced in September 2020.

## **RECOMMENDATION**

1. That Cabinet approve the procurement strategy outlined in this report for the provision of a commercial fleet under lease arrangements up to a value of £9.2m over a period of six years through the use of established national framework agreements.

## **BACKGROUND INFORMATION**

2. The council operates a commercial fleet of around 300 vehicles. Actual vehicle numbers vary depending on service need. The commercial fleet is currently provided under lease arrangements. The previous contract for supply was with one supplier, London Hire Ltd. The contract expired in November 2014. No new

commercial fleet leases have been entered into since contract expiry. However, the commercial fleet has continued to be provided to services through original leases that remain in force, through extended leases or through short term hire. Therefore, a new arrangement for the provision of commercial vehicles to service departments is needed urgently.

3. The commercial fleet is managed by the Fleet Services Team on behalf of the business units who use the vehicles. In general vehicles are procured on a rolling basis, as their leases expire, usually in batches but dependent upon the requirements of the business units.
4. Vehicle types are mainly small/medium vans and caged tippers along with minibuses and some specialised vehicles such as refuse trucks, mechanical sweepers and cherry pickers (used by the public lighting teams). These are provided for services including Southwark Cleaning, Southwark Building Services and Adult Social Care. Table 1 below shows the number of commercial vehicles in use by all council services, along with the current annual leasing costs.

**Table 1: Number of commercial vehicles and annual costs by business unit**

<b>Business unit</b>	<b>Number of vehicles</b>	<b>Annual cost (£'000s)</b>
Building services	90	£305
Community wardens	6	£19
Enforcement	1	£12
Highways	14	£106
Home Improvements	1	£3
Housing	3	£12
Libraries	3	£7
Markets	1	£4
Parks	8	£35
Parking	3	£13
Pest control	23	£48
Play Services	3	£20
Property	1	£1
Security/cashiers	1	£7
Sheltered housing	4	£16
Children's & Adult Services	12	£183
Southwark Cleaning services	104	£655
Temporary accommodation	6	£23
Tooley St (pool cars)	7	£27
Trading Standards	1	£3
Tree Section	9	£61
<b>Total</b>	<b>301</b>	<b>£1,560</b>

#### **Summary of the business case/justification for the procurement**

5. The contract with London Hire ended in November 2014. There have been no new commercial vehicles procured since then other than through short term hire arrangements. The lease period for each vehicle ordered through the London Hire contract was five years, so for a number of vehicles in the commercial fleet the term of the original vehicle lease continues beyond the contract end date. The retention of any vehicle after the contract has ended is in accordance with

the terms and conditions of the original contract, this applies to vehicles still operating within the original lease period as well as to vehicles with leases that have been extended.

6. The council has an on-going requirement for a modern, safe and efficient range of commercial vehicles to deliver front line services. This will require new arrangements to be put in place for commercial fleet procurement.

### **Market considerations**

7. Vehicles can be procured through a range of different options including outright purchase or lease arrangements. Purchase of fleet gives the council outright ownership along with full responsibility for the provision and cost of maintenance, repair, testing and licensing. Whereas under a lease arrangement – which could be a finance lease, operating lease or contract hire - ownership and responsibility for provision and cost of maintenance, repair, testing and licensing rests with the hirer or the finance company throughout the lease period. These differences impact on whole life costs, operational efficiency and in-house fleet support requirements of the commercial fleet. The key issue for the council is to ensure that the commercial fleet procurement provides the right vehicle for the services that need them at the optimum cost.
8. The UK fleet supply chain is very large, well developed and highly competitive. There are around ten major companies able to provide a wide range of different makes/models through lease arrangements and many more original equipment manufacturers supplying their own range of vehicles and plant through outright purchase.
9. With a fleet of around 300 vehicles, the provision of commercial vehicles to the council will be attractive to the UK supply chain. The council could procure a new commercial fleet lease contract, similar to the last and bespoke to the council's own requirements. Alternatively, there is a range of national framework agreements that the council is able to use for the supply of commercial fleet through purchase, lease or contract hire arrangements.
10. The national framework agreements make provision to supply different types of commercial vehicles classified into various lots. Although it may not be possible for individual framework agreements to supply every different type of vehicle that the council needs, in combination with each other they could be used to competitively procure most if not all of the council's commercial fleet requirements. Should this procurement approach prove unsuitable for some of the specialist vehicles detailed in section 4 above, a separate report will be prepared outlining recommendations for the acquisition of these vehicles.
11. Whether the council elects to procure new commercial fleet contract through a new bespoke contract or by using national framework agreements, it is unlikely that any local small and medium sized enterprises (SMEs) would have the capacity to compete. However, suppliers to the council may engage local commercial fleet dealerships to supply the vehicles and to undertake servicing and maintenance due to their proximity.



## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

12. The option to do nothing is not viable as the delivery of many of the council's services relies on provision of a reliable commercial fleet.
13. The fleet operations of our neighbours have been considered to look at opportunities for joint and collaborative working. Lambeth has outsourced all of their fleet management across several service contracts while Lewisham own and maintain their own vehicle stock in-house. Neither set-up lends itself to jointly managing fleet provision or to joint procurement opportunities at the current time, although we will continue to work with our neighbours, as well as London-wide initiatives, to look at ways of jointly improving service, reducing costs and sharing best practice.
14. In determining the most beneficial procurement route for a commercial fleet there are two major considerations, which are as follows:
  - Ownership - whether to procure vehicles using lease arrangements or to purchase vehicles outright.
  - Type of procurement contract - whether to set up a bespoke supply contract specifically for the council or to make use of existing national framework agreements.

### Ownership

15. The type of ownership arrangements that the council enters into for commercial fleet directly impacts on whole-life vehicle costs, the financing required to support the ownership arrangements, and operational practices.
16. Appendix A attached to this report sets out a comparison between the cost of leasing and purchasing the core commercial fleet which is made up of 172 small, mid-range and large vans over a three or five year period. It is impracticable to complete a lease versus purchase comparison for every vehicle in the current commercial fleet due to the work involved gathering data for the variety and specialist types of vehicles in use, but the comparison undertaken covers the vast majority of the council's vehicular requirements. This shows that the anticipated whole life cost of outright purchase over a three year term is 6.2 per cent more than the cost of leasing. The anticipated cost of outright purchase over a five year term is very similar to the cost of leasing, at 0.1 per cent more than the cost of leasing.
17. The outright purchase of vehicles requires significant, corporately-led capital investment up front and then on-going revenue costs through the life of the vehicle until it is disposed of. Over time, the value of the asset will depreciate. There is the potential for a receipt from disposal by sale when the vehicle is no longer required or fit for purpose. As part of whole-life cost calculations, estimates have been made of the value of the receipt from disposal using industry-recognised guides. However, there is uncertainty about the proceeds that would be achieved, especially if a batch of similar type and age of vehicles are disposed of at the same time. This means there is a level of risk in relation to the whole-life cost calculations for operating a purchased fleet.

18. Leasing arrangements operate over a fixed time frame and do not tie the council into purchasing assets that will age, no longer provide the best industry practice over time and depreciate in value. Vehicle lease costs cover a range of initial costs, such as delivery and registration, as well as a range of on-going costs, such as road fund licence, maintenance, service and breakdown. This provides the council with cost certainty in relation to the whole-life cost calculations for operating a leased fleet.
19. As mentioned earlier, procurement of vehicles through outright purchase requires significant capital investment up-front. This would require allocation of capital from council funds or through prudential borrowing. As vehicles age and require replacement there would be a requirement for on-going capital allocation at three or five year intervals.
20. The council currently operates a fleet of around 300 commercial vehicles and it would be possible to estimate the capital allocation required to purchase replacements for these vehicles for the next three or five years based on the size of the current fleet. However, due to the pressure on budgets the shape and size of the council's services, and the way that they are delivered, will inevitably change in the short and medium term. As these changes happen the requirement for commercial fleet will fluctuate. If, as seems likely, the size of the commercial fleet reduces to become more efficient and save money, an in-house operation would be required to recover overheads over a smaller fleet, with an additional cost impact on services. Although any unused capital allocation would be returned to the corporate pot, there may be a timing issue which would adversely affect capital planning.
21. In addition, procurement through outright purchase may create a false incentive to continue to use vehicles that are no longer essential to service delivery, whereas lease arrangements offer more flexibility to ensure that business units are more empowered to deliver the efficiencies and savings they will need to find.
22. The commercial fleet is currently provided through lease arrangements. Every business unit using vehicles as part of their service delivery, already has an established revenue budget to support the associated lease and operating costs which they are familiar with. It will be a matter for individual business units to determine what their vehicle requirements will be going forward taking into account the demand for services and the need to find efficiencies and savings. The continuation of leasing arrangements would provide business units with the flexibility to make their own decisions about their vehicle requirements, whether this be returning vehicles at lease end - with or without replacement - extending vehicle leases or using short term hire. This flexibility should ensure that business units are better able to keep control of commercial fleet revenue expenditure and to find savings and efficiencies from this area of spend.
23. The practical requirements of operating a purchased commercial fleet are different, more wide-ranging and demanding than for operating a leased commercial fleet. The most significant challenge for the council in operating a purchased fleet is that there is no in-house vehicle workshop to undertake the servicing, maintenance and safety check regime that is required to ensure vehicles are operating safely and efficiently. In order to address this, the Fleet Services Team's function would have to be enhanced, which would increase the indirect operating cost of a purchased fleet, and it would be necessary to set up

separate contractual arrangements to cover requirements such as servicing, maintenance and breakdown. The council could consider re-establishing an in-house workshop facility to undertake servicing, maintenance and breakdown requirements. However, the estimated cost of doing so is in the region of £1m per annum which would have to be recovered from the services who use the vehicles. This cost has not been included at Appendix A but would add around £2,000 to £3,000 per vehicle per annum and, if the overall size of the fleet reduces over time, the added costs per vehicle would increase and could reach untenable levels.

24. Table 2 below sets out the differences in the practical requirements of operating a purchased and leased commercial fleet and also summarises the differences in whole-life cost and financing that have been explained in more detail above.

**Table 2: Differences between operating purchased and leased commercial fleet**

	<b>Purchase</b>	<b>Lease</b>
Whole-life cost	<p>Estimated at 6.2% more than for lease over 3 year term, and 0.1% more than for lease over 5 year term, some risk relating to receipt achieved at disposal.</p> <p>Risk of unexpected costs from major defects such as, engine or gearbox failure, rests with the council if not covered by warranty.</p>	<p>Estimated 6.2% less than for purchase over 3 year term and 0.1% less than for purchase over 5 year term, more cost certainty with minimal risk of unexpected costs.</p>
Finance	<p>Requires significant corporately-led capital allocation.</p> <p>Requires review and adjustment of business unit revenue budgets to account for operational costs, and could create a false incentive to retain unnecessary vehicles.</p>	<p>Established revenue budgets within business units gives full control over decision-making, including the potential for making efficiencies and savings around use of commercial fleet.</p>
Operational requirements servicing, maintenance, MOT, safety checks, breakdown cover.  Administration requirements: registration, road fund licence	<p>No in-house workshop, so separate contract(s) for operational requirements will need to be tendered and managed. Coupled with increased administration requirements this will necessitate enhanced Fleet Services function which will add to cost.</p>	<p>Major operational and administration requirements are covered by lease arrangements.</p> <p>Fleet Services function has well-established expertise in managing a leased commercial fleet. The continuation of lease arrangements would facilitate a better focus on driver skills and awareness, equipment operation training, driver licence checking and driver behaviour management.</p>

25. Taking into account the whole-life costs, finance and operational requirements associated with operating the commercial fleet, it is recommended that the council should continue to procure through lease arrangements.

### **Type of Procurement Contract**

26. There are two main types of procurement contract the council can use to lease commercial fleet: either a bespoke contract with single or possibly multiple suppliers which would be similar to the previous supply contract; or by using established national framework agreements. Tables 3a and 3b below set out the characteristics and relative merits of each type of contract.

### **Tables 3a and 3b: Characteristics and relative merits of using bespoke contracts and framework agreements for commercial fleet procurement**

**Table 3a – Bespoke Contract**

<b>Pros</b>	<b>Cons</b>
Can be written to reflect the particular terms and conditions, specifications/vehicle types and key performance indicators required by the council.	<p>Lengthy EU-compliant procurement process required.</p> <p>Purchasing power and competition within a bespoke contract are limited, which may lead to less competitive quotes.</p> <p>A contract requiring the supply of the wide range of different vehicles required by the council may attract limited interest from bidders, particularly bidders that only specialise in supply of narrow ranges of vehicle types.</p> <p>Prices for vehicles are fixed and so may not provide value for money over the life of the contract.</p> <p>A single supplier contract would leave the council vulnerable in the event of supplier failure.</p>

**Table 3b – Framework agreements**

<b>Pros</b>	<b>Cons</b>
<p>National framework agreements have already been through EU compliant procurement process, so no contract procurement process required of the council. This will minimise the resource dedicated to the procurement process and allow new vehicles to be procured more quickly.</p> <p>Purchasing power within framework agreements is greater which should ensure quotes for vehicles are competitive.</p> <p>There is a range of different framework agreements for fleet (as detailed in paragraph 28 below) which will be sufficient to procure the majority of different types of vehicle required by</p>	<p>Framework users are bound to the standard terms and conditions, vehicle types available and key performance indicators embedded in the frameworks. However, in inviting quotes through the framework agreements the council can tailor vehicle specifications to ensure they meet specific business unit requirements.</p>

Pros	Cons
<p>the council.</p> <p>It is more likely that the variety of framework agreements available will help the council benefit from development of more efficient vehicles.</p>	

27. Based on the analysis of the two main types of contract the council can use to procure commercial fleet, the use of national framework agreements offers the council the most benefits including value for money, the range of vehicles available and the efficiency of the procurement process. Therefore, it is recommended that the council uses all of the national framework agreements that have been identified for the procurement of commercial fleet.

