

## Cabinet

Tuesday 17 November 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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#### Contact

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

Members of the committee are summoned to attend this meeting

**Councillor Peter John**  
Leader of the Council  
Date: 9 November 2015



# Cabinet

Tuesday 17 November 2015

4.00 pm

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

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1 - 3
	To note the items specified which will be considered in a closed meeting.	
<b>4.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	
<b>5.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. The deadline for public questions is midnight 11 November, 2015.	

Item No.	Title	Page No.
6.	<b>MINUTES</b>	4 - 15
	To approve as a correct record the minutes of the open section of the meeting held on 20 October 2015.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests. The deadline for deputations is midnight 11 November, 2015.	
8.	<b>11,000 NEW COUNCIL HOMES - RESULTS OF CONSULTATION ON DESIGN, NEIGHBOURHOODS AND WHERE TO BUILD</b>	16 - 65
	To consider the responses received from a broad cross-section of Southwark residents on the borough-wide principles, the second phase of the 11,000 new council homes consultation, covering sites for new council homes.	
9.	<b>1,000 NEW COUNCIL HOMES - DESIGN VALUES AND STANDARDS</b>	66 - 147
	To approve the Southwark design values which sets out the council's aspirations for design excellence and reflect the council's core values and commitment to residents.	
10.	<b>QUARTER 2 CAPITAL MONITORING FOR 2015/16 AND CAPITAL PROGRAMME REFRESH FOR 2015/16-2024/25</b>	148 - 174
	To note the general fund capital programme for the period 2015/16 to 2024/25 as at quarter 2 2015/16 and the housing investment programme for the period 2015/16 to 2024/25 as at quarter 2 2015/16.	
	To approve the virements and variations to the general fund and housing investment capital programme.	
	To note the projected expenditure and resources for 2015/16 and future years for both the general fund and housing investment programmes.	
11.	<b>REVENUE MONITORING REPORT FOR QUARTER 2, INCLUDING TREASURY MANAGEMENT</b>	175 - 191

Item No.	Title	Page No.
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To note:

- the general fund outturn forecast for 2015/16 and forecast net movement in reserves by department
- the current adverse variation of £2.250m for temporary accommodation and the potential call on the corporate contingency budget and on other reserves
- the continuing action required to manage the public health budget as a consequence of the estimated in year reduction in grant
- 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.

To approve the general fund budget movements that exceed £250,000.

12.	<b>GATEWAY 1: PECKHAM RYE STATION REDEVELOPMENT PROCUREMENT STRATEGY</b>	192 - 213
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To approve the procurement strategy for the Peckham Rye Station Square redevelopment construction.

13.	<b>GATEWAY TO PECKHAM PROJECT UPDATE ON DESIGN DEVELOPMENT, LEASEHOLDER NEGOTIATIONS AND INFORMING CABINET OF INTENTION TO INCLUDE ALL OF PROPOSED SQUARE IN COMPULSORY PURCHASE ORDER (CPO)</b>	214 - 228
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To note that the council intends to make a compulsory purchase order (CPO) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the additional land for the purpose of securing the creation of a new public square to the front of Peckham Rye Station as part of proposal site 6 in the Peckham & Nunhead Area Action Plan (PNNAP).

14.	<b>CANADA WATER REGENERATION</b>	229 - 249
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To approve the heads of terms and to agree that the director of regeneration is instructed to conclude negotiations and to report to cabinet in spring 2016 for authority to exchange contracts.

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

**EXCLUSION OF PRESS AND PUBLIC**

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

**Item No.**

**Title**

**Page No.**

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**

**15. MINUTES**

**16. GATEWAY TO PECKHAM PROJECT UPDATE ON DESIGN DEVELOPMENT, LEASEHOLDER NEGOTIATIONS AND INFORMING CABINET OF INTENTION TO INCLUDE ALL OF PROPOSED SQUARE IN COMPULSORY PURCHASE ORDER (CPO)**

**17. CANADA WATER REGENERATION**

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

Date: 9 November 2015

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

### **Cabinet 17 November 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 17 November 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 16: Gateway to Peckham Project Update on Design Development, leaseholder negotiations and informing cabinet of intention to include all of proposed square in Compulsory Purchase Order (CPO)**

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:** 9 November 2015



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

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

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

### DECISION MAKER

**Name of decision maker:** Cabinet

**Date of meeting:** 17 November 2015

### LEAD OFFICER DETAILS

**Name and contact details:** Jon Abbott, Head of Regeneration – North 020 7525 4902  
[jon.abbott@southwark.gov.uk](mailto:jon.abbott@southwark.gov.uk), 160 Tooley Street, London SE1 2QH

### DETAILS OF THE REPORT

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

#### **Item 17: Canada Water Regeneration**

To agree the heads of terms with British Land for the regeneration of the Harmsworth Quays and Surrey Quays Shopping Centre sites.

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

Agreeing the heads of terms is an important step for a major regeneration project being promoted by the council. Delay in making the decision increases project risk and will have resource implications for the council. There is a great deal of interest in the regeneration project and agreement of the heads of terms is a requirement for our partner to begin the next stage of public consultation.

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

The potential cost to the council is reputational damage by being unable to address local demands for further consultation.

The financial cost is estimated as being up to £50k for officer and consultant time to deal with project slippage and to address local concerns about delayed consultation.

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

It became known that a closed report was necessary on 5 November 2015.

**Everton Roberts**  
**For Proper Constitutional Officer**  
**Dated:** 9 November 2015





## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 20 October 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

No late items were identified. However it was noted that the following information would be tabled:

Item 8. Southwark School Standards Report 2015 - GCSE provisional 2015 results from DFE

Item 15. New Southwark Plan – Preferred Option – an addendum report.

### 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)

##### **Question from Mr Toby Eckersley to Councillor Mark Williams**

With reference to the undertakings given in his answers to the questions, and supplemental questions, put by Beverley Robinson and myself at cabinet on 21 July 2015 with regard to amelioration of compulsory purchase procedures, please would the cabinet member for regeneration and new homes set out what is now proposed to carry out those undertakings?

##### **Response**

I met with Toby Eckersley and Ms Robinson this morning. A series of actions were agreed.

##### **Supplemental question**

Mr Eckersley asked a supplemental question requesting transparency for any further actions or policy changes.

##### **Question from Beverley Robinson to Councillor Mark Williams**

Aylesbury phase 1b/1c CPO. Would the cabinet member for regeneration and new homes confirm that, should the council obtain vacant possession of any building before the government's decision on the CPO is issued, the council will refrain from any action which would prejudice consideration of the alternative put by objectors' counsel, namely refurbishment.

##### **Response**

As outlined at the recent CPO Inquiry Notting Hill has already commenced the demolition of vacant blocks on the Aylesbury First Development Site (1b/1c). If further properties become vacant, Notting Hill will start demolishing the buildings. As stated at the Inquiry, the council consider that the redevelopment option, which secured planning permission in August 2015, is the only deliverable scheme for the site.

##### **Supplemental question**

Ms Robinson asked a supplemental question relating to council actions and potential decisions by the Secretary of State.

#### 6. MINUTES

##### **RESOLVED:**

That the minutes of the meeting held on 15 September 2015 be approved as a

correct record and signed by the chair.

**7. DEPUTATION REQUESTS**

There were none.

**8. SOUTHWARK SCHOOL STANDARDS REPORT 2015**

**RESOLVED:**

1. That the 'Best start in life - Southwark school standards report 2015' attached at Appendix 1 of the report be noted.
2. That the GCSE provisional 2015 results from DFE (Department for Education) tabled at the meeting be noted and that the report at Appendix 1 be updated to reflect these results.

**9. RESPONSE TO THE RECOMMENDATIONS OF THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE ON NARROWING THE ACHIEVEMENT GAP**

Councillor Jasmine Ali, chair of the education and children's services scrutiny sub-committee was in attendance to provide feedback in respect of this response.

**RESOLVED:**

That the proposed response to the education and children's services scrutiny sub-committee review on narrowing the achievement gap amongst pupils be agreed.

**10. RESPONSE TO RECOMMENDATIONS OF EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE REVIEW OF SOUTHWARK'S ADOPTION SERVICES**

Councillor Jasmine Ali, chair of the education and children's services scrutiny sub-committee was in attendance to provide feedback in respect of this response.

**RESOLVED:**

1. That the proposed response to the education and children's services scrutiny sub-committee review of Southwark's adoption service be agreed.
2. That the principle of an Adoption Charter be supported and that the draft Charter in Appendix 1 of the report be agreed for consultation with key stakeholders including potential and existing adoptive parents.

**11. RESPONSE TO RECOMMENDATIONS FROM THE SCRUTINY OF THE HEALTH OF THE BOROUGH**

Councillor Rebecca Lury, chair of the healthy communities scrutiny sub-committee was in attendance to provide feedback in respect of this response.

**RESOLVED:**

That the proposed response to the healthy communities scrutiny sub-committee's report on the health of the borough be agreed and that the progress in taking forward the recommendations be noted.

**12. SOUTHWARK CEMETERY STRATEGY: RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY COMMITTEE**

**RESOLVED:**

That the overview and scrutiny committee recommendations be received.