### Existing Public Sector Frameworks

28. The following existing frameworks for lease and contract hire of fleet have been identified:

Name	Period	Types of vehicles	Other details
Halton Housing Trust (in partnership with Capita Asset Services)	Four years to November 2016	Cars and light commercial under 7.5 tonne gross vehicle weight	By contract hire 6 suppliers
Bath & North East Somerset (in partnership with Capita Asset Services)	Four years to March 2018	Buses, coaches, HGVs, specialist and municipal vehicles	By contract hire 9 suppliers of buses and coaches 9 suppliers of HGVs, specialist and municipal vehicles
Crown Commercial Service	Three years to May 2018	Cars and light commercial vehicles up to 3.5 tonnes gross vehicle weight and commercial vehicles 3.5 tonnes and above including buses, coaches, trailers and municipal vehicles	By lease 12 suppliers of cars and light commercial 5 suppliers of 3.5 tonnes and above
Eastern Shires Purchasing Organisation	Four years to 31 August 2017	Commercial vehicles up to and over 7.5 tonnes, passenger transport vehicles up to and over 32 seats, specialist and municipal vehicles, sub-compact and compact precinct sweepers	By contract hire 12 suppliers

Name	Period	Types of vehicles	Other details
Yorkshire Purchasing Organisation	Four years to December 2017	Cars and light commercial vehicles under 7.5 tonne	By contract hire 7 suppliers
Yorkshire Purchasing Organisation	Four years to December 2017	Specialist vehicles	By contract hire 12 suppliers

29. In practical terms the use of framework agreements would involve mini-competitions within one or more of the framework agreements that are appropriate for the type of vehicle that is to be procured. This competition process will ensure that the council is able to achieve good value for money.
30. In the event that the procurement of highly specialised vehicles is not possible through the use of framework contracts, the council can undertake a separate procurement process based on the requirements of the council's Contract Standing Orders and, if necessary, in compliance with EU procurement regulations, as previously explained in section 11 above.

#### Conclusions - Proposed procurement route

31. The proposed procurement route for provision of commercial fleet is to use existing national framework agreements that are accessible to public sector bodies through lease/contract hire arrangements, this would include the use of new framework agreements that replace the existing framework agreements when they expire during the next 6 years. Also, it is proposed that where there is more than one framework agreement available to supply particular types of vehicles, that more than one framework is used to invite quotes.

#### Identified risks for the procurement and how they will be managed

32. The identified risks for the procurement and how they will be managed are set out in the Table 4 below.

**Table 4: Risks for fleet procurement**

	Risk	Risk level	Mitigation
1	Risk that vehicles will have to be returned before full lease term has expired due to budget pressures or changes in the way that services are delivered.	Low to medium	Business units will be required to address this risk as part of the vehicle ordering process.  Potential for unwanted vehicles to be re-assigned to other business units instead of ordering new vehicles.  Cost of early return can be part of the evaluation of bids.
2	Framework agreements currently available will expire over time.	High	The fleet framework agreement market is well-established. Framework contracts that have expired recently have been replaced with new framework agreements that are similar in nature and this is likely to continue to be the case. This will ensure there is

	<b>Risk</b>	<b>Risk level</b>	<b>Mitigation</b>
			continuity of supply.

### Key/Non Key decisions

33. This report deals with a key decision.

### Policy implications

34. Procurement of fleet must take into account the requirement to comply with the current London-wide Low Emission Zone and should have regard to the Mayor's Air Quality Strategy. Although the new Ultra Low Emission Zone (ULEZ) covering the congestion charge zone is not due to be introduced until September 2020, it would be prudent to ensure that all new commercial fleet procured under these proposed arrangements are compliant with ULEZ requirements.

### Procurement project plan

<b>Activity</b>	<b>Date completed</b>
Forward Plan (if Strategic Procurement)	20/8/15
DCRB/CCRB/CMT Review Gateway 1: Procurement Strategy Approval DCRB CCRB	26/08/15 10/09/15
<b>Gateway 1:</b> Procurement strategy for approval report (this report)	20/10/15
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/10/15
Council evaluation of framework agreement	3/11/15
Council evaluation of purchasing solution	3/11/15
Review Gateway 2: Framework selection and supplier selected by the framework provider award report DCRB CCRB	06/11/2015 13/11/2015
Notification of forthcoming decision	24/11/15
<b>Gateway 2:</b> Framework selection and recommendations for purchasing option	8/12/15
Start date of council buy-in to the supplier selected by the framework provider	04/01/16
Contract completion	A series of contracts will be completed during the period 04/01/16 to 03/01/22 following mini-competitions within framework agreements

### **TUPE/Pension Implications**

35. There are no TUPE/Pension implications.

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

36. As the proposal is to use framework agreements, no tender documentation is needed. However, the tender processes used to establish the national framework agreements referred to in paragraph 28 above will be reviewed to ensure they were fit for purpose and in keeping with OJEU requirements. (See also Legal Implications section of this report below.)

### **Advertising the contract**

37. As the proposal is to use framework agreements, no advertising is needed.

### **Evaluation**

38. Evaluation of the overall suitability of suppliers to provide commercial fleet to public organisations has already been undertaken by the hosts of the framework agreements referred to in paragraph 28 above as part of the OJEU procurement process. The evaluation process that was undertaken will be reviewed to ensure it was in close alignment with the council's own evaluation process and criteria in determining the selection of suppliers.
39. As part of the Gateway 2 process the standard framework terms and conditions, master lease details, additional charge schedules and any other appropriate framework agreement details will be reviewed to ensure they are fit for purpose, meet the council's requirements and do not place undue burdens on users of the fleet provided.
40. When the council is in a position to approach framework suppliers to request quotations for specific vehicles requirements, it is likely that in practice this will happen as a mini-competition within at least one framework. It will be necessary to undertake an evaluation of the quotations received from multiple suppliers under the mini-competition. An analysis of the frameworks will be undertaken before GW2 stage as we will need to consider if there are any restrictions on using our standard evaluation methodology, as this might influence our decision on whether to use the framework. The ability of the council to be able to conduct mini-competitions with an evaluation process as explained will form part of the review of frameworks referred to above.

### **Community impact statement**

41. The proposals in this report relate only to the provision of the council's fleet procurement arrangements and do not impact on service design, outcomes or access. Therefore, there is no community impact arising from this report.

### **Sustainability considerations**

42. As part of the vehicle ordering process business units will be required to consider the following matters:



- The number and size of vehicles required to deliver services, consider shared use of vehicles or using fewer vehicles of greater carrying capacity.
- Anticipated daily mileage and load carrying requirements, consider electric or hybrid vehicles where low mileage and loads allow.
- The requirement to comply with ULEZ from September 2020.

### **Economic considerations**

43. It is not likely that local small and medium sized enterprises have the capacity to bid successfully for inclusion in fleet framework agreements. However, the suppliers used by the council under the framework arrangements are likely to use local commercial dealerships to supply vehicles and use local motor trade networks for servicing and maintenance.

### **Social considerations**

44. There are no specific social considerations. The London living wage is not applicable due to the supply nature of this contract.
45. The use of frameworks will be in due regard to section 149 of the Equality Act 2010 under which the council has a duty to have due regard in its decision making processes to the need to;
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - Foster good relations between those who share a relevant characteristic and those that do not share it.
46. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership. There are no equality implications associated with this procurement.
47. The council will ensure that any arrangement it enters into is flexible enough to enable it to meet requirements relating to wider road safety issues, for example those of the London Cycling Campaign's "Safer Lorries, Safer Cycling" pledge.
48. All vehicles procured under these arrangements will meet the requirements of the Fleet Operators Recognition Scheme, Gold Accreditation standard.

### **Environmental considerations**

49. The council has a strong track record of introducing green fleet policies and outcomes based on both economic and environmental business cases. The council has a green fleet policy which aims to minimise the environmental impact of all its fleet vehicles. The policy endeavours to achieve this through setting objectives which reduce local emissions and take into account the global effects of its transport fleet. Any contractual arrangements will need to enable the council to continue to meet these objectives.

### **Plans for the monitoring and management of the contract**

50. The contract will be monitored and managed by the Fleet Services Team. Performance of providers will be closely monitored through agreed KPIs and reviewed at regular contract meetings. Regular feedback will also be sought from the end user business units.

### **Staffing/procurement implications**

51. It is anticipated that managing framework contracts rather than a single supplier will require increased input from the Fleet Services Team. However, because it is expected that using framework agreements will also mean improved supplier performance, it is expected that the contracts can be managed within existing staffing levels.

### **Financial implications**

52. Based on the nature and size of the current commercial fleet, the anticipated level of expenditure against framework agreements under the proposed procurement arrangements will be around £9.2m over six years. Note that there is no obligation for the council to procure any particular number and type of vehicles under these arrangements, so Business Units have the freedom to deliver efficiencies and savings linked to the type, size and number of vehicles they use and the way that services are delivered.
53. The cost of providing vehicles is recharged to the end-user Business Units by the Fleet Services Team. Current annual costs are shown in Table One above. It will be a matter for individual Business Units to determine that they can meet new costs achieved through this procurement process when they are ordering fleet through the Fleet Services Team.
54. In order to ensure that the charges for commercial fleet procured under the proposed arrangements are appropriately accounted for, it will be necessary to make a determination as to whether leases are classified as finance leases or operating leases. The information required to make this determination will be requested from suppliers as part of the mini-competition process.

### **Legal implications**

55. The decision to use framework agreements does not commit the council to any specific level of expenditure. Once a lease contract has been entered into there is a commitment by the council to pay the agreed sums on a periodic basis. If a vehicle becomes surplus to requirement during the term of the agreement and cannot be re-assigned elsewhere in the council, then the Business Unit will be required to cover any early return costs. Details of early return costs will become clear as part of the Gateway Two process and subsequently made known to Business Units at the time of ordering.
56. The Legal Team will need to be satisfied that the Terms and Conditions of the framework agreements intended to be used by the council are sufficient to meet the council's needs.

## Consultation

57. The following groups will be consulted as part of the evaluation of the frameworks:
- service users (council business units)
  - other authorities using the frameworks
  - potential bidders
  - potential providers of frameworks.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Head of Procurement

58. This report seeks Cabinet approval of the procurement strategy for the supply of commercial fleet under a number of possible leasing arrangements up to a value of £9.2m. The total estimated contract value is for spend over a six year period commencing in January 2016.
59. The report details the background to the council's commercial fleet requirements and notes that vehicles are typically procured on a rolling basis depending on the requirements of individual business units.
60. The report recommends procuring commercial fleet by way of a range of leasing options rather than through outright purchase and details the advantages and flexibility offered by this solution.
61. It is proposed the council makes use of OJEU compliant national framework agreements rather than letting its own bespoke contract on the grounds of flexibility, efficiency and value for money. This will involve mini competitions being held involving one or more of the framework agreements depending on the type of vehicles required.
62. The report confirms the procurement process which will be followed to select the preferred supplier of particular vehicles. Analysis of the frameworks will be undertaken before the Gateway 2 stage.
63. The contracts will be monitored and managed by the Fleet Services team through agreed KPIs and regular contract review meetings.

### Director of Law and Democracy

64. This report seeks approval of the procurement strategy for the provision of commercial fleet, which is to involve the use of existing national framework arrangements.
65. For a procurement of this nature (involving services having an estimated value above the EU threshold) the council's Contract Standing Orders ("CSOs") require that all reasonable steps must be taken to obtain at least 5 tenders following a publicly advertised competitive tendering process.
66. CSOs also provide for an exemption to be granted from those tendering requirements in exceptional circumstances. The report describes the procurement options which have been considered and paragraph 28 sets out the

national frameworks which are currently in operation, available to the council and proposed for use. Each of those frameworks has been procured in line with EU procurement regulations and therefore it would not be necessary for the council to undertake its own EU compliant competitive tendering exercise, including seeking expressions of interest by way of the publication of a contract notice in the OJEU.

67. The director of legal services (corporate team) will review the terms and conditions of the existing frameworks (and any new frameworks which may become established once the existing ones have expired) in order to ensure that they are acceptable to the council and reflect current policy and practice.
68. The proposed procurement strategy is in relation to a strategic procurement as defined in CSOs, which means that the decision to approve the report recommendation is one which is expressly reserved to the cabinet, after consideration of the report by the corporate contract review board.

#### **Strategic Director of Finance and Governance (FC15/023)**

69. The strategic director of finance and governance notes the recommendation in this report for the use of established national framework agreements to provide the council's commercial vehicle fleet.
70. Based on current usage the lease arrangements may costs up to £9.2m over a period of six years from January 2016. The costs of the contracts will affect general fund and HRA budgets from 2015/16 through to 2021/22. Over this period the council will face significant reductions in funding received from government. The report identifies that leasing such vehicles will allow more flexibility for business units to determine their vehicle needs, and achieve efficiencies or savings by reducing the number of vehicles leased.

#### **BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
<p>Headline information about the framework agreements referred to in this report can be found on the relevant web-sites using the following links:</p> <p>For more detailed information about individual framework agreements contracts please contact the named officer.</p>	<p>Environment and Leisure, Waste and Transport Service, Integrated Waste Management Facility, Devon Street SE15 1AL</p>	<p>Michael McNicholas 020 7525 3449</p>
<p><a href="http://www.ypo.co.uk/contract/detail/900155">http://www.ypo.co.uk/contract/detail/900155</a></p> <p><a href="http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3710">http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3710</a></p> <p><a href="https://www.espo.org/Frameworks/Highways-vehicles/Vehicle-Contract-Hire-Leasing">https://www.espo.org/Frameworks/Highways-vehicles/Vehicle-Contract-Hire-Leasing</a></p> <p><a href="http://www.tppl.co.uk/">http://www.tppl.co.uk/</a></p>		

**APPENDICES**

No	Title
Appendix A	Comparison between the cost of leasing and purchase of commercial fleet

**AUDIT TRAIL**

<b>Lead Officer</b>	Deborah Collins, Strategic Director of Environment and Leisure		
<b>Report Author</b>	Michael McNicholas, Waste and Transport Manager		
<b>Version</b>	Final		
<b>Dated</b>	25 September 2015		
<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 Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Specialist Housing Services	No	No	
Cabinet Member	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>			9 October 2015

## APPENDIX A

<b>Summary of lease and purchase whole life costs – 3 years</b>		
<b>Citroen Berlingo (Small vans)</b>	Lease	Purchase
Total cost 3 years	£ 6,871.32	£ 7,500.21
Number of vehicles in core fleet	97	97
Total cost of all Berlingos required for core fleet	£ 666,518.04	£ 727,520.37
<b>Citroen Dispatches (Medium vans)</b>	Lease	Purchase
Total cost 3 years	£ 8,290.44	£ 8,604.92
Number of vehicles in core fleet	38	38
Total cost of all Dispatches required for core fleet	£ 315,036.72	£ 326,986.96
<b>Citroen Relays (Large vans)</b>	Lease	Purchase
Total cost 3 years	£ 9,199.08	£ 9,453.46
Number of vehicles in core fleet	37	37
Total cost of all Relays required for core fleet	£ 340,365.96	£ 349,777.86
Full cost of core fleet over 3 year period	£ 1,321,920.72	£ 1,404,285.19
<b>Lease costs lower than purchase costs – 3 years</b>	<b>£ 82,364.47</b>	
<b>Saving from using lease over 3 year term</b>	<b>6.2%</b>	

<b>Summary of lease and purchase whole life costs – 5 years</b>		
<b>Citroen Berlingos (Small vans)</b>	Lease	Purchase
Total cost 5 years	£ 10,698.36	£ 11,073.78
Number of vehicles in core fleet	97	97
Total cost of all Berlingos required for core fleet	£ 1,037,740.92	£ 1,074,156.18
<b>Dispatches (Medium vans)</b>	Lease	Purchase
Total cost 5 years	£ 13,135.56	£ 13,003.68
Number of vehicles in core fleet	38	38
Total cost of all Dispatches required for core fleet	£ 499,151.28	£ 494,139.75
<b>Citroen Relays (Large vans)</b>	Lease	Purchase
Total cost 5 years	£ 14,793.72	£ 14,020.12
Number of vehicles in core fleet	37	37
Total cost of all Relays required for core fleet	£ 547,367.64	£ 518,744.42
Full cost of core fleet over 5 year period	£ 2,084,259.84	£ 2,087,040.34
<b>Lease cost lower than purchase costs by</b>	<b>£ 2,780.50</b>	
<b>Saving from using lease over 5 year term</b>	<b>0.1%</b>	

## Citroen Berlingo – 3 years whole life lease and purchase costs

	Lease	Purchase	Notes
Lease cost base vehicle	£5,740.56		
Purchase Price		£7,850.00	
Capital loan cost for purchase option		£329.70	Based on 1.4% interest rate per annum for 3 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£562.50	
Alarm	£246.24	£265.00	
Deadlocks	£369.36	£445.00	
Bulkhead	£193.68	£199.00	
Ply Lining	£141.48	£145.00	
Speed Limiter	£40.56	£80.00	
White paint	-£160.56		
RFL		£675.00	
Collect and deliver for servicing		£300.00	Estimate of £100 per annum
Servicing & maintenance		£794.01	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£300.00	Estimate of £100 per annum
Resale value after 3 years		-£5,250.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£750.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£6,871.32</b>	<b>£7,500.21</b>	
Number of vehicles in core fleet	97	97	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£666,518.04</b>	<b>£727,520.37</b>	

## Notes :

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated  
Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated



**Citroen Dispatch – 3 years whole life lease and purchase costs**

	Lease	Purchase	Notes
Lease cost base vehicle	£7,267.68		
Purchase Price		£9,855.00	
Capital loan cost for purchase option		£413.91	Based on 1.4% interest rate per annum for 3 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£605.00	
Alarm	£246.24	£265.00	
Deadlocks	£492.48	£535.00	
Bulkhead	£78.84		
Ply Lining	£141.48	£195.00	
Speed Limiter	£340.56	£80.00	
White paint	-£276.84		
RFL		£675.00	
Collect and deliver for servicing		£300.00	Estimate of £100 per annum
Servicing & maintenance		£794.01	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£300.00	Estimate of £100 per annum
Resale value after 3 years		-£6,350.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£882.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£8,290.44</b>	<b>£8,604.92</b>	
Number of vehicles in core fleet	38	38	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£315,036.72</b>	<b>£326,986.96</b>	

**Notes :**

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated

Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated

**Citroen Relay – 3 years whole life lease and purchase costs**

	Lease	Purchase	Notes
Lease cost base vehicle	£8,391.96		
Purchase Price		£11,254.90	
Capital loan cost for purchase option		£472.71	Based on 1.4% interest rate per annum for 3 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£620.85	
Alarm	£246.24	£265.00	
Deadlocks	£369.36	£435.00	
Bulkhead			
Ply Lining	£141.48	£245.00	
Speed Limiter	£340.56	£80.00	
White paint	-£290.52		
RFL		£675.00	
Collect and deliver for servicing		£300.00	Estimate of £100 per annum
Servicing & maintenance		£900.00	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£300.00	Estimate of £100 per annum
Resale value after 3 years		-£7,125.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£975.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£9,199.08</b>	<b>£9,453.46</b>	
Number of vehicles in core fleet	37	37	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£340,365.96</b>	<b>£349,777.86</b>	

## Notes :

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated

Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated

## Citroen Berlingo – 5 years whole life lease and purchase costs

	Lease	Purchase	Notes
Lease cost base vehicle	£9,567.60		Based on quote from Lex Autolease received 29.4.15 for monthly charges on 3 year lease, factored up to 5 years
Purchase Price		£7,850.00	
Capital loan cost for purchase option		£631.93	Based on 1.61% interest rate per annum for 5 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£562.50	
Alarm	£246.24	£265.00	
Deadlocks	£369.36	£445.00	
Bulkhead	£193.68	£199.00	
Ply Lining	£141.48	£145.00	
Speed Limiter	£340.56	£80.00	
White paint	-£160.56		
RFL		£1,125.00	
Collect and deliver for servicing		£500.00	Estimate of £100 per annum
Servicing & maintenance		£1,323.35	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£500.00	Estimate of £100 per annum
Resale value after 5 years		-£3,100.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£492.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£10,698.36</b>	<b>£11,073.78</b>	
Number of vehicles in core fleet	97	97	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£1,037,740.92</b>	<b>£1,074,156.18</b>	

## Notes :

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated  
Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated

**Citroen Dispatch – 5 years whole life lease and purchase costs**

	Lease	Purchase	Notes
Lease cost base vehicle	£12,112.80		Based on quote from Lex Autolease received 29.4.15 for monthly charges on 3 year lease, factored up to 5 years
Purchase Price		£9,855.00	
Capital loan cost for purchase option		£793.33	Based on 1.61% interest rate per annum for 5 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£605.00	
Alarm	£246.24	£265.00	
Deadlocks	£492.48	£535.00	
Bulkhead	£78.84		
Ply Lining	£141.48	£195.00	
Speed Limiter	£340.56	£80.00	
White paint	-£276.84		
RFL		£1,125.00	
Collect and deliver for servicing		£500.00	Estimate of £100 per annum
Servicing & maintenance		£1,323.35	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£500.00	Estimate of £100 per annum
Resale value after 3 years		-£3,350.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£522.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£13,135.56</b>	<b>£13,003.68</b>	
Number of vehicles in core fleet	38	38	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£499,151.28</b>	<b>£494,139.75</b>	

## Notes :

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated

Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated

**Citroen Relay – 5 years whole life lease and purchase costs**

	Lease	Purchase	Notes
Lease cost base vehicle	£13,986.60		Based on quote from Lex Autolease received 29.4.15 for monthly charges on 3 year lease, factored up to 5 years
Purchase Price		£11,254.90	
Capital loan cost for purchase option		£906.02	Based on 1.61% interest rate per annum for 5 years - rate supplied by Corporate Finance Team
VAT			Assumed that all VAT paid out is recoverable so no value entered
Registration		£55.00	
Delivery & Fuel		£620.85	
Alarm	£246.24	£265.00	
Deadlocks	£369.36	£435.00	
Bulkhead			
Ply Lining	£141.48	£245.00	
Speed Limiter	£340.56	£80.00	
White paint	-£290.52		
RFL		£1,125.00	
Collect and deliver for servicing		£500.00	Estimate of £100 per annum
Servicing & maintenance		£1,323.35	Based on estimate from Citroen London West received 6.1.15
Breakdown and recovery cover		£500.00	Estimate of £100 per annum
Resale value after 3 years		-£3,875.00	Based on Glass guide trade values for similar model average miles
Resale charge and collection fee		£585.00	Based on industry-recognised resale charge @ 12% of resale value + £120 collection fee
<b>Total cost 3 years</b>	<b>£14,793.72</b>	<b>£14,020.12</b>	
Number of vehicles in core fleet	37	37	
<b>Total cost of all Berlingos required for core fleet</b>	<b>£547,367.64</b>	<b>£518,744.42</b>	

## Notes :

Lease costs based on quote from Lex Autolease received 29.4.15 unless otherwise stated

Purchase costs based on quote from Citroen London West received 17.4.15 unless otherwise stated

<b>Item No.</b> 24.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 – Contract Award Approval: Supply of Gas to all Southwark Council Sites	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Environment and the Public Realm	

## **FOREWORD - COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM**

The Council needs to purchase the supply of electricity and gas to a number of sites across the borough. The Gateway 1 report that was approved in June 2015 presented an approach using a Central Purchasing Body (CPB) for the supply of gas to all sites within the Council.

This report recommends the use of LASER Energy Buying Group’s framework agreement, and the supplier they have secured for gas, namely Total Gas and Power. As part of a consortium of authorities using this framework contract Southwark Council does not need to go through the OJEU tendering process, and will be able to access cheaper gas prices through the wholesale market.

This is a route endorsed by the London Energy Project and the Office of Government Commerce. The Council will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money.

## **RECOMMENDATIONS**

### **Recommendation for the Cabinet**

1. That Cabinet approve the award of the supply of gas to all Council sites to LASER. The estimated value of the contract is £11.5m per annum for a period of four years (with effect from 1 October 2016) making a total contract value of £46m. This includes management fees from LASER.

### **Recommendation for the Leader of the Council**

2. That the Leader delegates authority to cabinet member for environment and public realm, throughout the duration of the contract (as detailed in the procurement project plan) to:
  - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraph 10, 24 and 28), and;
  - amend the purchasing solution (Purchase in Advance or Purchase within Period detailed in paragraph 13).

## **BACKGROUND INFORMATION**

3. The recommendation of this report is that the gas requirements are secured via a four year framework contract which expires 30 September 2020 on a rolling two year commitment. As gas is a volatile traded commodity, the ‘wholesale’ cost of gas has been excluded from the tender (gas will be purchased from the wholesale market at different times both before and during the contract term). This contract has therefore not been awarded on the basis of gas

price. The contract costs set out above are therefore estimates, and actual costs will depend upon market conditions and purchasing decisions taken during the contract.

4. This contract has no extension duration built into the contract.

### Procurement project plan

Activity	Date completed
Forward Plan (if Strategic Procurement)	01/04/2015
DCRB/CCRB/CMT Review Gateway 1: Procurement Strategy Approval	
DCRB	28/05/2015
CCRB	04/06/2015
Issue Notice of Intention <i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>	20/07/2015
<b>Gateway 1:</b> Procurement strategy for approval report	23/06/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	06/07/2015
Completion of tender documentation	These tasks completed by consortia
Advertise the contract	
Closing date for expressions of interest	
Invitation to tenders	
Closing date for return of tenders	
Completion of evaluation of tenders	
Completion of any post-tender clarification meetings	
Council evaluation of consortia	03/08/2015
Council evaluation of purchasing solution	03/08/2015
Issue Notice of Proposal <i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>	06/09/2015
Review Gateway 2: Consortia and Contract award report	
	DCRB 26/08/15
	CCRB 03/09/15
Notification of forthcoming decision	09/10/2015
Approval of <b>Gateway 2:</b> Contract Award Report (this report)	20/10/2015
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27/10/2015
Place award notice in Official Journal of European Union (OJEU)	Completed by consortia
Standstill period observed between award notice and contract award	
Add to Contract Register	
Cabinet member for transport, environment and recycling decision for purchasing option and option to change management solution	31/03/2016
Start date of Southwark buy-in to the contract	01/10/2016
12 monthly contract performance reviews	January

Activity	Date completed
Serve notice of termination (if necessary) – see section 17	30/09/2018
Contract completion	30/09/2020

### Description of tender assessment process

5. Although the Council was not obliged to complete a tender evaluation, as explained in the GW1 report, an evaluation of the two frameworks took place to explore the various options available and assess the best value for the Council.
6. Independent literature on past performance, together with details of procurement costs, purchasing options and additional benefits of the frameworks was provided by the London Energy Project (LEP) to help with the evaluation.
7. The LEP was formed In 2007, when London authorities agreed that for the energy market, a collective approach to procurement and price risk management, supply-chain engagement and performance management would only be possible if individual authority influence was strengthened to redress the balance of power within a supplier biased energy market. The London Energy Project was established to take collaboration and aggregated expenditure into tangible benefits for participating authorities.

### Description of tender assessment evaluation

8. The evaluation looked at best value options available through the two framework agreements, and also the available purchasing options within those frameworks. There are a number of factors that were considered and scrutinised when selecting the framework agreement available which best meets the council's requirements, and presents value for money. Selection of the appropriate organisation operating the framework agreement was made by using the following criteria, as previously set out in the GW1;
  - the tender process used by the organisation offering a framework agreement and evaluation criteria they used for selecting the gas supplier;
  - how the managed or unmanaged solution offered by each will work and benefits for the authority;
  - terms and conditions of the framework;
  - communication with the council, provision of information and how that will be managed;
  - delegated authority and decision to purchase on behalf of the Council and the compatibility with the council's internal governance requirements;
  - the transparency of costs levied under the framework agreement;
  - provision of information and how it will help the Council manage energy consumption throughout the estate;
  - Additional services that can be provided.

	CCS	LASER
OJEU compliant framework	✓	✓
Fully managed service	x	✓
Unmanaged service	✓	✓
Number of purchasing options available	3	7
Delegated authority to purchase	✓	✓
Documented Risk Management Strategy	✓	✓
Procurement costs	£25,668.00	£17,822.40
Service Level Agreement/Customer	✓	✓



	CCS	LASER
Access Agreement		
Past savings achieved against average wholesale price	1.7% (PIA), 0.53% (PWP)	0.4% (PIA), 3.1% (PWP)

### Outcome of the evaluation process

The below table provides an overview of the comparison between the available framework agreements;

### Management options

9. LASER provides two options for the management of the contract. Fully managed and unmanaged. Their fully managed service is charged, and fixed as an addition on the unit energy cost. This is added to the invoice sent to each individual site. The services provided for a fully managed service include;
  - Arrangements for the suppliers to send bills to LASER who check for accuracy and act to resolve supply queries
  - Validation of pass through cost e.g. those from network operators
  - Bill payment administration charges
  - Electronic billing information
  - Site contact, central point of contact and support
10. The unmanaged option is a procurement only option, whereby the above work is carried out by the customer dealing directly with the supplier.
11. CCS offers an unmanaged, procurement only service, and no fully managed option. The unmanaged option means the customer enters into a 'Customer Access Agreement' with the supplier, and after CCS has procured the gas on the customer's behalf, the customer then deals directly with the appointed supplier regarding invoicing, and any site issues directly.