**13. RESPONSE TO OVERVIEW AND SCRUTINY COMMITTEE RECOMMENDATIONS ON SOUTHWARK'S CEMETERY STRATEGY**

**RESOLVED:**

That the proposed response to overview and scrutiny committee's recommendations on Southwark's Cemetery Strategy be agreed.

**14. BETTER PLACED JOINT COMMITTEE WITH LONDON BOROUGH OF LAMBETH AND LONDON BOROUGH OF LEWISHAM**

**RESOLVED:**

**Decisions of the Cabinet**

1. That 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 be noted.
2. That the draft terms of reference (Appendix A of the report) and memorandum of understanding (Appendix B of the report) that will be agreed at the inaugural meeting of the Joint Committee be noted.

**Decisions of the Leader of the Council**

3. That a Joint Committee with the London Boroughs of Lambeth and Lewisham to support governance arrangements of the LLS Better Placed Community Budget programme be established.

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

## **15. NEW SOUTHWARK PLAN - PREFERRED OPTION**

An addendum report was tabled for this item setting out updated wording in respect of two policies (DM34 Pubs and DM54 Trees).

### **RESOLVED:**

1. That the New Southwark Plan Preferred Option (Appendices A and B of the report) be agreed for consultation subject to the following amendments:
  - a) 'DM45 Low line walking routes' to include reference to the coal line in Peckham. The proposed new bullet point is:
    - Rye Lane to Old Kent Road, including the Coal Line.
  - b) Changes set out in addendum report tabled that reference 'DM34 Pubs' and 'DM54 Trees'
  - c) Amendment and expansion of take-away exclusion zones in 'DM41 Hot food takeaways' to include Newlands academy and the new school on the former Dulwich hospital site.
2. That the consultation plan/report (Appendix C Parts 1 and 2) be noted.
3. That the Integrated Impact Assessment (Appendix D) be noted.

## **16. AYLESBURY REGENERATION: AMERSHAM SITE (PLOT 18) REDEVELOPMENT**

### **RESOLVED:**

1. That 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 be noted.
  - 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 it be agreed 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 funding implications of the proposed community facilities that are currently being reviewed be noted and that a report will come to cabinet as part of the capital monitoring report.
4. That the improvement works proposed to Westmoreland Road as a key gateway into the Aylesbury Estate be noted.

**17. GATEWAY 1: SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME  
PROCUREMENT APPROVAL**

**RESOLVED:**

**Decisions of the Cabinet**

1. That the use of the GLA's London Development Panel as outlined in paragraphs 43 to 62 of the report to procure two development partners for a package of Southwark Regeneration in Partnership Programme sites over a 6 to 10 year period be approved.
2. That the inclusion of the sites as listed in Appendix 1 of the report in the package of the Southwark Regeneration in Partnership Programme to be tendered in two separate lots be approved.
3. That the indicative financial appraisals as outlined in paragraphs 118 to 120 of the report indicate that the package is viable and will attract sufficient market interest to assure best value is achieved be noted.
4. That it be noted 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. That it be noted that the forward funding requirement of £2,000,000 will be met from the housing investment programme by re-profiling current commitments and that the financial assumptions underpinning this investment as outlined in paragraph 129 of the report be duly noted.

**Decisions of the Leader of the Council**

6. That 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 the procurement approval be delegated to the cabinet member for regeneration and new homes (in consultation with the director of regeneration).
7. That approval of the contract awards (one for each lot) be delegated to the cabinet member for regeneration and new homes.

**18. ELEPHANT AND CASTLE PLACE-MAKING: THE NEXT STEP****RESOLVED:**

1. That it be noted that cabinet 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.
2. That an equalities impact assessment be commissioned to guide cabinet on its Public Sector Equities Duty in the event it is asked to make the resolution referred to above.

**19. GATEWAY 1: ASBESTOS CONSULTANCY SERVICES CONTRACT A – SURVEYING AND BULK SAMPLING AND CONTRACT B – AIR SAMPLING AND MONITORING****RESOLVED:**

That the procurement strategy outlined in the 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 £274,000, 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 be approved.

**20. ASSET MANAGEMENT STRATEGY****RESOLVED:**

1. Cabinet provided comments on the draft asset management strategy for consultation. These comments included:
  - the need for the consultation process to make clear amendments to timescale in order to be transparent and clear
  - to check inclusion of estates (Cossall and D'Eynsford mentioned) and that the relevant tenant management organisations are consulted
  - ensure that all councillors are consulted and given an opportunity to comment on the strategy.
2. That the consultation plan for the strategy be approved and it be noted that 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 the report.
3. That the first year programme for delivery in 2016/17 be approved and that the design and initial consultation for the schemes be progressed immediately.
4. That the revised standard, maintaining decency and delivering the kitchens and bathroom guarantee and cyclical decorations be noted.

5. That it be noted that the draft asset management strategy sets out a delivery timetable for:
  - Maintaining a high level of decency
  - Delivering a cyclical works programme
  - Completing the kitchen and Bathroom programme within the first cycle of the programme
  - Delivering of a mechanical and electrical programme
  - Bringing all properties to a Fire Risk Assessment (FRA) to a 'tolerable' level by the end of the first cycle of the programme.
6. That an options appraisal for 2016/17 on the council's district heating systems be approved. 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. That it be noted 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.

**21. 25 BROWING STREET, SE17, 8 TRAFAGLAR AVENUE, SE15, 26 HANNOVER PARK SE15 AND 80 DARRELL ROAD, LONDON SE22 - DISPOSAL OF FREEHOLD INTERESTS**

**RESOLVED:**

1. That the head of property be authorised 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. That the earmarking of the capital receipts for the purposes of funding the housing investment programme be authorised.

**22. 66 AND 68 AMBERGATE STREET, LONDON SE17 3RX - DISPOSAL OF FREEHOLD INTEREST**

**RESOLVED:**

1. That the head of property be authorised 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. That the earmarking of the capital receipts for the purposes of funding the housing investment programme be authorised.



**23. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - COMMERCIAL FLEET**

**RESOLVED:**

That the procurement strategy outlined in the 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 be approved.

**24. GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO ALL SOUTHWARK COUNCIL SITES**

**RESOLVED;**

**Decision of the Cabinet**

1. That the award of the supply of gas to all council sites to LASER be approved. 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.

**Decision of the Leader of the Council**

2. That authority be delegated to the cabinet member for environment and the 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 paragraphs 10, 24 and 28 of the report), and
  - amend the purchasing solution (purchase in advance or purchase within period detailed in paragraph 13 of the report).

**25. GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF ELECTRICITY TO ALL SOUTHWARK COUNCIL SITES**

**RESOLVED:**

**Recommendation for the Cabinet**

1. That the award of the supply of electricity to all council sites to LASER be approved. 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 authority be delegated to the cabinet member for environment and the 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 paragraphs 10, 24 and 29 of the report), and
- amend the purchasing solution (purchase in advance or purchase within period detailed in paragraph 13 of the report).

## **26. FORMER SOUTHWARK PARK NURSING HOME, 94 - 116 SOUTHWARK PARK SE16 - DISPOSAL OF LONG LEASEHOLD INTEREST**

### **RESOLVED:**

1. That the head of property be authorised 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. That the earmarking of the capital receipts for the purposes of funding the capital programme be authorised.
3. That the sale is subject to a provision to obtain satisfactory planning consent for an extra care facility providing a minimum of 56 units.

## **27. GATEWAY 2 MAJOR WORKS FRAMEWORK CONTRACTS**

### **RESOLVED:**

1. That the establishment of the major works framework for a period of 4 years from 4 January 2016 in the four Lots be approved 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. That it be noted 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 of the report.
3. That an exemption from contract standing order 4.5.2(h) requiring consideration of approval reports by the relevant DCRB (departmental contracts review board) for works being instructed through the framework be approved.
4. That the changes to the procurement process since the Gateway 1 approval as set out in paragraph 8 of the report be noted.

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

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information rules of the Southwark Constitution.

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

#### **28. MINUTES**

The closed minutes of the meeting held on 15 September 2015 were approved as a correct record and signed by the chair.

#### **29. FORMER SOUTHWARK PARK NURSING HOME, 94 - 116 SOUTHWARK PARK SE16 - DISPOSAL OF LONG LEASEHOLD INTEREST**

The cabinet considered the closed information relating to this item. Please see item 29 for decision.

#### **30. GATEWAY 2 MAJOR WORKS FRAMEWORK CONTRACTS**

The cabinet considered the closed information relating to this item. Please see item 30 for decision.

The meeting ended at 6.06pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 28 OCTOBER 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> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		11,000 New Council Homes - Results of Consultation on Design, Neighbourhoods and Where to Build	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing and Councillor Mark Williams, Regeneration and New Homes	

**FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING AND COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Southwark’s proposal to build 11,000 new council homes is the boldest social housing initiative in the country. For many of the borough’s residents council housing, at social rents, is the only truly affordable housing.

But to make sure this programme delivers the most benefit to our communities it is vital that we listen carefully to their opinions, aspirations and concerns.

This report sets out the feedback received to date from our consultation on this initiative. 2,500 people have been engaged so far, telling us their views and considering potential sites for new homes. This has been invaluable in identifying potential sites and the report recommends further work to explore their feasibility.

Whilst a consultation of this scale will always produce differing views on some issues, it is very clear that residents recognise the need for more social housing in the borough that is of a high quality of design. Southwark’s communities want energy efficient homes that are sound-proofed, are spacious and have good community facilities. They also want homes that look indistinguishable from private developments.

We believe that meaningful, on-going, community engagement is key to the delivery of these new council homes; not just a one off process but one which sees the opportunities for involvement range from a resident’s ability to feed into the design principles that guide all developments to helping to ensure that sites are developed in a manner that causes the least possible disruption to local residents.

**RECOMMENDATIONS**

That the Cabinet:

1. Welcomes the responses received from a broad cross-section of Southwark residents on the borough-wide principles, the second phase of the 11,000 new council homes consultation, covering sites for new council homes, design and neighbourhoods.
2. Notes that the consultation engaged around 2,500 people.

3. Acknowledges the significant number of responses indicating the importance of high quality design indistinguishable from private housing, safe and well-lit areas and good access to public transport and GPs.
4. Notes that the majority of respondents expressed that new council homes should be highly energy efficient, well sound-proofed and spacious to cater for families, and for there to be well-maintained green space, communal sports facilities and opportunities for residents to interact at community events.
5. Instructs officers to undertake a desktop capacity study or site visit, as appropriate, for each of the 86 sites suggested by residents as locations for new council homes and publicly publish initial findings by April 2016.
6. Tasks officers with outlining how the consultation feedback obtained can be further incorporated into delivery plans for the development of the 11,000 council homes programme and reporting back to cabinet by April 2016.

## BACKGROUND INFORMATION

### 11,000 new council homes – programme of engagement and consultation

7. In July 2013 this council made an historic commitment to build 11,000 new council homes by 2043; with the first 1,500 delivered by 2018. Meaningful engagement with residents has been, and will continue to be, central to delivering this commitment.
8. So far engagement with residents has consisted of the following two key milestone consultations:

Consultation	Timeline	Outcome
The future of council housing in Southwark	February – June 2013	Commitment to build 11,000 new council homes
Charter of Principles	August – October 2014	Adoption of the Charter of Principles (pledges to those residents affected by the building of the new homes)

9. In November 2014 cabinet agreed a staged approach to formalise further community engagement in the delivery of the new council homes as per the table below.

	11,000 council homes – stages of public consultation	Time frame
Stage 1	Charter of Principles	August – October 2014
Stage 2	Borough-wide principles for development	February – September 2015
Stage 3	Estate-by-estate/site specific engagement	Autumn 2015 onwards
Stage 4	Engagement with local residents around involvement in management of new homes	TBC – as various projects near completion

10. This report sets out the method and outcomes of the stage 2 consultation – *Borough-wide principles for redevelopment* as well as making a number of

recommendations that aim to embed the feedback gathered from residents into the everyday business of the council.

### **11,000 new council homes – Southwark New Homes Design Guide**

11. In parallel to the above process officers commissioned the development of a design guide that sets out the council's aspirations and expectations for its partners and contractors.
12. The design related questions which formed part of the borough-wide principles phase of the consultation were designed to enable residents to share their views in relation to key aspects of these documents.
13. The results of this consultation have therefore been presented to the authors of those documents thereby ensuring the aspirations as contained in the Southwark New Homes Design Guide and related documents are in line with those expressed by residents throughout this consultation. Further information can be located in the cabinet report of 17 November 2015 – *Southwark New Homes Design Guide*.

### **KEY ISSUES FOR CONSIDERATION**

#### **Consultation approach**

14. The borough-wide principles phase aimed to identify residents' key priorities in relation to the 11,000 new homes on a general, rather than site specific basis. As per stage 3 in the table above, consultation on specific sites with the residents living close by/directly affected by the development will be on going and in line with the Charter of Principles.
15. Residents were asked three key questions which aimed to not just address issues of design but also those around how housing can impact on our health and wellbeing. The questions were as follows:
  - Question 1 - Where can we build the new homes?
  - Question 2 - What should these new homes look like?
  - Question 3 - How can we make these new homes and neighbourhoods better places to live?
16. Questions 2 & 3 were grouped together and views sought via eight questions covering subjects such as "what makes a family home?" and 'how can we improve communal areas?', to 'how can your neighbourhood improve your health and wellbeing?'.
  - Question 1 - Where can we build the new homes?
  - Question 2 - What should these new homes look like?
  - Question 3 - How can we make these new homes and neighbourhoods better places to live?
17. A public consultation report will be produced following cabinet approval of this report by the end of 2015.

#### **Consultation methodology and results**

##### ***Question 1 - Where should we build the new council homes?***

##### ***Methodology***

18. For consultation on this question officers produced an interactive map

(<http://southwark.communitymaps.org.uk/> ) which allowed residents to make suggestions for where the 11,000 new council homes could be built. The map also allowed residents to see where the council already had plans to develop via its direct delivery team, and sites considered development opportunities by planning policy.

19. The map was promoted via the public website, reports to area housing forums throughout February - June 2015, via newsletters to tenant and resident associations, posters in libraries and estate notice boards as well as via flyers handed out by officers out on estates. The map and suggestions for sites were also promoted via the community councils, with Camberwell Community Council holding a special session on the issue on 15 July 2015
20. Between its launch on 1 February and the closing of the borough wide consultation on 31 August the map had received:
  - 9,071 views
  - 1,858 sessions undertaken by 1,259 users (67% new users/ 33% returning users)
  - 159 comments (91 original suggestions from residents (86 in support of building, 5 against))

A full list of all sites suggested and comments made can be found at Appendix 1 of this report.
21. The next step is for officers to undertake either desktop capacity studies or site visits as appropriate to ascertain the viability of the sites suggested by residents.

***Questions 2&3 - What should these new homes look like and how can we make these new homes and neighbourhoods better places to live?***

### ***Methodology***

22. In order to elicit the widest ranges of comments, nine questions were posed to residents. The main vehicle for these questions was a paper questionnaire distributed to residents at various events across the borough, such as the Bermondsey Carnival and Eid festival throughout June and July. Community engagement officers attended these events and encouraged attendees to complete the questionnaires in person. The questionnaire was also posted on the council's new online consultation hub and sessions were also held at four libraries (targeted on the basis of footfall and ensuring a good geographical spread) across the borough where residents were again encouraged to complete the questionnaire.
23. Eight questions were posed to all area housing forums by community engagement officers who attended forums taking place in June, July and August. The full responses of each area housing forum can be located at Appendix 2. A special joint tenant council and homeowner council also took place to discuss the wider 11,000 new homes programme and the related consultations. As per Appendix 3 a number of housing themed community council meetings took place during the consultation period.
24. Furthermore, a number of other outreach events took place as a means to



promote the design and neighbourhoods consultation and questionnaire more widely including sessions with voluntary sector groups such as the Forum for Equalities and Human Rights, and Community Action Southwark, Rockingham Women's Group, Latin American Women's Rights Service.

25. A dedicated youth engagement programme was conducted to address the fact that young people's voices are often missing from council consultation exercises of this nature. The council held an extremely well-attended housing event at the Ministry of Sound on 20 February 2015 which was attended by 120 young people, which included youth-led sketches about housing issues facing young people, performances and information about housing, youth services and health and wellbeing. This was preceded and followed up by a significant outreach programme to Bacon's College and various locations across the borough to speak to young people on the street. An event on Peckham Square on 8 August to coincide with International Youth Day.
26. We also worked with primary school children participating in the SPLASH performance at the Royal Festival Hall on Wednesday 15 July. Some 80 children were encouraged to explore what a loving and safe home environment meant to them in advance of the performance to generate content. A sample of children's views can be found at Appendix 4 which documents a follow-up session we conducted with one of the schools involved. Significantly, safety emerged as a major theme for this particular group of 8 and 9 year olds.

## Results

27. Around 2,500 people have been engaged in this phase of the 11,000 council homes consultation. The numbers of people engaged through the consultation were calculated as follows:

Engagement method	Numbers engaged	Detail
Community councils	751	<ul style="list-style-type: none"> <li>All CCs were offered workshops on 11,000 homes</li> <li>Six sessions were held over the consultation period</li> <li>Dulwich was the only CC that did not conduct workshops/a dedicated agenda item</li> </ul>
#Chatback event at Ministry of Sound	120	Young people aged 12 – 18 years
#Chatback outreach	492	<ul style="list-style-type: none"> <li>Young people aged 12 – 18 years</li> <li>Various locations across the borough, including Bacon's College and Peckham Square</li> </ul>
SPLASH workshops	80	Primary school aged children, aged 8 -10
Interactive map	837	Number of unique users of the interactive map (not all left comments)
Surveys completed	205	Number of surveys completed via: <ul style="list-style-type: none"> <li>Community conversations</li> <li>Outreach to voluntary and community</li> </ul>

Engagement method	Numbers engaged	Detail
		sector <ul style="list-style-type: none"> <li>Dedicated workshops (across protected characteristics of Equality Act)</li> </ul>
Area Housing Forums	100	<ul style="list-style-type: none"> <li>All AHFs were visited once or twice during the consultation period</li> <li>This is a modest estimate of the number of residents we would have engaged via such meetings</li> </ul>
<b>TOTAL</b>	<b>2,585</b>	

28. The Southwark Group of Tenant Organisations (SGTO) also provided a detailed response to the questions. In general, the issues which were raised by the SGTO and their members mirror those raised by residents completing the online and paper survey. These are highlighted through the top five issues for each question as per the tables below.
29. The main exception to this was the SGTO's response to question 7 which on the issue of mixed communities; they argued the most important issue was that the housing was affordable and should not be compromised by increasing the build costs of council homes as a means of creating tenure blind homes.