### Purchasing options

12. The full details and explanations of the available purchasing options for LASER can be found in Appendix 1, however, they can be briefly described as follows:
  - LASER Purchase in advance
  - LASER Purchase within period.
13. A full explanation of these options, along with other variations to each is contained in Appendix One
14. Both of the LASER options, including the other variations are available as procurement only, or fully managed, and each carry various risk factors. These buying strategies will be analysed by the energy team, with advice from LASER and the LEP prior to contract start and reviewed periodically throughout the contract to ensure value for money is maintained.
15. The CCS options are available as procurement only, and each carry various risk factors:
  - CCS Locked
  - CCS V6
  - CCS V30
16. Again, a full explanation of these options is contained in Appendix One

## Framework Duration

### LASER

17. LASER have three variations on their framework duration as follows;

- **Option 1:** Four-Year Commitment - 1 October 2016 – 30 September 2020;

- A four-year flexible supply framework agreement is in place between Kent County Council and the supplier(s)
- Customer authorities enter into a tripartite agreement between the customer, the supplier(s) and Kent County Council for the duration of the four-year framework
- LASER is able to purchase the customer authorities' energy requirements for PIA and PWP risk options for the duration of the four-year agreement
- Customer authorities are not able to issue a termination notice should they wish to exit the agreement. Changes to the portfolio, such as site disposal and change of tenancy and reduction to street lighting operating hours can be accommodated during the four-year agreement

- **Option 2 :** Rolling Two-Year Commitment;

- A four-year flexible supply framework agreement is in place between Kent County Council and the successful supplier(s)
- Customer authorities enter into a bilateral agreement with Kent County Council, which commits the customer to the current suppliers' and LASER framework terms and conditions
- Customer authorities are able to issue a termination notice should they wish to exit the agreement; the first effective termination date is after 2-years has elapsed, i.e. Issue a termination notice by September 2016 and LASER would cease to purchase energy for the supply period 1 October 2018 onwards
- Customer authorities not wanting to commit to future supplier frameworks could at the point of committing to the rolling 2 year forward commitment, issue a termination notice to take effect on 30 September 2018, i.e. coterminous with the 2016-2020 framework expiry date (30 September 2020)

- **Option 3 :** Rolling Two-Year Commitment risk management operation;

- For the two-year rolling option, the contract for the supply period 1 October 2017 to 30 September 2018 would operate as follows:
- A PIA product – the buying window opens 24 months prior to 12 month contract supply period, i.e. purchasing takes place between 1 Oct 2015 and 30 Sept 2017.
- A PWP product - the buying window opens 24 months prior to 12 month contract supply period and continues into the supply period, i.e. purchasing takes place between 1 Oct 2015 and 30 Sept 2018.
- For both options, notice to terminate must be provided the day prior to the buying window commencement, i.e. to ensure that the contract supply period does not extend beyond 30 September 2018, notice should have been served by 30 September 2016.

### CCS

18. **CCS has one framework in place as follows;**

- A four-year flexible supply framework agreement is in place between Crown Commercial Service and the successful supplier(s) from 1<sup>st</sup> April 2016 31<sup>st</sup> March 2020

- Authorities access the energy supply framework by entering into a Customer Access Agreement (CAA), which commits the customer to the terms and conditions of both the framework agreement and the supply contract and sets out the respective rights and responsibilities of CCS and the customer authority
- Authorities enter into a Supply Agreement (Model Contract) with each supplier that provides energy services

### Cost Comparisons

19. The council currently has 237 sites on its gas contract. 153 of these use under 500,00kwh, and 84 over that amount. Based on this, the two procurement only costs are as follows;
20. LASER charge £75.20 per site regardless of size for its flexible purchasing option.
21. CCS charge £36 per site consuming <500,000kwh, and £240 for sites consuming >500,000kwh
22. Therefore, procurement only costs to the council would be £17,822.40 with LASER and £25,668 with CCS
23. If the Council were to use LASER's fully managed service, the overall cost to each fully managed supply would increase by around 1.5%. Sites that were on the fully managed option on the previous contract saved around 3.6% through avoiding erroneous bills, overcharges, late payment charges etc. This meant an overall saving of around 2.1% for those sites that were fully managed. A cost benefit analysis for the fully managed vs. unmanaged option for each site will also be presented when deciding on the purchasing options.
24. Southwark has the option to change between a managed and unmanaged service throughout the duration of either framework agreement and it is proposed to delegate this decision to the Cabinet Member for Transport, Environment and Recycling on advice from the Council's energy team.

### Previous performance

25. Although previous performance is no guarantee of future performance, this has been evaluated independently by the LEP assessing both framework providers. The results are shown in the table below;

	Benchmarked supply periods	Average Market Price (p/th)	Achieved purchase price (p/th)	Performance against benchmark (p/th)	Performance against benchmark (%)
LASER (PIA)	Oct 2011 - Sep 2014	66.42	66.16	-0.27	-0.4
LASER (PWP)	Oct 2011 - Sep 2014	66.42	64.39	-2.03	-3.1
CCS (PIA)	Apr 2010 - Mar 2014	60.15	59.10	-1.05	-1.7
CCS (PWP)	Apr 2010 - Mar 2014	60.15	59.83	-0.32	-0.53

26. As shown, the flexible option (PWP) with LASER has proved the best value over this period, returning a 3.1% saving on the market average of wholesale gas. It is worth noting that all options offered by both Framework Providers have still returned savings on the market average and rated as Good by the LEP.

27. Management options will be evaluated considering the purchasing solutions proposed/and or adopted, whilst having due regard for the financial benefit to the Council, tenants, leaseholders and schools.
28. The Energy Team will undertake the evaluation prior to the 31 March 2016, and throughout the duration of the contract, presented as part of the 6 monthly performance reviews.
29. It is proposed that the decision is delegated to the Cabinet Member for Environment and Public Realm.

### **Conclusion**

30. Due to the above evaluation, it is recommended that the LASER framework agreement is utilised, using the rolling two year commitment for the following reasons:
  - Larger number of purchasing options available to maximise savings to council
  - Good past performance against market benchmark
  - Lower procurement only costs
  - No need to change all account numbers, and continuity of customer service
  - Familiarity with site profiles and billing processes
  - Option of fully managed service where required.

### **KEY ISSUES FOR CONSIDERATION**

#### **Key/Non key decision**

31. This report is a key decision

#### **Policy implications**

32. There are no policy implications.

#### **Community impact statement**

33. This contract covers gas supplies to central boiler systems which provide heating to housing estates. As energy prices are likely to increase over time, these increases will therefore affect tenants' service charges. However, all sections of the community are equally affected by rising energy prices, whether they have their own domestic boilers (and pay their own gas bills) or are connected to communal systems. The aim of the recommended contract is to purchase gas at a wholesale rather than market rate, and to adopt a flexible purchasing option whereby falls in the market price for gas can be secured to minimise the overall price to the consumer. This strategy is not an option that is open to individual consumers with their own heating systems.

#### **Sustainability considerations**

34. This contract is concerned with securing natural gas supplies to heating systems. As such, there are no sustainable alternatives for this form of supply.

#### **Economic considerations**

35. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

### Social considerations

36. There are no specific social considerations. The London living wage is not applicable due to the supply nature of this contract.
37. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to;
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - Foster good relations between those who share a relevant characteristic and those that do not share it.
38. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership. There are no equality implications associated with this procurement.

### Environmental considerations

39. LASER will be asked to present the authority with data and any further solutions to manage energy consumption through the council estate during the contract.

### Plans for the monitoring and management of the contract

40. The Energy Team within the Environment and Leisure Department will act as a single point of contact with the supplier to resolve any outstanding queries. Annual performance reviews will be undertaken by the team. There will also be a review panel constructed from representatives from organisations utilising the framework that will meet with the framework provider on a quarterly basis to ensure on-going best value. The London Energy Project will also carry out annual reviews on value for money against benchmarked figures.

### Resource implications

41. Letting and managing the contract will be undertaken by the Energy Team. Sufficient resources are in place to ensure effective management

### Staffing/procurement implications

42. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team will act as a single point of contact with the supplier to resolve any outstanding queries.

### Financial implications

43. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement.
44. The estimated contract costs are set out in the table below.

Budget	Current estimated annual cost	4 year cost
HRA	£10,000,000	£40,000,000
General Fund	£500,000	£2,000,000

<b>Budget</b>	<b>Current estimated annual cost</b>	<b>4 year cost</b>
Schools	£750,000	£3,000,000
Total	£11,500,000	£46,000,000

45. It must be emphasised that this report is recommending a buying method, not a set of fixed gas prices resulting from a competitive tender. All predicted costs are therefore based on current market conditions. The actual billed costs will depend on the purchasing strategy taken and prices of gas secured from the wholesale market.

### **Legal implications**

46. Please see legal concurrent.

### **Consultation**

47. Officers in property and regeneration managing the disposal of council offices and the Modernise Programme will be consulted prior to the contract start date in order to finalise a site listing for the contract.
48. For those schools and leisure centres included in the contract notification will be sent to those responsible for paying the bills of the intention to renew the contract and the period covered.

### **Performance bond/Parent company guarantee**

49. A performance bond is not needed for the framework contract. LASER is a local government purchasing consortium and is part of Kent County Council who is a public body.
50. Industry regulators OFGEM are responsible for appointing a new supplier if the supplier in the framework agreement were to cease trading, thus the sites supplied would be protected ensuring a smooth provision of service.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

51. This report seeks approval of the award of a contract for the supply of gas to all council sites for a period of four years from 1 October 2016.
52. The nature and estimated value of the contract is such that its procurement is subject to the application of the EU procurement regulations. The report advises that officers have undertaken an assessment of the two available frameworks (both of which have been procured in accordance with the EU regulations) and have recommended the use of the LASER framework.
53. The procurement process and contract award is also subject to the requirements of the council's Contract Standing Orders ("CSOs"), which provide that any procurement involving the use of a third party's framework arrangement will not be subject to tendering requirements provided that Gateway 1 and 2 procedures are followed to demonstrate value for money and proper process.
54. CSOs also state that no contract may be awarded unless the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. The report confirms that individual client departments will be responsible for payment of the invoices relating to their consumption of gas.

55. The decision to approve the proposed contract award is expressly reserved to the cabinet under CSOs, and the report recommends that future decisions relating to the choice of management option and purchasing solution under the LASER framework should be delegated by the Leader of the council to the relevant cabinet member in line with Constitutional powers.

#### **Strategic Director of Finance and Governance (FC15/018)**

56. The Strategic Director of Finance and Governance notes the recommendation to award the supply of gas to Laser for a period of four years; with the aim to provide best value for the council for the purchase of gas.
57. Further it is noted that authority is delegated to cabinet member for environment and public realm, throughout the duration of the contract, to approve the management option and amend the purchasing solution for gas.

#### **Head of Home Ownership**

58. Costs incurred under this agreement will fall within the annual service charges for leaseholders.
59. The agreement is for a term in excess of 12 months, and will generate individual service charge costs that may be excess of £100 per annum. Where this is the case it would be considered to be a qualifying long term agreement under the terms of the Commonhold and Leasehold Reform Act, and require consultation with leaseholders under S20 of the Landlord and Tenant Act 1985 (as amended). However the nature of the agreement is such that it may not meet the criteria, because the Council is not directly procuring fuel. In any case the consultation requirements of the legislation cannot be met because the fuel costs are not known in advance and therefore cannot be consulted on. Clarification was sought from the First Tier Property Tribunal, who considered the council's application and issued its decision on 9 September 2015.
60. The Tribunal declined to clarify the position regarding whether the agreements fell within the consultation requirements, but instead dispensed with the requirement to consult in this instance. An advert was placed in Southwark News advising leaseholders of the new contract, and of the council's intention to seek clarification from the First Tier Tribunal. No queries were raised in response to this.
61. All affected homeowners have been informed of the proposed procurement outlined in this report via a letter issued with the quarterly statements on 8 October 2015.

#### **Head of Procurement**

62. This report is seeking approval of the procurement strategy for the provision of gas to over 200 council sites.
63. The report explains that the council has a need to procure gas for a range of buildings including communally heated housing estates, schools and municipal sites. The Council's requirement extends beyond just the supply of gas but also includes transportation of gas, meter operating billing in administration and compliance with government taxes such as the climate change levy.
64. The two frameworks LASER and Crown Commercial Services, that are being considered for this procurement both comply with the Public Contracts Regulations and OJEU.

65. The commercial rationale for seeking to secure gas supplies from either LASER or Crown Commercial Services is that both have a good track record, large customer base and that can offer a range of purchasing options which include fixed and flexible pricing either purchased in advance or within a fixed period which goes some way to mitigating price volatility . Both organisations are considered be able to secure gas suppliers that will ensure that best value for money will be achieved.
66. Plans for the management and monitoring of the contract are covered in paragraph 54. Officers within the council's energy team will manage the successful provider and act as a single point of contact for the council.

## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix 1	Purchasing options

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Darren Merrill, Environment and the Public Realm		
<b>Lead Officer</b>	Ian Smith, Head of Environmental Services		
<b>Report Author</b>	Chris Owen, Corporate Energy Manager		
<b>Version</b>	Final		
<b>Dated</b>	9 October 2015		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	June 2015
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Procurement	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>			9 October 2015



## Purchasing options

### LASER purchasing options:

- **Purchase in advance** - All anticipated gas requirements will be purchased prior to delivery for each 12 month supply period. The sum of the total energy purchased will be used to calculate the aggregated energy price, to which pass through charges will be added to arrive at the delivered cost per unit of energy over the full course of the 12 month supply period. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.
- **Purchase within period** - A proportion or all of the required volume of gas will be purchased prior to delivery for each 6-month supply period and, if applicable, the remainder purchased within the supply period. A reference price will be set at the beginning of the supply period and this reference price will be applied to billing during the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 6-month period. Volume requirements will be based on forecasted volumes agreed and amended according to portfolio changes on a six monthly basis, or as required. The delivered price for a site will be set six monthly and will be validated and approved by LASER prior to prices being distributed to customers.
- **Flex-lite** - Gas purchases are completed in advance of the contract year. Supplier cost-to-serve fixed in the contract. LASER purchases energy requirements at its discretion in several blocks prior to the start of a contract year to partially spread market price risk.
- **Forward Lockout** - All purchase volumes to be completed **6 months** in advance of each 12 month supply period. The sum of all trading will be used to calculate the aggregate energy price, to which will be added fixed pass-through-charges, some or all of which may be agreed in advance for a 12, 24 or 36 month period, to arrive at the delivered unit cost of gas over the full course of the 12-month supply period.  
The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers. Prices will be distributed at least **3 months** in advance of the supply period, allowing earlier confirmation of delivered prices to apply in the following year.
- **Mechanistic purchasing** - Total gas volumes to be purchased in equally-sized blocks, once per month, in each of the 24 months, prior to the start of the supply year. This ensures the 'basket price' will always be very close to average market price. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.
- **Set and reset** - A proportion or all of the required gas will be purchased prior to delivery for each 12-month supply period and if applicable, the remainder purchased within the supply period. Budget limits are agreed in advance, with commodity purchases closed out if market prices move above the pre-set limits. This product will also allow for the reset of fixed volume if the market moves below pre-set triggers with a mechanism in place to buy back at a lower rate. Volume purchased via this product will be to meet requirement only and will not exceed committed volume. A reference price will be set at the beginning of the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 12-month period. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.