### **Most common responses to survey questions**

30. The following tables summarise the 205 responses received to the 9 questions posed. Questions 1-4 gave respondents multiple options to select, whilst questions 5-9 simply asked for comments. The comments received in these questions were then coded by officers and the most commonly made comments are noted below.

Q1 - What do you think of the way your neighbourhood/estate looks?	Count	% of those who responded
Very satisfied	24	13.41%
Satisfied	85	47.49%
Neither satisfied nor dissatisfied	30	16.76%
Dissatisfied	26	14.53%
Very dissatisfied	14	7.82%

Q2 - What do you think are the most important features of an attractive neighbourhood/estate?	
<i>(Residents were asked to score most to least important, but majority of respondents scored each as either most important or least important, counts below of when scored as most important)</i>	<b>Ranked as most important</b>
High quality buildings	112
Safe, accessible & well lit walking routes	108
Trees, planting & community gardens	73
Provision of recreation and play areas	69
Concealed recycling & bin storage	55

<b>Q2 - What do you think are the most important features of an attractive neighbourhood/estate?</b>	
<i>(Residents were asked to score most to least important, but majority of respondents scored each as either most important or least important, counts below of when scored as most important)</i>	<b>Ranked as most important</b>
Good bicycle storage facilities	39

<b>Q3 - What do you think are the most important amenities or facilities a neighbourhood/estate should have?</b>	
<i>(Residents were asked to score most to least important, but majority of respondents scored each as either most important or least important, counts below of when scored as most important)</i>	<b>Ranked as most important</b>
Good access to public transport	124
A local GP surgery	88
Nearby schools	80
Local shops - chemist, grocery, post office	79
Opportunities for employment and local enterprise	69
Community centre/ tenant and residents hall	59

<b>Q4 - If you were moving into a new council home, what would be most important to you?</b>	
<i>(Asked to select two, but large number of respondents selected more than 2)</i>	
Highly energy efficient	102
Good sound proofing	101
Good storage provision	92
Dual aspect	59
Separate bathroom/WC	57
Open plan kitchen & dining area	37

<b>Question 5 -What makes a home family-friendly?</b>	
<b>Total respondents -178</b>	<b>Rank</b>
Need more space/ should be spacious	1
Should be safe	2
Good community spirit/ friendly	3
Should have double bedrooms/ right number of bedrooms	4
Should be energy efficient	5

<b>Q6 - Let us know your suggestions for improving communal areas in developments of new council homes</b>	
<b>Total respondents -164</b>	<b>Rank</b>
Should have more trees/grass/flowers	1
Communal areas should be cleaned and maintained	2
Should have playground for children	3
Should be well lit	4
Should be safe	5

<b>Q7 - We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can best achieve this?</b>	
<b>Total respondents -165</b>	<b>Rank</b>
Should be made to look the same	1
Should be of good design and quality	2
Should be pepper potted/ mixed tenure within development/ no segregation	3
Should enforce rules/leases/tenancies/standards	4
Should find ways of getting all residents to have pride and be invested in the estate	4

<b>Q8 - We want to encourage social interaction and develop a sense of community with these new homes. Can you share an example of a situation that has brought you closer to your neighbours?</b>	
<b>Total respondents -161</b>	<b>Rank</b>
More summer parties/ bbqs	1
TRA or community group	2
Supporting/talking to neighbours	3
Children and playground bring people together	4
Tenant/ community hall	4

<b>Q9 - We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?</b>	
<b>Total respondents -160</b>	<b>Rank</b>
Communal gym/sports facilities	1
Communal green space	2
Playground for children	3
More safe cycle route, promoting cycling	4
Community events and activities	4

31. In addition to the data collected via the recent consultation, officers have also re-examined the comments received from residents during summer 2014's consultation on the **Charter of Principles**, many of which related to design issues. When examining those comments in comparison to those collected this year, residents priorities and concerns have remained constant with

space, green communal spaces, energy efficiency and sound proofing also being issues repeatedly raised. A full list of the comments made during the Charter of Principles consultation can be located at Appendix 5.

### Addressing the qualitative feedback from residents

32. Below is a table demonstrating how the design guide addresses the key issues that have arisen during the consultation:

<b>Theme</b>	<b>Action/ recommendation</b>
<b>Concerns regarding adequate room size/ space</b>	The space standards set out in Section 3.1 (general requirement within the home) will ensure that the new homes are not only spacious but also provide a good social (e.g. kitchen and living rooms) and private spaces (e.g. bedrooms)
<b>Green space/ playgrounds</b>	The requirements set Section 1.4 (public spaces) of the Design Standards will enable attractive open spaces with provision for play.
<b>Energy efficiency</b>	The requirements set out in Section 3.14 (energy, power and water) adopts a 'fabric first' approach that will produce highly energy efficient homes
<b>Sound proofing</b>	The requirements set out in Section 3.9 (privacy and sound-proofing) exceed current building regulations
<b>Importance of community cohesion</b>	The design standards for the communal areas (page 20) aims to make them convivial spaces that provide opportunities for social interaction and reduce the likelihood of antisocial behaviour. Likewise, the soundproofing requirements in Section 3.9 will by ensuring that residents have quiet enjoyment of their home will foster goodwill and community cohesion.

33. Over the coming months, it is proposed that officers explore resident comments in more detail and provide some further responses to the qualitative feedback and proposals for cabinet to consider by April 2016.

### Future Steering Board (FSB)

34. The FSB was set up in February 2013 and is made up of delegates of both tenant and homeowner councils. Set up initially as a resident steering board as the council considered the future of council housing in the borough via its independent housing commission. Over the last two and a half years the board's role has evolved and now acts as an independent check on the asset management, new build homes and investment plan, and where necessary challenge to improve it by looking at innovative models and other investment options.

35. As part of this design and neighbourhoods consultation the FSB were consulted on the format of, and the questions contained in, the paper questionnaire. FSB members made a number of suggested amendments all of which aimed to make the questionnaire more accessible to residents and increase the numbers responding. The questionnaire was subsequently amended to incorporate the suggested amendments.

36. An initial discussion with the FSB on the findings of the consultation and

proposed recommendations took place in October 2015. Further engagement will take place following this report with regards to proposals for further council approaches to responding to resident feedback.

### **Stage 3 Estate-by-estate/ site specific engagement**

37. Planning for Stage 3 of the 11,000 new council homes consultation is also now underway with consultation plans for each new direct delivery site in Phase 3 being established, in line with the Charter of Principles. This has involved bringing together officers in major works, operations and community engagement to build a location-specific plan of engagement and cooperate in its delivery. The focus is to ensure that residents and all local stakeholders are involved in the development of the new homes.
38. Experience from previous regeneration schemes is that residents prefer 1-2-1 meetings (such as drop in sessions or home visits) as they primarily want to discuss their particular circumstances. Fuller involvement is more effective through a small group of resident representatives, and public events are better as small focus group sessions than as large meetings. Residents have also expressed preferences for newsletters and webpages as a means of updating them.
39. As such the proposed engagement process will employ 3 main formats through the various stages:
  - Inform: using written communication to impart information to stakeholders
  - Consult: getting stakeholders views through drop in sessions or small focus group sessions
  - Engage: working with stakeholder groups on the finer details of the proposals.
40. More details of the proposed site-specific resident engagement process is set out in the cabinet report 'key principles and protocol for developing new council homes in partnership with residents' as adopted at the cabinet meeting of the 21 July 2015.

### **Policy considerations**

41. In 2014 the council made ten new fairer future promises aimed at making Southwark a fairer place to live, where all residents have the opportunity to fulfil their potential. Promise 3 was that 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.
42. Southwark Housing Strategy to 2043 set out Southwark's first long-term housing strategy. The housing strategy sets a clear ambition to increase the supply of homes in the borough including council homes, ensuring a supply of housing that is affordable to people on a range of incomes, and a demand that all homes are to be of the highest possible quality.
43. The development plan for the borough consists of the Mayor's London Plan (2015), the Core Strategy (2011), the saved policies of the Southwark Plan

(2007), the Aylesbury Area Action Plan (2010), the Peckham and Nunhead Area Action Plan (2014) and the revised Canada Water Area Action Plan (2015). The Core Strategy and the Saved Southwark Plan policies are to be replaced by a local plan to be known as the New Southwark Plan. This is currently being prepared in consultation with residents, land owners, developers, employers, local organisations and other groups and is expected to be adopted by 2018. The New Southwark Plan will set out a strategy to bring the full benefits and opportunities of regeneration to all of Southwark's residents including the delivery of the long term Housing Strategy.

### Community impact statement

44. 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. The engagement plan was designed to be inclusive of all the borough's communities and provided a range of mechanisms to provide all residents with the opportunity to engage. The plan is attached as Appendix 6.
45. In any consultation it is the council's aim to not just analyse the comments made by residents but also to try and analyse the views of residents in relation to their age, gender, ethnicity, sexual orientation and physical ability thereby ensuring that the resulting course of action meets the needs of all residents. This can be done when equalities/demographic data is cross referenced or 'cross tabulated' with the feedback received. However, it is only possible to undertake such analysis when the level of data collected is high enough to produce a significant figure. Given the level of demographic data collected coupled with the wide number of issues raised in the free text comments, it has not been possible to undertake such analysis in this consultation.
46. The table below provides a summary of the demographics of the online and paper questionnaire respondents and how this measures against 2011 census data (where available). With the exception of gender for which females are significantly over represented and under 18 year olds who are significantly underrepresented (however they are overrepresented in our other outreach), respondents are broadly representative of the borough.

Age (129/205 responded)	Count	% of those responding	2011 Census - Southwark
Under 18	6	4.7%	20.0%
18-24	7	5.4%	12.0%
25-34	22	17.1%	23.0%
35-44	32	24.8%	17.0%
45-54	28	21.7%	13.0%
55-64	18	14.0%	7.0%
65-84	15	11.6%	7.0%
85+	0	0.0%	1.0%
Prefer not to say	1	0.8%	n/a

<b>Gender (120/205 responded)</b>	<b>Count</b>	<b>% of those responding</b>	<b>2011 Census - Southwark</b>
Female	77	64.2%	49.4%
Male	43	35.8%	50.6%
Other	0	0.0%	n/a
Prefer not to say	0	0.0%	n/a

<b>Ethnicity (119/205 responded)</b>	<b>Count</b>	<b>% of those responding</b>	<b>2011 Census - Southwark</b>
White or white British	57	47.9%	54.3%
Black or black British	26	21.8%	26.8%
White European	12	10.1%	12.3%
Mixed background	9	7.6%	6.2%
Asian or Asian British	7	5.9%	9.5%
Latin American	8	6.7%	n/a
Prefer not to say	0	0.0%	n/a

<b>Sexual orientation (107/205 responded)</b>	<b>Count</b>	<b>% of those responding</b>	<b>2011 Census - Southwark</b>
Heterosexual	84	78.50%	n/a
Bisexual	6	5.61%	n/a
Other	3	2.80%	n/a
Gay man	2	1.87%	n/a
Gay women/ lesbian	0	0.00%	n/a
Prefer not to say	12	11.21%	n/a

<b>Disability (115/205 responded)</b>	<b>Count</b>	<b>% of those responding</b>	<b>2011 Census - Southwark *approx as no exact comparison</b>
No	92	80.00%	86%
Yes	16	13.91%	14%
Prefer not to say	7	6.09%	n/a

47. As previously mentioned, a dedicated youth engagement programme was conducted as part of the borough wide principles consultation, which involved us reaching out to young people – both in primary, secondary and further education. We estimate to have reached over 500 young people via this programme, which mitigates the low numbers of young people that completed the survey.
48. The values and standards laid out in Southwark Design Guide aim to advance equality of opportunity and foster good relations between different people by ensuring that all occupants of the new homes are treated equitably. Design emphasis is placed on ensure that all new homes are tenure blind, that there is a balance of bedroom sizes, and that in addition to all homes being built to



Lifetime Homes standards that there is also adequate provision of wheelchair units.

### **Consultation**

49. The fundamental principles underlying this have been to engage with as broad and representative a range of residents as possible, in line with the council's Approach to Community Engagement and Charter of Principles for resident consultation on the 11,000 new council homes.
50. The consultation has been carried out in accordance with the Public Sector Equality Duty and the council's own Approach to Community Engagement which sets out best practice engagement.

### **Resource implications**

51. All costs associated with the development of this plan to date have been contained within the Housing Revenue Account.

### **Next steps and timescale**

52. As previously mentioned, officers are to be tasked with bringing forward further proposals for how resident feedback on design and neighbourhoods can be taken forward. Such proposals are to be brought to cabinet by April 2016.
53. Planning for Stage 3 of the 11,000 new council homes consultation is also now underway with consultation plans for each new direct delivery site in Phase 3 being established, in line with the Charter of Principles. This has involved bringing together officers in major works, operations and community engagement to build a location-specific plan of engagement and cooperate in its delivery.
54. The Design Guide will be reviewed in November 2016 (Year 1 review) and November 2020 (Year 5 review).

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

55. The report asks cabinet to note the outcome of what is indicated to be the second stage of a consultation process on the council's commitment to build new council homes and makes recommendations for going forward.
56. Where consultation is conducted, the law requires that it must be undertaken when proposals are still at a formative stage, must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response, must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of it must be conscientiously taken into account when the ultimate decision is taken. These are the central requirements for fair and proper consultation and should be applied at all stages of the consultation process.
57. Following the principles of fair consultation set out in the Supreme Court case of *Moseley v LB Haringey* 2014, it is recommended the consultation plan 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. Also that consultees be given sufficient time to consider the proposals, to respond to them, including the opportunity to put forward alternatives and the reasons for them.

58. Due regard must also be had to the impact a proposal may have on persons with protected characteristics under the Equality Act 2010; the equality assessment should therefore be reviewed, updated and considered regularly throughout as plans develop

### **Strategic Director of Finance and Governance (27DKz15/16)**

59. The recommendations set out in this report imply the use of existing officer time and therefore no significant additional costs are foreseen. Any minor costs that do occur will be contained within the HRA.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Independent Housing Commission – Conclusions and Next Steps Following Community and Stakeholder Engagement	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3882">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3882</a>		
Vision for a New Housing Strategy for Southwark	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4328">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4328</a>		
Developing Long Term Plans for the delivery of New Council Homes	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4329">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4329</a>		
Next Steps on Developing Long term Plans for the Delivery of New Council Homes	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4746">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4746</a>		
Approach to Community Engagement	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="#">Link: Approach to Community Engagement</a>		
Update on Consultation and Plans for the Delivery of 11,000 New Homes	Housing & Community Services, Community Engagement, 160 Tooley Street, London SE1 2QH	Alice Orr-Ewing 0207 525 7791
<a href="#">Link: Update on consultation and delivery of 11,000 homes</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Interactive map comments
Appendix 2	Area Housing Forum responses
Appendix 3	Community councils attended
Appendix 4	Sample of engagement with school aged children through SPLASH project
Appendix 5	Charter of Principles phase comments on design and neighbourhoods
Appendix 6	Borough-wide principles phase - Engagement plan

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing and Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Gerri Scott, Director of Housing and Modernisation Stephen Douglass, Director of Communities	
<b>Report Author</b>	Alice Orr-Ewing, Resident Participation Co-ordinator	
<b>Version</b>	Final	
<b>Dated</b>	5 November 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
Head of Resident Services	Yes	Yes
Director of Planning	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>		5 November 2015

Code	Comment	User	Type
	Small two-storey block of council flats and adjacent semi-basement garages on corner of Champion Hill. Garages do not seem to be a good use of the space.	Anonymous User	Build
	What is happening with the old Harris St housing office?	Anonymous User	Build
	Apparently disused nursing home next to new library on Camberwell Green	Anonymous User	Build
	Single storey superstore - could it have housing cantilevered above?	Anonymous User	Build
		<b>159</b>	
	RE Erlang and Hill House: This section of Blackfriars road is crying out for demolition and sympathetic building of new council/social housing.	Anonymous User	Build
	RE Erlang House car park: You should definitely build homes here.	Anonymous User	Build
	RE Albion Street sites: There are a few buildings here that aren't used and the whole area around Albion Street looks like it could do with a re-vamp	Anonymous User	Build
	RE Commercial Way: It's hard enough to park around here. New council homes built will make it impossible for existing residents.	Anonymous User	Don't build
	the existing market stall building could have homes above it	Anonymous User	Build
	Large empty space facing Commercial Way could be used to build great homes. Could potentially build high as adjoining blocks have no windows on south elevations	Ewan Barker	Build
	Can new homes be built on gas holder site?	Ewan Barker	Build
	Space for a small housing block on existing council land on green hundred lane while maintaining decent separation distances from existing blocks.	Ewan Barker	Build
	Aldi Site is underused - Could build mixed use buildings with flats over shops instead of single story retail and surface car park	Ewan Barker	Build
	Space to build new low rise blocks along frontage of Ilderton road on existing council owned land. Council would not need to purchase the land. The strip is currently of poor landscape quality and between 25m and 35m wide.	Ewan Barker	Build
	Huge waste of land - opportunity to build lots of flats while retaining ground level retail. Currently a largely empty Car Park with a single story Toys R Us. Could accommodate several hundred flats while improving character of Old Kent Road.	Ewan Barker	Build
	Another underused site on Old Kent Road with single story of retail and surface car parking - an amazing opportunity to make a new urban neighbourhood with shops at ground floor and a new green route to Burgess Park along old Canal Path	Ewan Barker	Build
	Underuse of land as supermarket and car park - Could accommodate as much or more retail with flats above	Ewan Barker	Build
	It would make sense to build new council property at the site of the Heygate estate.	Anonymous User	Build
	the estate is old, unkept and lack of space for those who live in a bedsit	Anonymous User	Build
	There are numerous empty and dilapidated buildings along Blackfriars road, which need to be replaced with social housing.	Anonymous User	Build
	The site has been demolished and should be used for council/social housing not more luxury flats.	Anonymous User	Build
	its less over crowded	Anonymous User	Build
	Perfect location for new council houses	Resident968	Build
	Albridge Street SE17. I suggested this months ago and have not received any feedback. Land owned by LBS Housing dept I believe. It's a dead end street adjacent to the kinglake estate it is crying out for development .	SMcGery	Build
	This area is already densely populated with council homes; no more are need. Gentrification of the existing area should continue in order to improve the existing housing stock. Creation of new development zones for new mixed housing (affordable, luxury, etc) would help with local tax revenues while ensuring the lower end of the affordability scale is serviced. Positioning higher value homes close to the park would generate higher revenues to supplement and support affordable housing and further gentrification projects in the area.	Anonymous User	Don't build
	Move council housing out of London. There is plenty of space in Wales.	Resident968	Don't build
	Disagree. Why not keep all the council housing together and therefore avoid over populating areas in the borough that are working nicely at the moment. I used too live behind a council estate (King Edward 3 mews) and I wouldn't like to tell you the amount to times my property was damaged or my property stolen.	Anonymous User	Don't build
	RE Fenham Road Garages: Viable option to convert to affordable studio flats and homes	Anonymous User	Build
	RE Joseph Lancaster Nursery Annexe: In support of this proposal	Anonymous User	Build