- **Day ahead** - A fixed volume will be purchased prior to delivery for each 6-month supply period with the remaining volume being left open to 'float' on the 'day ahead index' (similar to the Stock Market). A reference price will be set at the beginning of the supply period and this reference price will be applied to billing during the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 6 month period. The delivered price for a site will be set six monthly and will be validated and approved by LASER prior to prices being distributed to customers.

#### **CCS purchasing options;**

- **Locked** - Flexible buying concludes prior to the contract supply period. The unit cost of gas is fixed for the duration of the supply period, based on the actual weighted average price of forward purchases. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel, which consists of elected members of participating authorities, the LEP, and an independent energy broker company.
- **V6** - Flexible buying commences six months prior to the contract supply period and continues during the supply period. An indicative billing or reference price is provided at the start of the contract, although achieved prices are then applied to each monthly invoice – there is no subsequent reconciliation. Purchases are completed in advance and within each twelve month contract period. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel.
- **V30** - Flexible buying commences thirty months prior to the contract supply period and continues during the supply period. An indicative billing or reference price is provided at the start of the contract, although achieved prices are then applied to each monthly invoice – there is no subsequent reconciliation. Purchases are completed in advance and within each twelve month contract period. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel.

<b>Item No.</b> 25.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2: Contract Award Approval - Supply of Electricity to all Southwark Council Sites	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Environment and the Public Realm	

### **FOREWORD - COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM**

The council needs to purchase the supply of electricity and gas to a number of sites across the borough. The Gateway 1 report that was approved in June 2015 presented an approach using a Central Purchasing Body (CPB) for the supply of electricity to all sites within the council.

This report recommends the use of LASER Energy Buying Group's framework agreement, and the supplier they have secured for electricity. As part of a consortium of authorities using this framework contract Southwark Council does not need to go through the OJEU tendering process, and will be able to access cheaper electricity prices through the wholesale market.

This is a route endorsed by the London Energy Project and the Office of Government Commerce. The council will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money.

### **RECOMMENDATION**

#### **Recommendation for the Cabinet**

1. That cabinet approve the award of the supply of electricity to all council sites to LASER. The estimated value of the contract is £6.4m per annum for a period of four years (with effect from 1 October 2016) making a total contract value of £25.6m. This includes management fees from LASER.

#### **Recommendation for the Leader of the Council**

2. That the Leader delegates authority to cabinet member for environment and public realm, throughout the duration of the contract (as detailed in the procurement project plan) to;
  - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraph 10, 24 and 29), and;
  - amend the purchasing solution (Purchase in Advance or Purchase within Period detailed in paragraph 13).

### **BACKGROUND INFORMATION**

3. The recommendation of this report is that the electricity requirements are secured via a four year framework contract which expires 30 September 2020 on a rolling two year commitment. As electricity is a volatile traded commodity, the 'wholesale' cost of electricity has been excluded from the tender (electricity will be purchased from the wholesale market at different

times both before and during the contract term). This contract has therefore not been awarded on the basis of electricity price. The contract costs set out above are therefore estimates, and actual costs will depend upon market conditions and purchasing decisions taken during the contract.

4. This contract has no extension duration built into the contract.

#### Procurement project plan

Activity	Date completed
Forward Plan (if Strategic Procurement)	01/04/2015
DCRB/CCRB/CMT Review Gateway 1: Procurement Strategy Approval	DCRB 28/05/2015 CCRB 04/06/2015
Issue Notice of Intention <i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>	20/07/2015
<b>Gateway 1:</b> Procurement strategy for approval report	23/06/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	06/07/2015
Completion of tender documentation	These tasks completed by consortia
Advertise the contract	
Closing date for expressions of interest	
Invitation to tenders	
Closing date for return of tenders	
Completion of evaluation of tenders	
Completion of any post-tender clarification meetings	
Council evaluation of consortia	03/08/2015
Council evaluation of purchasing solution	03/08/2015
Issue Notice of Proposal <i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>	06/09/2015
Review Gateway 2: Consortia and Contract award report	DCRB 26/08/15 CCRB 03/09/15
Notification of forthcoming decision	09/10/2015
Approval of <b>Gateway 2:</b> Contract Award Report (this report)	20/10/2015
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27/10/2015
Place award notice in Official Journal of European Union (OJEU)	Completed by consortia
Standstill period observed between award notice and contract award	
Add to Contract Register	

Activity	Date completed
Cabinet member for environment and public realm decision for purchasing option and option to change management solution	31/03/2016
Start date of Southwark buy-in to the contract	01/10/2016
12 monthly contract performance reviews	January
Serve notice of termination (if necessary) – see section 17	30/09/2018
Contract completion	30/09/2020

### Description of tender assessment process

5. The selection process undertaken by Southwark Council included evaluating available framework agreements from LASER and Crown Commercial Services (CCS).
6. Although the Council was not obliged to complete a tender evaluation, as explained in the GW1 report, an evaluation of the two frameworks took place to explore the various options available and assess the best value for the Council.
7. Independent literature on past performance, together with details of procurement costs, purchasing options and additional benefits of the frameworks was provided by the London Energy Project (LEP) to help with the evaluation.
8. The LEP was formed In 2007, when London authorities agreed that for the energy market, a collective approach to procurement and price risk management, supply-chain engagement and performance management would only be possible if individual authority influence was strengthened to redress the balance of power within a supplier biased energy market. The London Energy Project was established to take collaboration and aggregated expenditure into tangible benefits for participating authorities.

### Description of tender assessment evaluation

9. The evaluation looked at best value options available through the two framework agreements, and also the available purchasing options within those frameworks. There are a number of factors that were considered and scrutinised when selecting the framework agreement available which best meets the council's requirements, and presents value for money. Selection of the appropriate organisation operating the framework agreement was made by using the following criteria, as previously set out in the GW1:
  - the tender process used by the organisation offering a framework agreement and evaluation criteria they used for selecting the electricity supplier;
  - how the managed or unmanaged solution offered by each will work and benefits for the authority;
  - terms and conditions of the framework;
  - communication with the council, provision of information and how that will be managed;
  - delegated authority and decision to purchase on behalf of the Council and the compatibility with the council's internal governance requirements;
  - the transparency of costs levied under the framework agreement;
  - provision of information and how it will help the Council manage energy consumption throughout the estate;
  - additional services that can be provided.

## Outcome of the evaluation process

10. The below table provides an overview of the comparison between the available framework agreements:

	CCS	LASER
OJEU compliant framework	✓	✓
Fully managed service	✘	✓
Unmanaged service	✓	✓
Number of purchasing options available	3	7
Delegated authority to purchase	✓	✓
Documented Risk Management Strategy	✓	✓
Procurement costs	£84,730.00	£73,556.80
Service Level Agreement/Customer Access Agreement	✓	✓
Past savings achieved against average wholesale price	2.3% (PIA), 2.7% (PWP)	1.2% (PIA), 4.9% (PWP)

## Management options

11. LASER provides two options for the management of the contract. Fully managed and unmanaged. Their fully managed service is charged, and fixed as an addition on the unit energy cost. This is added to the invoice sent to each individual site. The services provided for a fully managed service include;
- Arrangements for the suppliers to send bills to LASER who check for accuracy and act to resolve supply queries
  - Validation of pass through cost e.g. those from network operators
  - Bill payment administration charges
  - Electronic billing information
  - Site contact, central point of contact and support.
12. The unmanaged option is a procurement only option, whereby the above work is carried out by the customer dealing directly with the supplier.
13. CCS offers an unmanaged, procurement only service, and no fully managed option. The unmanaged option means the customer enters into a 'Customer Access Agreement' with the supplier, and after CCS has procured the electricity on the customer's behalf, the customer then deals directly with the appointed supplier regarding invoicing, and any site issues directly.

## Purchasing options

14. LASER offer two basic purchasing options:

- Purchase in advance
- Purchase within period

A full explanation of these options, along with other variations to each is contained in Appendix One

15. Both of the LASER options, including the other variations are available as procurement only, or fully managed, and each carry various risk factors. These buying strategies will be analysed by the energy team, with advice from LASER and the LEP prior to contract start and reviewed periodically throughout the contract to ensure value for money is maintained.

16. CCS offer three purchasing options:

- Locked
- V6
- V30

Again, a full explanation of these options is contained in Appendix One

17. The CCS options are available as procurement only, and each carry various risk factors.

## Framework Duration

### LASER

18. LASER have three variations on their framework duration as follows;

- **Option 1:** Four-Year Commitment - 1 October 2016 – 30 September 2020;

- A four-year flexible supply framework agreement is in place between Kent County Council and the supplier(s)
- Customer authorities enter into a tripartite agreement between the customer, the supplier(s) and Kent County Council for the duration of the four-year framework
- LASER is able to purchase the customer authorities' energy requirements for PIA and PWP risk options for the duration of the four-year agreement
- Customer authorities are not able to issue a termination notice should they wish to exit the agreement. Changes to the portfolio, such as site disposal and change of tenancy and reduction to street lighting operating hours can be accommodated during the four-year agreement

- **Option 2 :** Rolling Two-Year Commitment;

- A four-year flexible supply framework agreement is in place between Kent County Council and the successful supplier(s)
- Customer authorities enter into a bilateral agreement with Kent County Council, which commits the customer to the current suppliers' and LASER framework terms and conditions
- Customer authorities are able to issue a termination notice should they wish to exit the agreement; the first effective termination date is after 2-years has elapsed, i.e. Issue a termination notice by September 2016 and LASER would cease to purchase energy for the supply period 1 October 2018 onwards
- Customer authorities not wanting to commit to future supplier frameworks could at the point of committing to the rolling 2 year forward commitment, issue a termination notice to take effect on 30 September 2018, i.e. coterminous with the 2016-2020 framework expiry date (30 September 2020)

- **Option 3 :** Rolling Two-Year Commitment risk management operation;

- For the two-year rolling option, the contract for the supply period 1 October 2017 to 30 September 2018 would operate as follows:
- A PIA product – the buying window opens 24 months prior to 12 month contract supply period, i.e. purchasing takes place between 1 Oct 2015 and 30 Sept 2017.

- A PWP product - the buying window opens 24 months prior to 12 month contract supply period and continues into the supply period, i.e. purchasing takes place between 1 Oct 2015 and 30 Sept 2018.
- For both options, notice to terminate must be provided the day prior to the buying window commencement, i.e. to ensure that the contract supply period does not extend beyond 30 September 2018, notice should have been served by 30 September 2016.

## CCS

19. CCS have two different frameworks in place split by supply size/type as follows;
- **Framework 1:** Half Hourly electricity meters (profile classes 00, the largest supplies with mandatory half-hour meters, such as Tooley Street Offices and larger schools), and unmetered supplies (supplies which have an inventory that is charged against per annum, such as street lighting);
    - A four-year flexible supply framework agreement is in place between Crown Commercial Service and the successful supplier(s) from 1 April 2016 to 31 March 2020
    - Authorities access the energy supply framework by entering into a Customer Access Agreement (CAA), which commits the customer to the terms and conditions of both the framework agreement and the supply contract and sets out the respective rights and responsibilities of CCS and the customer authority
    - Authorities enter into a Supply Agreement (Model Contract) with each supplier that provides energy services
  - **Framework 2:** Non Half Hourly meters (profile classes 01-08 which covers domestic size supplies to medium/large supplies such as smaller offices and schools);
    - A four-year flexible supply framework agreement is in place between Crown Commercial Service and the successful supplier(s) from 1 April 2013 to 31 March 2017
    - Authorities access the energy supply framework by entering into a Customer Access Agreement (CAA), which commits the customer to the terms and conditions of both the framework agreement and the supply contract and sets out the respective rights and responsibilities of CCS and the customer authority
    - Authorities enter into a Supply Agreement (Model Contract) with each supplier that provides energy services

## Cost Comparisons

20. The council currently has approximately 3,500 sites on its electricity contracts. 30 of those are Half Hourly (HH supplies), which are typically the largest consuming sites, such as the offices at 160 Tooley Street. There are 200 Non Half Hourly (profile 5-8) sites, which are the medium sized supplies, such as smaller offices, medium sized schools etc. There are 3,220 Non half-hourly (profile 3-4) meters, which are mainly smaller supplies such as landlords lighting in stairwells, lifts, and parks lighting. There are also around 50 profile 1-2, which are classed as domestic supplies, such as caretakers houses, bin stores etc. Based on this information, the two procurement only cost options are as follows;
21. LASER charge £224.56 per HH site, £28.20 per profile 5-8, and £19 per profile 1-4.
22. CCS charge £240 per HH site, £24 per 3-8 profile, and £5 per 1-2 profile.
23. Therefore, procurement only costs to the council would be £73,556.80 with LASER and £84,730 with CCS
24. If the Council were to use LASER's fully managed service, the overall cost to each fully managed supply would increase by approximately 1.5%. Sites that were on the fully managed



option on the previous contract saved approximately 3.6% through avoiding erroneous bills, overcharges, late payment charges etc. This meant an overall saving of around 2.1% for those sites that were fully managed. A cost benefit analysis for the fully managed vs unmanaged option for each site will also be presented when deciding on the purchasing options.

25. Southwark has the option to change between a managed and unmanaged service throughout the duration of either framework agreement and it is proposed to delegate this decision to the Cabinet Member for Environment and Public Realm on advice from the Council's energy team.