	RE Meeting House Lane: Viable option to convert garages/space to studio homes/1 bed flats	Anonymous User	Build
	RE 169 Long Lane: In support of this proposal. I am sure it will be an improvement on the current local area housing office.	Anonymous User	Build
	there are lots of houses in this area already. the area is so built up. i say try and build them further out or regenrate existing properties/houses	Anonymous User	Don't build
	Replacement of existing council flats. Better use / higher density housing.	Anonymous User	Build
	No comment. [Please note, this suggestion was received from a resident using our online survey at consultations.southwark.gov.uk and has been added to the map by Southwark Council sta	Local resident	Build
	Location appears to be the Old Kent Road retail park/ entrance to Burgess Park? 30mph thoroughfare of the A2. Highly unsuitable location due to its high carbon emission levles, dense population, lack of schools and primary care services	Anonymous User	Don't build
	No comment. [Please note, this suggestion was received from a resident using our online survey at consultations.southwark.gov.uk and has been added to the map by Southwark Council sta	Local resident	Build
	No comment. [Please note, this suggestion was received from a resident using our online survey at consultations.southwark.gov.uk and has been added to the map by Southwark Council sta	Local resident	Build
	This school is now empty. Could you turn it into affordable housing?	Anonymous User	Build
	There is a large, flat concreted space next to the five-a-side pitches. If you can't build houses on this land then could you at least add more facilities (basketball courts, ramps for cyclists/skaters etc) or some greenery? It's a wasted, ugly space at the moment.	Anonymous User	Build

	RE The Jerwood Space Ltd: Leave it alone, its already packed all the houses are far too close together - cramped. not a nice way to live.	Anonymous User	Don't build
	RE Land bounded by Gambia Street: NO!	Anonymous User	Don't build
	RE 235 - 241 Union Street: Yes you have! you've already disrupted a nice community by overulling them and building 'music box' without any consideration for our views.	Anonymous User	
	RE Pelier Street: Can you provide more details about the potential of this location.	Anonymous User	
	This would be a good spot for new homes.	Anonymous User	Build
	Over development of homes on the site would have an adverse impact on the local community and potentially affect access to primary care services and schools.	Anonymous User	Don't build
	For historical reasons and community cohesion the Queens Road location should not be built on. Within the neighbourhood, the vacant plot has brought welcomed peace to the surrounding community and estates	Anonymous User	Don't build
	this area doesn't seem to be in use	Norma	Build
	Build new homes here [comment from North Peckham TRA]	Local resident	Build
	There is a reasonably large, fenced-off empty space next to the estate. Why aren't you building new homes here?	Anonymous User	Build
	The land at the end of this estate has been fenced-off but nothing appears to be happening, You could build more homes here.	Anonymous User	Build
	a large brown field site where many council properties and small commercial shop units could be accommodated with easy transport access centrallondon	Anonymous User	Build
	With underground garages you could replace this car park with new homes. [comment originally received ...]	Local resident	Build
	The Tennant Hall on the Canada Water estate is vastly underutilised. It appears that the grounds encompassed with the halls immediate circumference are considerable and gated. At present, no Council managed site survey has been undertaken to address the grounds, it's scale and its present vastly underutilized potential. With the neighbouring Mayflower Tennant hall only 600 meters away the prospect for shared services is a perfect compromise. Mixed and shared development- rebuild potential is massive: As part of a mixed development it will be hugely attractive to a developer as the site almost mirrors the footprint of the excellent new Canada Water library directly opposite. The site also could be totally redeveloped unto five stories- encompassing much needed new social and private housing. The perimeter wall of the grounds have possible direct street access and Canada Water Station access- so even more prosperous for a proposed developer who would look to share a scheme with you so as to encompass social housing units. [Comment originally received 24th March]	Local resident	Build
	This car park is an eyesore and would be better used for housing	Anonymous User	Build
	This would be good for a Traveller site.	Anonymous User	Build
	This site would be good for a Traveller site.	Anonymous User	Build
	Fenced off area, very overgrown with seemingly nothing happening. Possible site for new homes.	Anonymous User	Build

	RE Former Acorn / Peckham neighbourhood office, 95A Meeting House Lane: I'm not sure what is happening with this site. It would be great to have a community centre as part of this building as I live locally & definitely feel the lack of a community space since the Goldsmiths Centre closed.	EJ	Build
	RE Canada Estate: The area could do with renovation	dhowells	Build
	CANADA ESTATE TENANTS HALL + ASSOCIATED PRIVATELY GATED LAND. NEVER USED BY THE GENERAL PUBLIC OR TENANTS FOR DECADES. WOULD OPEN UP ACCESS TO PUBLIC PERMEABILITY FROM CANADA WATER STATION TOO	Anonymous User	Build

	DEVELOPMENT NORTH OF THE BOROUGH IS NOW UNSUSTAINABLE?. SENSIBLE TO NOW BUILD HIGH DENSITY HOUSING IN AREAS SUCH AS DULWICH, PECKHAM, NUNHEAD, WALWORTH, CAMBERWELL.	Anonymous User	
	Canada Estate Tenants Hall, and gated land that surrounds it sounds good to me. I have lived on the Estate for 30 yrs and never seen it used by the residents as a proper community space. Mayflower tenants hall is just yards away and the two should combine. open king george fields park as well, this would add to the permeability for pedestrians who see the Canada Estate as a barrier.	Anonymous User	Build
	RE Weston Street Garages: Having a proper description of WHAT and HOW HIGH would more helpful.	Anonymous User	
	Densely populated area can proposed homes add to cohesiieness nature of the local community	Anonymous User	
	RE 35 - 41 Nunhead Lane: Agreed - has been derelict for at least 2 years (and looks like far longer!)	BenNunhead	Build
	RE Tenda Road Car Park: Extremely tricky site, this. PTAL rating very low in this area so need to retain parking space, possibly on raised pilotis (this is a very well-used, often full car park). Also an issue about enclosure of the blocks south of this site, as well as daylight and enclosure for residents of Wilmington Terrace. Requires a very clever & creative solution - we'll see if the Council are up to using the right designers, & delivering viable solutions for this site....	Anonymous User	
	RE Cator Street: This is green space - There must be an alternative on brown field land somewhere.	Anonymous User	Don't build
	RE Sumner Road Workshops: Why remove workshops that could let at affordable rents to local business.	Anonymous User	Don't build
	In support of this proposal. Development will compliment other regeneration projects in the locality	Anonymous User	Build
	RE Welsford Street Garages: Worried about the skill required of architects to build in a conservation area like this, and whether the Council will employ the right designers. Huge opportunity to develop a complimentary palette to existing buildings around Thorburn Square given the new development north of the square for a new elderly care home. Please be careful, Southwark. Only the best will do for this area!	Anonymous User	Build
	Very unattractive car park. Legal? Or someone is making money in their yard? In any case, would be a perfect location for a tall building with lots of flats.	Anonymous User	Build
	Single storey supermarket shed and ground-level car park - not an efficient use of land in such a central site on a main road. Major opportunity for housing to be built over a new Lidl store. Landscaped areas should be provided between any new buildings.	Urban Grain	Build
	Small Council owned site ideal for family houses which could also help to reinforce the Victorian street pattern lost during the development of the Haddonhall Estate in the early 1970s.	Urban Grain	Build
	A large site owned by the Council covered in dilapidated garages. Would be better utilised as housing forming a sheltered landscaped square between the new housing and the existing council blocks.	Urban Grain	Build
	This prominent corner site on Long Lane contains a collection of run-down, low-density and ugly buildings and shacks which significantly lower the environmental quality of the area. We need a new development on this site with shops at street level (not an unhealthy fast food takeaway) and housing above.	Urban Grain	Build
	This site is owned by the Council and consists of a set of ugly garages and a car park which could be put to much better use as housing and local landscaping improvements.	Urban Grain	Build
	There is a lot of wasted left over space here. A much more urban environment could be created and reinforce the historic street pattern	Anonymous User	Build
	This has been derelict and empty for YEARS. It's near Queen's Road Peckham and the overground - why on earth hasn't this been redeveloped sooner?	BenNunhead	Build
	Why not replace the 1100 homes that have been lost by demolishing the Heygate estate with 1500 new council homes? That way you could hit your 2018 target in one go.	Anonymous User	Build
	Agree, especially if they were terraced housing with gardens and one reasonably sized green open space, instead of high rise and larger open spaces.	Anonymous User	Build
	Being on the main road gives lucrative scope for improving the aged Gateway Estate. Currently, several separated car parks and green areas scatter the area which are both poorly maintained and unsafe. Better planning is needed to make more efficient use of this space. Bettet built, insulated and safer homes are needed, with new open spaces and play areas an integral part of any proposed plans.	mosfet	Build
	Homes could be built on lock up garages	Nicholas Franklin	Build
	These areas must be protected as they provide much protection to the local wildlife and there is plenty of social housing in the area as it is.	dhowells	Don't build
	Do not build council houses here. The land is expensive and would be better used for commercial and private use.	Resident968	Don't build
	This should be exempt from building homes on too	Brett	Don't build
	No council homes here!!	Resident968	Don't build
	Good transport links, strong local community	Anonymous User	Build
	Good transport links	Anonymous User	Build
	Densely populated area. Opposed to the building of new homes which will negatively impact on the local community	Anonymous User	Don't build
	This area could be built on with attractive new flats in a central location. Roof gardens would miniminse any loss of green space,	Anonymous User	Build
	This area could be built on with attractive new flats in a central location. Roof gardens would miniminse any loss of green space,	Anonymous User	Build
	A golf club is not a great use of valuable land and could provide a site for some much needed council housing.	Anonymous User	Build
	The flats here are not the best use of space. They are not in great condition and should be rebuilt with high rise blocks.	Anonymous User	Build
	Until number of floors to the high rise block confirmed - not in favour of an over development of the site	Anonymous User	Don't build
	I think that Chaucer Ward and nearby is unsuitable for much more building as it is already densely populate and there are not enough social facilities already.	Anonymous User	Don't build