### Previous performance

26. Although previous performance is no guarantee of future performance, this has been evaluated independently by the LEP assessing both framework providers. The results are shown in the table below;

	Benchmarked supply periods	Average Market Price (£ per MWh)	Achieved purchase price	Performance against benchmark (MWh)	Performance against benchmark (%)
LASER (PIA)	Oct 2011 - Sep 2014	£52.23	£51.58	-£0.65	-1.20
LASER (PWP)	Oct 2011 - Sep 2014	£52.23	£49.66	-£2.56	-4.90
CCS (PIA)	Apr 2010 - Mar 2014	£49.62	£48.47	-£1.15	-2.30
CCS (PWP)	Apr 2010 - Mar 2014	£49.62	£48.26	-£1.36	-2.70

27. As shown, the flexible option with LASER has proved the best value over this period, returning a 4.9% saving on the market average of wholesale electricity. It is worth noting that all options offered by both Framework Providers have still returned savings on the market average and rated as Good by the LEP.
28. Management options will be evaluated considering the purchasing solutions proposed/and or adopted, whilst having due regard for the financial benefit to the Council, tenants, leaseholders and schools.
29. The Energy Management Team will undertake the evaluation prior to the 31 March 2016, and throughout the duration of the contract, presented as part of the 6 monthly performance reviews.
30. It is proposed that the decision is delegated to the Cabinet Member for Environment and Public Realm.

### Conclusion

31. Due to the above evaluation, it is recommended that the LASER framework agreement is utilised, using the rolling two year commitment for the following reasons;
- Larger number of purchasing options available to maximise savings to council
  - Good past performance against market benchmark
  - Lower procurement only costs
  - No need to change all account numbers, and continuity of customer service
  - Familiarity with site profiles and billing processes
  - Option of fully managed service where required
  - The CCS option for Non Half Hourly supplies (profile 1-8) only runs until 2017. This would mean a further procurement exercise needing to be undertaken at a cost to the Council

## **KEY ISSUES FOR CONSIDERATION**

### **Key/Non key decision**

32. This report is a key decision

### **Policy implications**

33. There are no policy implications.

### **Community impact statement**

34. This contract covers electricity supplies to Council offices, schools, housing estates and street lighting. Any increase in electricity prices will therefore affect tenants' service charges. However, all sections of the community are equally affected by rising electricity. The aim of the recommended contract is to adopt a flexible purchasing option whereby falls in the market price for electricity can be secured to minimise the overall price to the consumer. This strategy is not an option that is open to individual consumers.

### **Sustainability considerations**

35. This contract is concerned with securing large scale electricity supplies for power and lighting. On-going work is carried out to ensure reductions in use where possible, including using more efficient lighting, and also self generation such as solar panel installation in certain areas where financially viable.

### **Economic considerations**

36. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

### **Social considerations**

37. There are no specific social considerations. The London living wage is not applicable due to the supply nature of this contract.
38. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to;
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - Foster good relations between those who share a relevant characteristic and those that do not share it.
39. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership. There are no equality implications associated with this procurement

### **Environmental considerations**

40. LASER will be asked to present the authority with data and any further solutions to manage energy consumption through the council estate during the contract.

### **Plans for the monitoring and management of the contract**

41. The Energy Team within the Environment and Leisure Department will act as a single point of contact with the supplier to resolve any outstanding queries. Annual performance reviews will be undertaken by the team. There will also be a review panel constructed from representatives from organisations utilising the framework that will meet with the framework provider on a quarterly basis to ensure on-going best value. The London Energy Project will also carry out annual reviews on value for money against benchmarked figures.

### **Resource implications**

42. Letting and managing the contract will be undertaken by the Energy Team. Sufficient resources are in place to ensure effective management

### **Staffing/procurement implications**

43. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team will act as a single point of contact with the supplier to resolve any outstanding queries.

### **Financial implications**

44. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement.
45. The estimated contract costs are set out in the table below.

<b>Budget</b>	<b>Current estimated annual cost</b>	<b>4 year cost</b>
HRA	£5,250,000	£21,000,000
General Fund	£750,000	£3,000,000
Schools	£400,000	£1,600,000
Total	£6,400,000	£25,600,000

46. It must be emphasised that this report is recommending a buying method, not a set of fixed electricity prices resulting from a competitive tender. All predicted costs are therefore based on current market conditions. The actual billed costs will depend on the purchasing strategy taken and prices of electricity secured from the wholesale market.

### **Legal implications**

47. Please see legal concurrent.

### **Consultation**

48. Officers in property and regeneration managing the disposal of council offices and the Modernise Programme will be consulted prior to the contract start date in order to finalise a site listing for the contract.
49. For those schools and leisure centres included in the contract notification will be sent to those responsible for paying the bills of the intention to renew the contract and the period covered.

### **Performance bond/Parent company guarantee**

50. A performance bond is not needed for the framework contract. LASER is a local government purchasing consortium and is part of Kent County Council who are a public body.
51. Industry regulators OFGEM are responsible for appointing a new supplier if the supplier in the framework agreement were to cease trading, thus the sites supplied would be protected ensuring a smooth provision of service.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

52. This report seeks approval of the award of a contract for the supply of electricity to all council sites for a period of four years from 1 October 2016.
53. The nature and estimated value of the contract is such that its procurement is subject to the application of the EU procurement regulations. The report advises that officers have undertaken an assessment of the two available frameworks (both of which have been procured in accordance with the EU regulations) and have recommended the use of the LASER framework.
54. The procurement process and contract award is also subject to the requirements of the council's Contract Standing Orders ("CSOs"), which provide that any procurement involving the use of a third party's framework arrangement will not be subject to tendering requirements provided that Gateway 1 and 2 procedures are followed to demonstrate value for money and proper process.
55. CSOs also state that no contract may be awarded unless the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. The report confirms that individual client departments will be responsible for payment of the invoices relating to their consumption of electricity.
56. The decision to approve the proposed contract award is expressly reserved to the cabinet under CSOs, and the report recommends that future decisions relating to the choice of management option and purchasing solution under the LASER framework should be delegated by the Leader of the council to the relevant cabinet member in line with Constitutional powers.

### **Strategic Director of Finance and Governance (FC15/019)**

57. The Strategic Director of Finance and Governance notes the recommendation to award the supply of electricity to Laser for a period of four years; with the aim of providing best value for the council for the purchase of electricity.
58. Further it is noted that authority is delegated to cabinet member for Environment and Public Realm, throughout the duration of the contract, to approve the management option and amend the purchasing solution for electricity.

### **Head of Home Ownership**

59. Costs incurred under this agreement will fall within the annual service charges for leaseholders.
60. The agreement is for a term in excess of 12 months, and will generate individual service charge costs that may be excess of £100 per annum. Where this is the case it would be considered to be a qualifying long term agreement under the terms of the Commonhold and

Leasehold Reform Act, and require consultation with leaseholders under S20 of the Landlord and Tenant Act 1985 (as amended). However the nature of the agreement is such that it may not meet the criteria, because the Council is not directly procuring fuel. In any case the consultation requirements of the legislation cannot be met because the fuel costs are not known in advance and therefore cannot be consulted on. Clarification was sought from the First Tier Property Tribunal, who considered the council's application and issued its decision on 9 September 2015.

61. The Tribunal declined to clarify the position regarding whether the agreements fell within the consultation requirements, but instead dispensed with the requirement to consult in this instance. An advert was placed in Southwark News advising leaseholders of the new contract, and of the council's intention to seek clarification from the First Tier Tribunal. No queries were raised in response to this.
62. All affected homeowners have been informed of the proposed procurement outlined in this report via a letter issued with the quarterly statements on 8 October 2015.

### Head of Procurement

63. This report is seeking approval of the procurement strategy for the provision of electricity to over 3,500 council sites.
64. The report explains that the council has a need to procure electricity for a range of buildings including communally heated housing estates, schools and municipal sites. The Council's requirement extends beyond just the supply of electricity but also includes pass through charges for transporting the electricity, meter operating billing in administration and compliance with government taxes such as the climate change levy.
65. The two frameworks LASER and Crown Commercial Services that are being considered for this procurement both comply with the Public Contracts Regulations and OJEU.
66. The commercial rationale for seeking to secure gas supplies from either LASER or Crown Commercial Services is that both have a good track record, large customer base and that can offer a range of purchasing options which include fixed and flexible pricing either purchased in advance or within a fixed period which goes some way to mitigating price volatility. Both organisations are considered to be able to secure electricity suppliers that will ensure that best value for money will be achieved.
67. Plans for the management and monitoring of the contract are covered in paragraph 54. Officers within the council's energy team will manage the successful provider and act as a single point of contact for the council.

### BACKGROUND DOCUMENTS

Background documents	Held At	Contact
None		

### APPENDICES

No.	Title
Appendix 1	Purchasing options



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Darren Merrill, Environment and the Public Realm		
<b>Lead Officer</b>	Ian Smith, Head of Environmental Services		
<b>Report Author</b>	Chris Owen, Corporate Energy Manager		
<b>Version</b>	Final		
<b>Dated</b>	9 October 2015		
<b>Key Decision?</b>	yes	<b>If yes, date appeared on forward plan</b>	June 2015
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Procurement	Yes	Yes	
Head of Home Ownership	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>			9 October 2015

## Purchasing options

### LASER purchasing options;

- **Purchase in advance** - All anticipated electricity requirements will be purchased prior to delivery for each 12 month supply period. The sum of the total energy purchased will be used to calculate the aggregated energy price, to which pass through charges will be added to arrive at the delivered cost pence per unit of energy over the full course of the 12 month supply period. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.
- **Purchase within period** - A proportion or all of the required volume of electricity will be purchased prior to delivery for each 6-month supply period and, if applicable, the remainder purchased within the supply period. A reference price will be set at the beginning of the supply period and this reference price will be applied to billing during the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 6-month period. Volume requirements will be based on forecasted volumes agreed and amended according to portfolio changes on a six monthly basis, or as required. The delivered price for a site will be set six monthly and will be validated and approved by LASER prior to prices being distributed to customers.
- **Flex-lite** - Electricity purchases are completed in advance of the contract year. Supplier cost-to-serve fixed in the contract. LASER purchases energy requirements at its discretion in several blocks prior to the start of a contract year to partially spread market price risk.
- **Forward Lockout** - All purchase volumes to be completed **6 months** in advance of each 12 month supply period. The sum of all trading will be used to calculate the aggregate energy price, to which will be added fixed pass-through-charges, some or all of which may be agreed in advance for a 12, 24 or 36 month period, to arrive at the delivered unit cost of electricity over the full course of the 12-month supply period. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers. Prices will be distributed at least **3 months** in advance of the supply period, allowing earlier confirmation of delivered prices to apply in the following year.
- **Mechanistic purchasing** - Total electricity volumes to be purchased in equally-sized blocks, once per month, in each of the 24 months, prior to the start of the supply year. This ensures the 'basket price' will always be very close to average market price. The delivered price for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.
- **Set and reset** - A proportion or all of the required electricity will be purchased prior to delivery for each 12-month supply period and if applicable, the remainder purchased within the supply period. Budget limits are agreed in advance, with commodity purchases closed out if market prices move above the pre-set limits. This product will also allow for the reset of fixed volume if the market moves below pre-set triggers with a mechanism in place to buy back at a lower rate. Volume purchased via this product will be to meet requirement only and will not exceed committed volume. A reference price will be set at the beginning of the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 12-month period. The delivered price



for a site will be set annually and will be validated and approved by LASER prior to prices being distributed to customers.

- **Day ahead** - A fixed volume will be purchased prior to delivery for each 6-month supply period with the remaining volume being left open to 'float' on the 'day ahead index' (similar to the Stock Market). A reference price will be set at the beginning of the supply period and this reference price will be applied to billing during the supply period. A reconciliation between the reference price and final achieved price will be carried out at the end of the 6 month period. The delivered price for a site will be set six monthly and will be validated and approved by LASER prior to prices being distributed to customers.

#### **CCS purchasing options;**

- **Locked** - Flexible buying concludes prior to the contract supply period. The unit cost of electricity is fixed for the duration of the supply period, based on the actual weighted average price of forward purchases. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel, which consists of elected members of participating authorities, the LEP, and an independent energy broker company.
- **V6** - Flexible buying commences six months prior to the contract supply period and continues during the supply period. An indicative billing or reference price is provided at the start of the contract, although achieved prices are then applied to each monthly invoice – there is no subsequent reconciliation. Purchases are completed in advance and within each twelve month contract period. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel.
- **V30** - Flexible buying commences thirty months prior to the contract supply period and continues during the supply period. An indicative billing or reference price is provided at the start of the contract, although achieved prices are then applied to each monthly invoice – there is no subsequent reconciliation. Purchases are completed in advance and within each twelve month contract period. The timing of purchases is delegated to CCS, in conjunction with parameters set by the Governance Panel.

<b>Item No.</b> 26.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Former Southwark Park Nursing Home, 94 – 116 Southwark Park Road SE16 – Disposal of Long Leasehold Interest	
<b>Wards or groups affected:</b>		South Bermondsey and Grange	
<b>From:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This report proposes the sale of the council's long leasehold interest in 94 – 116 Southwark Park Road London SE16 with the capital receipts being earmarked for the General Fund. It also proposes that responsibility for ensuring that the council receives best consideration for this property is delegated to the Head of Property, in accordance with council policy.

The property is currently empty, and at risk of deterioration and being squatted. The sale of this property will ensure that new, well provided and managed extra care facilities will be delivered.

## **RECOMMENDATIONS**

That the Cabinet authorises

1. The Head of Property to agree terms to dispose of 94 -116 Southwark Park Road London SE16 to DV4 Limited SPV (Delancey) by way of a 999 year ground lease at a peppercorn rent and subject to a premium as outlined within the closed report.
2. The earmarking of the capital receipts for the purposes of funding the Capital Programme.
3. The sale is subject to a provision to obtain satisfactory planning consent for an extra care facility providing a minimum of 56 units.

## **BACKGROUND INFORMATION**

4. The Property comprises the former Southwark Park Nursing Home (Welch House). The Property is identified in bold outline on the attached Ordnance Survey extracts, at appendix 1.
5. The Property is held in the council's general Fund.
6. The Property was formally held on a long lease by Southwark Park Nursing Homes Ltd. The terms of the lease required the tenant to maintain an occupied care home and to maintain nomination rights to the council. The tenant failed in their duty and after serving a S146 (termination notice) and subsequent negotiations the council agreed to purchase the tenants interest for an agreed sum.

7. The lease surrender took place in April 2015
8. Funding for the acquisition and associated costs was approved by the Investment Property Group (IPG), from annual budgets set aside for leasehold/freehold acquisition matters.
9. Following completion of the surrender the Council entered into negotiations with DV4 Limited SPV (Delancey) to structure terms to purchase the site with the intention of Delancey applying for planning consent to build an Extra care facility and upon completion to grant an assignment of the lease to United St Saviours to run an extra care facility for a minimum of 50 years, without change of use.
10. The proposed sale of a long lease to DV4 Limited SPV (Delancey) is in conjunction with their proposed development of 185 Park St SE1 which has a resolution from Planning Committee for consent subject to the negotiation of a section 106 Agreement and will be a requirement within the legal agreement and S106 affordable housing obligations affordable obligations to that development subject to a satisfactory planning consent being obtained
11. The 185 Park St SE1 legal agreement requires that 94 -116 Southwark Park Road site is to be completed prior to completion of the Park St development. Further, the Agreement limits the contribution from United St Saviours to a maximum of £5,000,000 assuming that they and Delancey decide to proceed with the underlease. It is understood that negotiations are continuing between the parties concerning this.
12. Authority to sell is delegated to the Head of Property in individual cases where the sale price is below a set council threshold. The sale price of the Property will exceed this limit and Cabinet approval is therefore required.
13. The Properties have been declared surplus to the council's requirements by the Strategic Director of Regeneration and Neighbourhoods.

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

14. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the 94–116 Southwark Park Road SE1 by way of Long leasehold interest will comply with these requirements.
15. The subject property has not been openly marketed however an independent valuation by External Valuers which supports the agreed terms has been obtained and is appended to the closed report.
16. The sale of the Property by this method will ensure that the site is brought back into beneficial use quickly and will provide modern well run extra care units without direct cost to the council.
17. DV4 Limited SPV will in the Agreement for Lease be obliged to pay the council's reasonable professional costs

### **Policy implications**

18. The disposal of the Property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. In addition it will provide additional care facilities linked to the Council's polices in relation to Older Persons...
19. The Head of Property advises that the recommended terms represent best consideration reasonably obtainable for this transaction. This therefore meets the council's statutory duties under Section 123 of the Local Government Act 1972.

### **Community Impact Statement**

20. The proposed sale will contribute to the provision of elderly care in the borough.

### **Resource implications**

21. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as any sales and marketing costs as a percentage of the value of the receipt which is standard.
22. There are no other risks or costs involved.

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

#### **Director of Law and Democracy**

23. Section 1, Localism Act 2011 grants councils a general power of competence whereby a local authority has the 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 statute which imposes limitations on the Council's power of disposal.
24. Section 123, Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section otherwise than by way of a short tenancy for a consideration less than the best that can be reasonably be obtained.
25. The report confirms that external professional advice has been obtained concerning the market value for the site and the amount agreed is at the top end of the range of values indicated. Cabinet may therefore proceed with the approval of the recommendation

#### **Departmental Finance Director**

26. This report proposes that Cabinet approve the sale of long leasehold interest freehold interest in 94 – 116 Southwark Park Road, SE16, with the capital receipts being earmarked for the General Fund.. It is understood that the Council has sought to obtain to obtain best consideration in the open market for this property. The Finance Director also appreciates that there are no rental income currently received as the property is empty; and that there will be reasonable costs and charges as normally related to the sale of this property.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Modernisation and Performance	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Jeremy Pilgrim Head of Property	
<b>Version</b>	Final	
<b>Dated</b>	9 October 2015	
<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 Law and Democracy	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>	9 October 2015	

# Draft pdf source

TITLE.

94 - 116 Southwark Park Road, SE16 3RR.



DRAWING No.

LBS\_3349

DRAWN BY.

MMANKTELOW  
Property Division

DATE.

28/9/2015

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<b>Item No.</b> 27.	<b>Classification:</b> Open	<b>Date:</b> 20 October 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 Major Works Framework Contracts	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

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

In October 2013, the cabinet agreed to establish innovative contractor frameworks for the council's major works programmes for our council homes. These frameworks will ensure that the council can both achieve the best possible value for money for these works, for both the council and its leaseholders, whilst also providing the necessary resilience and choice to ensure that the council can continue to deliver the housing improvement programme on schedule.

This report recommends the companies that will form these frameworks, following the assessment of the tenders submitted for this work. There are four separate frameworks, each comprising five or six firms to provide sufficient choice and competition within each. The four frameworks cover major works programmes with a value up to £3.5m; major works programmes with a value above £3.5m; work on our district heating systems; and standalone works on communal and internal electrics.

Agreeing the recommendations within this report will help the council to continue to invest to make every council home warm, dry and safe and ensure that every council tenant has a quality kitchen and bathroom in their home.

### **RECOMMENDATIONS**

That cabinet:

1. Approves the establishment of the Major Works Framework for a period of 4 years from 4 January 2016 in the four Lots as follows:
  - a. Lot 1 - Main building works (low value schemes up to £3.5m) to six providers (A&E Elkins Ltd, Architectural Decorators Ltd, Niblock (Builders) Ltd, Saltash Enterprises Ltd, Standage & Co. Ltd and Thomas Sinden Ltd) at an estimated annual value of up to £50m making a total estimated contract value of up to £200m.
  - b. Lot 2 - Main building works (high value schemes over £3.5m) to six providers (Axis Europe Plc, Durkan Ltd, Keepmoat Regeneration Ltd, Lakehouse Contracts Ltd, Mears Ltd and Mulalley & Co. Ltd) at an estimated annual value of up to £70m, making a total estimated contract value of up to £280m.
  - c. Lot 3 - District mains, boilers and internal works to 5 providers (BSW Heating Ltd, K&T Heating Services Ltd, Mitie Property Services (UK) Ltd,

- Staple-Tech Ltd and Vital Energi Utilities Ltd) at an estimated annual value of up to £10m, making a total estimated contract value of up to £40m.
- d. Lot 4 - Communal and electrical works to 5 providers (Allied Protection Ltd, BCS (Electrical and Building) Ltd, Lockesleys Ltd, Swann Engineering Group Ltd and W.G.Wigginton Ltd) at an estimated annual value of up to £2m, making a total estimated contract value of up to £8m.
2. Notes that the strategic director of housing and modernisation will take the decisions for works being instructed through the framework in line with her scheme of delegation as further detailed in paragraph 10.
  3. Approves an exemption from contract standing order 4.5.2(h) requiring consideration of approval reports by the relevant DCRB for works being instructed through the framework.
  4. Notes the changes to the procurement process since the Gateway 1 approval as noted in paragraph 8.

### BACKGROUND INFORMATION

5. The planned procurement strategy was the subject of a gateway 1 report which was approved by cabinet on 22 October 2013. The approved competitive tendering strategy was followed. An EU tender process was followed with the aim to have four Lots of works to cover building works for Lot 1 of up to £3.5m, for Lot 2 for building works over £3.5m, for district heating works for Lot 3 and for electrical works for Lot 4.
6. As set out in the Gateway 1 report, there were originally five partner contractors but two have been mutually concluded. The current three partnering contracts expired in June 2015 but these have now been extended for a further three years. They now cover only part of the borough with two of the contracts mutually concluded.
7. As such the council needs a more flexible approach to how to award works in the future. Officers considered that a framework with a second stage tendering process was the best option, with the addition of specific lots for district heating and electrical works.
8. At Gateway 1 stage, the division between Lots 1 and 2 was £3m, but the project board for the framework reviewed this prior to PQQ stage and felt a figure of £3.5m was a more logical split to ensure the Lot 1 contractors could get a reasonable proportion of work. It should be noted the figures stated as annual values are there to act as an option should there be any problems with the existing partnering contracts and to allow scope for other parts of the council to use the new framework if appropriate. The estimated values for Lot 1 were also increased from £30m to £50m and Lot 2 from £50m to £70m to allow the opportunity for other council departments to use the framework and as a contingency if the current partnering contracts can not be used for some reason.
9. The new lots are therefore set out below.

Lot	Lot title	Works covered	Est. annual value	No. of providers
1	Main building works (low value schemes)	<i>External and internal building works up to the value of £3.5m</i>	£50m	6



Lot	Lot title	Works covered	Est. annual value	No. of providers
2	Main building works (high value schemes)	<i>External and internal building works above £3.5m</i>	£70m	6
3	District mains, boilers and internal works	<i>Replacement or major refurbishment work to mains, boilers and internal works on district schemes.</i>	£10m	5
4	Communal and internal electrics	<i>Standalone electric works.(if part of general building scheme, will be carried out in Lots 1 or 2)</i>	£2m	5

10. Once appointed through the framework, the firms will be managed by the appropriate project manager in major works or maintenance and compliance, who will appoint them for each specific scheme through the issue of a new instruction having authority from the strategic director of housing and modernisation.
11. It should be noted that the strategic director of housing and modernisation has delegated authority to award contracts throughout the lifetime of the framework contract for each scheme under the framework following mini-competition, which would cover the majority of awards from this framework.
12. A specific delegated report would be produced for each scheme, which would still require finance, legal and home ownership sections, and would be signed off by the head of major works and the strategic director of housing and modernisation, as with the current partnering contracts, but without the need to go to DCRB, as with the current partnering contracts, as sufficient scrutiny has taken place as part of the procurement of the framework.
13. Schemes above £10m, will be exempted from this process, or in the rare case that a leaseholder makes an appropriate recommendation for a contractor to be added to the mini competition stage.
14. Each individual scheme would still go in the forward plan, it they were key decisions in themselves. This will achieve the benefits of cost efficiency, speed of works and flexibility that framework and partnering contracts are designed to accomplish. A monitor will be kept of all schemes by the major works section as the framework can be used across the Council.
15. Having a framework in place will ensure a consistency of high level service to be provided and also enable best value to be obtained as the firms in the framework could receive a substantial number of tender opportunities from the council across the duration of the framework if they maintain a high standard of service quality, monitored through the Key Performance Indicators (KPI's) in the 'call-off' contracts and consistently provide value for money tenders.
16. The KPI's will include standards for resident satisfaction, client satisfaction, value for money, employment and training opportunities and programme efficiency. Failure to meet KPI's may result in a contractor being suspended from the framework or their participation in the framework being terminated.

17. The appointment of each firm on this framework will encourage collaboration through working with the council. This will result in improved efficiencies, standardisation of processes and procedures, consistency of approach and ultimately better quality and value for money for residents and the council.

### Procurement project plan (Key Decision)

Activity	Complete by:
Forward Plan Gateway 2	30 Nov 2014
Approval of Gateway 1: Procurement Strategy Report	22 Oct 2013
Issue Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation) - this will be done on a scheme by scheme basis.	Done on a scheme by scheme basis
Invitation to tender	23 Dec 2014
Closing date for return of tenders	13 Feb 2015
Completion of evaluation of tenders	2 Sept 2015
Issue Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation) - this will be done on a scheme by schemes basis.	Done on a scheme by scheme basis
DCRB Review Gateway 2:	16 Sept 2015
CCRB Review Gateway 2:	24 Sept 2015
Notification of forthcoming decision – despatch of Cabinet agenda papers	28 Sept 2015
Approval of Gateway 2: Contract Award Report	20 Oct 2015
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	28 Oct 2015
Alcatel Standstill Period (if applicable)	17 Nov 2015
Contract award	19 Nov 2015
Add to Contract Register	19 Nov 2015
TUPE Consultation period (if applicable)	N/A
Contract start	4 Jan 2016
Publication of award notice in Official Journal of European (OJEU)	4 Jan 2016
Publication of award notice on Contracts Finder	4 Jan 2016
Contract completion date	3 Jan 2020
Contract completion date – if extension(s) exercised	N/A

### KEY ISSUES FOR CONSIDERATION

#### Description of procurement outcomes

18. The procurement process followed has ensured that there will be sufficient quality contractors in place for four years to deal with the bulk of the housing major works required. With the second stage tendering process, this will act as

an additional measure to ensure value for money during the duration of the framework. The number of contractors will be sufficient to ensure value for money, even if one does drop off each lot of the framework.

### **Policy implications**

19. This framework will help deliver on one of the council's Fairer Future promises, that of making all homes Warm, Dry and Safe by 2015/16 and help maintain the council stock at that level and the standards agreed in its asset management strategy. It will help ensure the council can meet all its statutory obligations as regards major works. The operation of the framework requires a mini competition process to be carried out for each scheme and this process will act as an additional measure to ensure value for money through continuous competition.

### **Tender process**

20. The OJEU notice was placed on 20 January 2014 with expressions of interest required by 21 February 2014. 40 contractors expressed an interest and 5 failed to meet the required criteria. Therefore after the PQQ stage, there were 35 contractors left who had passed the PQQ process and still wished to tender, 11 for Lot 1, 9 for Lot 2, 8 for Lot 3 and 7 for Lot 4. This was lower than anticipated due to the buoyancy of the building market in London currently and also that there was no guaranteed work in this framework due to the second stage tendering process but was sufficient to ensure enough quality contractors on to each of the lots. One contractor withdrew from Lot 1 and 3 contractors withdrew from Lot 2 during tender stage leaving 31 in total. There were a large number of clarification questions that had to be made to the contractors following their tender returns and the project specific quality questions for Lot 4 were re-issued to make them more appropriate for smaller specialist contractors. This has meant the whole process has taken longer than originally envisaged. In practice this has not been an issue, as the new housing capital programme is not anticipated as being approved until October 2015 and the new framework will not be used until early 2016.

### **Tender evaluation**

21. The 31 tenders for the four Lots were returned to 160 Tooley Street on 13 February 2015 and were opened the same day. The tenders were evaluated by members of the project board, head of major works and investment manager, members of the maintenances and compliance team in housing, resident representatives and the professional advisor (Cameron Consulting).
22. As stated in the Gateway 1 report, a weighted evaluation model was adopted and a 60/40 split was adopted price/quality.
23. As a separate submission within their returns, tenderers were required to provide information to support their quality submission that demonstrated their ability to fulfil the requirements of the contract and demonstrate experience in similar project types. The quality assessment was weighted in relation to the level of importance put upon each criterion and was detailed in the tender evaluation assessment criteria included within the tender documents. The quality elements included specific example projects and how they would be run, H & S issues, resident consultation, fire safety, management of resources, quality control, monitoring and appointment of sub-contractors, commitment to community initiatives and their commitment to the framework. The evaluation panel

consisted of the head of major works, the investment manager, Cameron Consulting and a leaseholder and tenant representative. Their final evaluation was presented to the project board for this procurement which included representatives from the council's legal and home ownership teams.