This comment is too broad and does not constitute a proposal. All areas of open space / green space in Chaucer must be protected from development and over-development must be controlled in general - but this does not mean that there are not several Council owned sites currently empty or used as car parks or garages.	Urban Grain	Build
This area could be built on with attractive new flats in a central location. Roof gardens would minimise any loss of green space,	Anonymous User	Build
Opposed to reclaiming the limited green spaces within the borough for homes. Alternative solutions should be sought and exhausted	Anonymous User	Don't build
Totally disagree. It's vital that the northern part of the common is kept intact as it links the common to the town and acts as a reminder of how the area evolved. (Although I think that more could be done to make this piece of land more attractive.) Roof gardens do nothing to mitigate the loss of green space as they are exclusive and invisible from street level.	Anonymous User	Don't build

RE Cottons Centre: I think that there should be space for a new worship space or monument here with connected public square / realm here in memory of St Olaves Church which was lost very near here in the early 20th Century. I think that healthcare and office / employment uses would be more appropriate here than housing as the site benefits from very good transport links.	Urban Grain	Build
RE St Thomas Street car park: I think that this site needs a combination of exciting street-level 'cafe-society' uses such as shops, bars and restaurants - in keeping with the lively Bermondsey Street and the New London Bridge Station redevelopment. Would be good to have some quality public realm - also providing cut-through pedestrian / cycle routes from further South towards the Station and River Maybe some smaller-size but quality office space which could benefit from good transport links next to the station. Finally - some high-quality residential above it all.	Urban Grain	Build
RE Marshall House and garages: Agree that this is a good site for new homes. Would be good to consider if some space for small businesses could be preserved at street-level?	Urban Grain	Build
RE Antonine Heights: Where? This is already heavily built up.	Anonymous User	
Not sure how you are going to fit more homes here - the site is already quite densely developed, is it not?	Urban Grain	
RE 175 - 179 Long Lane: Definitely agree that this site should be developed for housing - but let's make sure please that at least some commercial space is preserved for small businesses / jobs at street-level.	Urban Grain	Build
RE Harris & Dixon (Shipbrokers) Ltd: I think you need to create a series of intimate inter-connecting courtyards here with bars and restaurants at ground level, with some office and residential above. The courtyards would enable you to walk from Borough High Street to Guys Hospital.	Urban Grain	Build
RE Heygate Estate: You haven't decided yet? We thought there was a whole Masterplan and Detailed Plans ongoing for lots of private homes there.	Anonymous User	
RE The Old Forge and stables: NO. These stables are listable structures, an important connection with the industrial past and present, and a prime contender for the local list. This area has been mostly ruined by sloppy Bellway and Barratt developments and the current structures are of sufficient historic and architectural interest to merit keeping.	Anonymous User	Don't build
RE Land to the south west of Stewart House: Definitely agree that this is a good site for local homes - much better than having some old garages there.	Urban Grain	Build
New council homes here would be much better value for money	Anonymous User	Build
In support of new location because locality under developed	Anonymous User	Build
Not enough mixed community housing here. Mainly wealthy professionals. Few working class people.	Anonymous User	Build
In support of proposed location as locality is under developed	Anonymous User	Build
As long as the people who would be put there would be decent. Seems to me, in some places where there is mixed housing, people are put in who don't care for their rented property and enjoy being unpleasant.	Anonymous User	Build
Underused land, near station, highly uniform community	Anon	Build
Highly accessible, all other sites are mid-borough and we need mixed communities, don't we?	Anon	Build
This is a large area of land currently allocated for industrial use. However, there are plenty of empty and under-used plots on the industrial estate. Previously, this site was being reserved for a potential Cross-River Tram depot so couldn't be developed, but it seems that is not going to happen now so the Council should consider alternatives. I feel housing is more important for Southwark's community than, for example, a car wash service. Additionally, with the regeneration of Burgess Park and the Elmington State this is now a very desirable place to live and an increase in the residential population will help support the small businesses on Southampton Way shopping street.	Anonymous User	Build
The regeneration of the Elmington Estate is a disgrace. What happened to the council houses for Elmington residents that were supposed to be built? The land that we had to give up our homes for in the belief that there would be family housing for Elmington tenants was sold off to Notting Hill to build the Camberwell Fields development. Local people can afford those apartments, we don't count. And what's wrong with the car wash? It provides a good service to the local cab trade. Oh... I forgot. They're local people doing a hard day's graft. They don't count in this era of social cleansing.	Anonymous User	Build
It would be very useful to have some affordable workshop space in Southwark for new craft businesses, along the lines of the Blackhorse Workshop in Walthamstow. This would be great for the community and would support new local businesses.	Anonymous User	Build