24. The results of the evaluation process are set out below, showing which ones have been selected to go on the framework for each Lot. The intention had been to select 6,7,6 and 6 contractors for each Lot respectively but this was not possible for Lots 2,3 and 4 as not enough contractors met the required criteria. All of the contractors met the minimum standard required on every question to meet the required quality standard.

25. **Lot 1**

<b>Contractor</b>	<b>Selected</b>
1. Saltash Enterprises Ltd	Yes
2. Architectural Decorators Ltd	Yes
3. Standage & Co. Ltd	Yes
4. Thomas Sinden Ltd	Yes
5. Niblock (Builders) Ltd	Yes
6. A&E Elkins Ltd	Yes

26. **Lot 2**

<b>Contractor</b>	<b>Selected</b>
1. Mulalley & Co. Ltd	Yes
2. Mears Ltd	Yes
3. Durkan Ltd	Yes
4. Lakehouse Contracts Ltd	Yes
5. Keepmoat Regeneration Ltd	Yes
6. Axis Europe Plc	Yes

27. **Lot 3**

<b>Contractor</b>	<b>Selected</b>
1. Vital Energi Utilities Ltd	Yes
2. BSW Heating Ltd	Yes
3. Mitie Property Services(UK) Ltd	Yes
4. K & T Heating Services Ltd	Yes
5. Staple-Tech Ltd	Yes

28. **Lot 4**

<b>Contractor</b>	<b>Selected</b>
1. Allied Protection Ltd	Yes
2. Lockesleys Ltd	Yes
3. BCS(Electrical and Building) Ltd	Yes
4. Swann Engineering Group Ltd	Yes
5. W.G.Wigginton Ltd	Yes

**Plans for the transition from the old to the new contract**

29. Not applicable.

### Plans for monitoring and management of the contract

30. The performance of the firms will be monitored by the major works and maintenance and compliance teams. They will ensure for each time the firm is instructed that they carry out works for the scheme to the highest quality, are involved in the consultation process with residents and follow the timetable for the scheme. Each project manager in the major works team or other department calling from the framework will provide a quarterly monitor on the performance of the firm on the projects they are working on and there will be specific KPI's in the 'call-off' contracts in the areas of time, cost and quality.
31. The 'call-off' contracts are non-exclusive so no firm will be guaranteed any work. There are liquidated damage clauses for late contract completions and retentions held to ensure works will be rectified. The framework will be monitored by the head of major works.
32. If contractors fail to perform to the required standard, their opportunities to tender may be restricted or they can be removed from the framework and this is made clear in the framework. Each individual scheme would have a specific mini-competition between all the firms in the appropriate Lot. This would have the normal two stage formal leaseholder consultation process.
33. As all the firms have met the overall quality standard to be on the framework, the intention is that in the majority of cases, price would be the main criteria for selection on each scheme, although each contractor would have to submit a proposal for their specific plans for dealing with the individual scheme, which would be assessed on a simple pass/fail basis. It is not intended that there are any direct awards of work through the framework, except in very exceptional circumstances.

### Identified risks for the new contract

34. The table below identifies the specific risks associated with these contracts, the likelihood of occurrence and the controls in place to mitigate the risks:

R/N	Risk	Likelihood	Risk Control
R1	Contractor(s) does not perform.	Medium	Robust default and monitoring provisions (including detailed KPI's) will mitigate this and ensure that the council has an effective remedy in the event that the risk materialises.  The framework is non-exclusive so no contractors will be guaranteed any work or specific tendering opportunities.  'Termination at will' clause in the 'call-off' contracts so that the council can end the contract(s) quickly if desired.
R2	Contractor ceases to trade and/or becomes	Medium	The very structure of the framework will ensure that the council has access to alternative contractors in the event that one of the contractors becomes insolvent.

R/N	Risk	Likelihood	Risk Control
	insolvent.		Financial checks have been carried out on all firms selected to tender.  Where applicable, and/or appropriate, a parent company guarantee and/or performance bond will be put in place.
<b>R3</b>	Contractors failing to be recommended for the framework challenges the decision.	Medium	<ol style="list-style-type: none"> <li>1. The process has been undertaken in accordance with the tender evaluation methodology and moderated and reported to Project Board.</li> <li>2. All the unsuccessful contractors will be written to with exact details of why their tender has not met the required criteria.</li> </ol>
<b>R4</b>	Loss of framework contractors..	Medium	<ol style="list-style-type: none"> <li>1. If the frameworks do have insufficient contractors left then a new framework would be set up for just that lot, in the interim using either individual tenders or the back up provisions within the current partnering contracts.</li> </ol>

### Other considerations

35. These are all covered within the report

### Community impact statement

36. Having a consistent set of firms working in the borough will improve the quality of service and help ensure that the contractors work comprehensively with all sections of the community.
37. The contractors must be able to offer local employment and training opportunities for the community, such as one apprentice year for each £1m of work, and will be encouraged to use local suppliers.
38. All contractors will be expected to follow the Council's equal opportunities policies.

### Sustainability considerations

39. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

### **Economic considerations**

40. By breaking the framework in to different Lots, this gave local medium sized firms the opportunity to tender for some of the work available in the Lots. The successful contractors will bring local job opportunities for the community as well as tendering opportunities for local suppliers and sub-contractors. By making each contract borough wide, there will also be no concerns expressed about any area getting the benefits of cheaper rates.

### **Social considerations**

41. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, our contractors and sub-contractors pay staff at a minimum rate equivalent to the LLW rate. The Gateway 1 report approved on 22 October 2013 confirms, for the reasons stated in that report, payment of LLW was an appropriate and best value requirement for this Framework offering enhanced quality of work from a motivated workforce and a lower staff turnover. All responses received either met or exceeded the LLW requirements. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of each of the contract review processes.

### **Environmental considerations**

42. The contract documents will ensure that the contractors have to comply with all the council's environmental requirements as regards, for example, timber usage, CO2 emissions and safer lorries
43. This procurement process has ensured contractors who meet all these criteria and who are selected who will provide economic and social well being through providing jobs, training and community benefits as well as meet statutory environmental standards and other council requirements such as the safer lorries requirements

### **Market considerations**

44. The OJEU advertising process prescribed by the Public Contracts Regulations 2006 placed the project in the public domain and was felt to be sufficient to attract a good response. The responses received reflect current market conditions.

### **Staffing implications**

45. There are no specific staffing implications to this report.
46. The proposed framework agreement does not present any TUPE or pension implications for the council as an employer because the council does not deliver these services directly. TUPE will be a matter for any incumbent contractor/s and the successful contractor/s and not the council. It is difficult to say with certainty whether or not TUPE will apply to the respective contractors because it will depend on circumstances at the time the framework is in place or more specifically when contracts are called off from the framework. However it is considered that the risk of TUPE applying is low due to a number of factors, principally that:

- a. if which is envisaged the 'call off' contracts will be to carry out single specific tasks or tasks of short term duration they will be exempt from TUPE; this may be weakened if one contractor on the framework is awarded a succession of short term contracts for the same or similar work as that undertaken by a current contractor.
- b. where existing work will continue under the extended partnering contracts this would give credence to the argument that there will be no continuing activity.
- c. there is or will be a fragmentation of activities: given the number of current contractors and contractors on the framework and, as is envisaged, provided that contracts are called off to a number of contractors it will be difficult to say that any particular part of the service has transferred from one contractor to another, or that any of the employees of an existing contractor are assigned to an activity taken over by one of the contractors under the new arrangements.
- d. if the current contractors do not have organised groupings of employees whose principal purpose is the carrying out of activities for the council immediately before any 'call off' their employees will not transfer. Consideration needs to be given to undertaking a due diligence of the current contractors' workforce but it is how their workforce is organised at the point of a 'call off' from the framework which will be determinative.

47. The bidders were required to take their own independent legal advice on the application of TUPE during the tender process and the council did not give any assurances or warranties or make any representations on it.

### Financial implications

48. This report recommends the award for major works contractor framework covering four lots for housing and other services. The total estimated contract value is up to £528m and covers a four year period starting from 4 January 2016. The annual and total cost of each contract is shown on the table below:-

<u>Contract</u>	<u>Annual Cost</u>	<u>Total Cost</u>
Lot 1 Main Building Works (low value schemes up to £3.5m)	£50,000,000	£200,000,000
Lot 2 Main Building Works (high value schemes over £3.5m)	£70,000,000	£280,000,000
Lot 3 District Mains, boiler and internal works	£10,000,000	£40,000,000
Lot 4 Communal and Electrical works	£2,000,000	£8,000,000
<b>Total</b>	<b>£132,000,000</b>	<b>£528,000,000</b>

49. The capital cost of these contracts will be met from the approved budgets within the council's housing investment programme (HIP). However, this does not preclude other sections and departments from using this framework to tender out works contracts if sufficient resources are available.
50. The housing investment programme is currently projecting a gap in resources in funding the overall programme from 2015/16 onwards. Officers are currently reviewing the spend profile and availability of funding options to ensure the programme can be sustained across the years.
51. The current estimates indicate that the total annual cost of these contracts will be up to £132m with no minimum contract value, However, individual contracts will only be awarded in line with approved budgets and confirmed funding.



**Investment implications**

52. The costs for any individual contract let under the framework will be met by the appropriate budget or programme under which the specific scheme is tendered.

**Second stage appraisal (for construction contracts over £250,000 only)**

53. Not applicable as procurement was carried out using an EU tendering process.

**Legal implications**

54. Please see the supplementary advice from the director of legal services.

**Consultation**

55. Tenants and residents representatives were on the project board for this procurement process and took part in elements of the evaluation process.

56. Leaseholders were written to prior to the OJEU notice so they could advise any contractors' they might wish to apply for the framework.

**Other implications or issues**

57. Not applicable.

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

58. This report is seeking approval for the establishment of a major works contractor framework. The framework is made up of four lots covering areas of work as set out in the table at paragraph 9 of the report.
59. The report explains the process to approve the individual award of schemes and is seeking exemption from the council's contract standing orders for the requirement of the consideration of approval reports for the individual awards by the relevant departmental contract review board (DCRB). This shall assist with the award of works in a timely manner.
60. The report confirms that the procurement strategy set out in the previously approved Gateway 1 report has been followed with a restricted procurement process being undertaken.
61. The report outlines the process that was undertaken for admission to the framework and advises that these have been made in line with the council's methodology to appoint the top stated number of contractors.
62. The monitoring and managing arrangements for the framework going forward are described which should go some way to ensuring that the required standards are delivered through the use of the framework.

### **Director of Law and Democracy**

63. This report seeks the cabinet's approval to the award of the 4 lots of the major works framework as further detailed in paragraph 1. As the award of the framework is a strategic procurement (having an estimated contract value of over £15m) the decision to approve the award is reserved to the cabinet.
64. The nature of the contracts to be procured under this framework are such that they are subject to the full tendering requirements of the EU procurement regulations, and having been procured prior to February 2015 are subject to the Public Contract Regulations 2006. The council's criteria for award of this framework was on the basis of those operators who met the council's stated methodology, and came within the highest scoring operators for each of the stated lots.
65. The cabinet's attention is drawn to the public sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation, The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet is referred to the community impact statement at paragraphs 28-30 setting out the consideration that has been given to equalities issues which should be considered when agreeing the award of this framework.
66. Contract standing order 2.3 requires that no steps should be taken to award a contract/s unless the expenditure involved has been approved. Paragraphs 40-43 confirm the financial implications of the award of this framework.

### **Strategic Director of Finance and Governance (FC15/025)**

67. The strategic director of finance and governance notes the recommendations in this report for the establishment of the major works framework for a period of 4 years from 4 January 2016.
68. The total estimated contract value is up to £528m and covers financial years from 2015/16 to 2019/20. The capital cost of these contracts is expected to be met from the approved budgets within the council's agreed capital programme, specifically the Housing Investment Programme (HIP). The frameworks are also available to the rest of the council if sufficient resources are available. The funding for any such project must be identified before work is commissioned.
69. The HIP is projecting major gap in resources of £99m in 2015/16 and £614m over the life of the 10 year capital programme. Officers are currently reviewing the spend profile and availability of funding options to ensure the programme can be sustained across the years. Individual contracts under this framework will only be awarded in line with approved budgets and confirmed funding.

### Head of Specialist Housing Services (For Housing contracts only)

70. This framework is not considered to be a qualifying agreement under the terms of the Commonhold and Leasehold Reform Act 2002. It is not therefore necessary to carry out statutory consultation on the agreement. A very recent Upper Tribunal case has indicated that there may have been scope to treat this agreement as a qualifying agreement, however the project board have taken the view that the process is too advanced to comply with the regulations, and that there are significant differences between the Southwark framework agreement and the agreement that was subject to the Upper Tribunal decision.
71. Although there is no requirement for statutory consultation, a letter was sent to all leaseholders in the borough on 15<sup>th</sup> January 2014 advising them of the terms of the agreement and alerting them to the tender process if they wanted to draw the process to the attention of preferred contractors to enable them to tender. Subject to cabinet approval of the agreement, letters will be sent to all leaseholders advising them of the appointment of contractors to the framework, and inviting them to raise any queries regarding this.
72. The packages of work that are subject to competition between the framework contractors are considered to be qualifying works within the terms of the Act. Consultation will be required under schedule 4 part 1 or schedule 4 part 2 of the regulations, which requires that Notices of Intention are served prior to competition, and Notices of Proposal are sent prior to the letting of the package. It will be necessary as part of the Notice of Intention served under these regulations to invite leaseholders to nominate a contractor who does not form part of the framework, and the terms of the agreement have been drafted to allow for this.
73. These contracts will also affect sheltered properties and temporary accommodation. The Head of Specialist Services draws attention to the need to ensure that heating works are undertaken efficiently given the vulnerable nature of sheltered housing residents.

### BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 'open' report Major works Contractor Framework approved by cabinet on 22 October 2013 (item 14)	Southwark Council, 160 Tooley Street, London SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4551&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4551&amp;Ver=4</a>		

### APPENDICES

No:	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	David Markham, Head of Major Works, Housing and Modernisation	
<b>Report Author</b>	Ferenc Morath, Investment Manager, Housing and Modernisation	
<b>Version</b>	Final	
<b>Dated</b>	8 October 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Head of Specialist Housing Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		8 October 2015

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