I agree. We need small businesses in the area. The industrial estate would be an ideal location. All these new housing developments are making the landscape very densely and claustrophobic.	Anonymous User	Build
The Maltby Street market could be extended by re-developing Council-owned garages from the 1960s in this area. At ground level, there would be an extension of the Ropewalk with food and drink producers and vendors under the arches and on the lower two floors of a new development with housing above.	Urban Grain	Build
Aldbridge Street looks a likely spot for new Council property.	SMcGery	Build
The Peckham Multi storey car park is a brutally ugly building that has no place in a residential area. It is radically underused for its intended purpose as parking. The site is capable of being redeveloped as an attractive series of residential blocks, as is now happening at the Elephant and Castle. The existing building is a blight on the residential areas of Raul and Cerise roads, and casts a shadow over them (literally and metaphorically). Some modern, brick built blocks similar to those in Bermondsey Spa Road would provide lots of new flats. The existing rooftop art café could have a new roof terrace. Rather than reproducing the monolithic outline of the existing multi storey car park, the new building could be broken to let some light through, or be split level to create a series of roof garden terraces. This site is too good to waste on a dead multi storey car park and an art cafe--it can house many people, and contribute actively to the vitality of Peckham. The multiplex cinema could be relocated to convert and save a building in real need of saving--the former Peckham palais, a beautiful building, once the home of Jones and Higgins department store.	Anonymous User	Build
Agree with suggestion, this is a waste of precious space in a prime central peckham location	Anonymous User	Build
This is a car wash area-a waste of a good site. It has been vacant for years. I would ask that a row of trees be incorporated on the street frontage, and that the building line is set back to accommodate a wider footway (it is too narrow) and the line of trees to ensure that the site is "greened". This is important!	Anonymous User	Build
I agree and would also suggest that the car park is larger than it needs to be. Building homes here and tidying up the area in front of the Nag's Head could really improve this junction. (Having said that, I'd be sad to see the car wash go - they're great!)	Anonymous User	Build
I agree, this would be a good site (if set back) and could incorporate the row of shops that run alongside on Rye Lane (towards the Nags Head)	Anonymous User	Build
There is a reasonably large piece of fenced-off land here, which appears to have been vacant for some time.	Anonymous User	Build
The proposed Peckham Coal Line Linear Park would provide good walking access to this site.	NickW	Build
Bricklayers Arms: Until 1968 this large area was a neighbourhood centre with shops, a library, pubs, a theatre / music hall, tram & bus stops and homes. All of this was destroyed to make way for the flyover and the roundabout. The Bakerloo Line Extension Project & TfL's recent invitation for a Development Partner for this Site means that something major is going to happen here in the next 5-10 years. Southwark Council needs to work with TfL to ensure that the opportunity to re-create a Centre here is maximised. Locating a new underground station here would be a major catalyst for improvement of the Old Kent Road / North Walworth / West Bermondsey Areas all of which lack a central focus. The bus stops are currently too dispersed and inaccessible due to the flyover ramps acting as physical barriers. The main A2 road should be run in a 'cut and cover' tunnel alongside a 'cut and cover' station box for the Bakerloo Line. This would create a large amount of space at ground level for Public Realm, new buildings (shops & housing) and bus / cycle only routes at surface level. New development at this site could help pay for the tube station and new public realm. It would be an interesting idea to re-establish the original street pattern here which dates back to Roman times.	Urban Grain	Build
Remember there are companies here that provide employment, you still need places for people to work.	Anonymous User	Build
Existing car park on Kipling estate under Council ownership which would be better utilised as Council or Affordable Housing	Urban Grain	Build
The large single storey industrial / retail sheds in this area are a wasteful use of land so close to Central London. These sheds date from 25-30 years ago, when land in this area was cheaper and the population was in decline. Now Southwark's priorities have changed - and this area needs to be re-developed at a higher density to provide more housing of all types (market, intermediate and affordable) with retail, restaurants, bars at street level on the main roads and small public spaces away from busy roads. A more accessible and walkable street layout on a grid-pattern needs to be re-established as the area is designed more for the car than for pedestrians and cyclists. The Bakerloo Line extension project - with a possible station on or near the Tesco site - is a major opportunity to act as a catalyst to improve this long-neglected area.	Urban Grain	Build
Excuse me, are you actually a local resident. You sound like you're parroting a planning policy document. Local people need jobs in the area, not more expensive apartment blocks and "artisan patisseries".	Anonymous User	Build
There are Council-owned garages and car parking spaces here. There is also a Council notice advertising available garages, suggesting at least some of them are unoccupied and I have never seen more than a couple of cars parked there. This space could possibly be used for a small development.	Anonymous User	Build
This building has been boarded-up for months with no visible progress. What is happening here? If nothing then maybe it could be used for new homes.	Anonymous User	Build
Many of the properties are damaged containing damp, damaged windows, damaged bathrooms etc. The rooms are also not so spacious we could do with an expansion.	Anonymous User	Build
Open area with pedestrian subway which could be better utilised as council / affordable housing with shop(s) at ground level.	Urban Grain	Build
Row of single-storey fast food outlets and shops on Council owned land which could be better developed into Council / Affordable Housing with shops at street level.	Urban Grain	Build
Car Park owned by Council which could be developed as Council / Affordable Homes.	Urban Grain	Build
There is not enough space there, it would be too built up.	Anonymous User	Don't build
Car Park owned by Council which would be better developed as Council / Affordable homes.	Urban Grain	Build



Garages along Prioress Street (Council owned) which could be developed as Council homes for families.	Urban Grain	Build
Garages on Decima Street which could be better developed as Council / Affordable Housing	Urban Grain	Build
It's already very built up there, so leave as is.	Anonymous User	Don't build
Garages and surrounding tarmac within Council Estate which could be developed as Council / Affordable Housing with shops at street level serving community.	Urban Grain	Build
Car Park and single-storey shops within council estate which could be developed as Council / Affordable housing with new shops at street-level.	Urban Grain	Build
I was going to suggest this site but someone beat me to it.	Anonymous User	Build
Garages on Pardoner Street that could be developed as Council / Affordable Housing	Urban Grain	Build
Garages on Elim Estate which could be better developed as Council / Affordable Housing	Urban Grain	Build
New homes in Greenwich	Anonymous User	Build
Lots of space for plenty of homes	Anonymous User	Build
In favour of keeping open spaces green to counterbalance over development of local area - especially of Old Kent Road area	Anonymous User	Don't build
In support of additional homes being built here. Primary care services and schools have capacity due to the regeneration of Aylesbury Estate	Anonymous User	Build
Infill possibilities	Anonymous User	Build
Care needs to be taken with any proposed 'infill' that existing visual and physical amenity for an already very densely populated area is not put at risk. Green and other open spaces are essential in areas where high density housing with no private amenity has historically been constructed.	local	Don't build
The empty buildings here are falling down and are a safety hazard. They should be replaced with a sensitively designed building that provides homes (some affordable) and a couple of retail units to improve the provision in the area.	James	Build
Fill in the scoop	Anonymous User	Build
That's a really nice area, good to have some open space next to the river. Please don't build any new homes here!	Anonymous User	Don't build

Forum	Date of meeting	What do you think are the most important features of an attractive neighbourhood/estate?	What do you think are the most important amenities or facilities a neighbourhood/estate should have?	Please let us know your suggestions for improving communal areas in developments of new council homes	If you were moving into a new council home, what would be most important to you?	We will be building more homes to meet the needs of our families. What makes a home family friendly?	We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can best achieve this?	We want to encourage social interaction and develop a sense of community with these new homes. Can you share an example of a situation that has brought you closer to your neighbours?	We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?
Aylesbury		High quality buildings – construction and design Play spaces and green areas Safety – good lighting Community garden / community allotments Good cleaning service and recycling	Good access to public transport Local GP, chemist and other local shops Catchment area for good schools – primary and secondary Community facilities	People being responsible, and an excellent cleaning team like the one on the Aylesbury.	Good size rooms A good layout Plenty of storage	Build them all the same.	The community garden / allotments on the Aylesbury The outdoor gym Regular social events and active TRA's		
Bermondsey East		People living in the area should have a sense of belonging and there should be a selective procedure when choosing tenants. Clean grass area and dog free, as to allow residents to use the grass area free of dog waste. Clean communal area, no bulk rubbish left everywhere, clean stairs way. Well sign posted for blocks.	We would like to see a greener and family friendly environment, no spreading of washing on the balcony. Park and play area for children. Decent gardens, balcony, bins area. Flower beds and lighting that works The clean green area to exclude pets and a separate area including pets with clear demarcation as where pets are not allowed.	Large kitchen and storage space. Children play area Lots of green space Enforcement to ensure clean balconies, clear and tidy communal areas.	Clarification as to if the move is permanent accommodation. Building work is finished on time and to high standard Damp proof properties Warm, dry and secure Enough room space in own accommodation. Storage space Clean balcony and no washing display. Decent balcony Friendly neighbours.	Space to move around, people should not be on top of each other. Good and decent neighbourhood. Enough rooms space in the home	Whether Council or privately own property, people should take pride in where they live, and there should not be difference regardless of tenure. Everyone should be made responsible. Clause in the Tenancy agreement stating that communal areas must be kept clean and tidy If putting nets/blinds or something up at the window, must be neat and tidy and not blankets/newspapers or such like.	Fun days and outings should be encouraged. Get residents to be more involved and organise social activities. Provide meeting place and information.	To make people happy where they live, any issue must be dealt with promptly and have a sense of community. Give local centres funding. Provide bike shed Promote healthy good beings with facilities for exercise. Encourage people to stop smoking and health monitor provisions, e.g. Blood pressure etc.
Bermondsey West		Brick built buildings are more hard-wearing and sustainable – no facades Quality of internal walls is also important Willow Walk – the room sizes are good and better than new-build private homes in terms of size. Temporary accommodation is also well-designed with communal areas. Shared kitchens between units but private shower rooms and a bathroom on each floor.	Having enough amenities e.g. schools, GP surgeries, play areas – seen as the single most important. 11,000 new council homes are good but what about schools? GP surgeries Example provided of children on Neckinger estate having to travel to Rotherhithe peninsula to get a primary school place Transport Parking Cycle storage TRA hall Playgrounds are needed	On the Setchell Estate, the porches feel unsafe as you can't see who is behind you as you enter. Visible and well-lit communal areas	Kitchen and decent sized bathroom No open plan kitchens Large kitchens Good ventilation for kitchens and bathrooms – damp a major source of complaints and repairs	Size – big enough for the needs of the family Somewhere for children to play safely Separate bathroom and toilet Digital connectivity within flats so that people don't need satellite dishes	Setchell Estate is mixed and it feels fine. A gradual process of people becoming leaseholders. Feels like a divided community on the Neckinger Estate (reference to new Housing Association/private blocks located adjacent to the estate?) There should be shared entrances for everyone. Example of One Tower Bridge where people are being barred from accessing communal gardens based on their tenure. This is very negative.	On the Setchell Estate we have tried dances etc. but some people just don't want to mix Having a good TRA can help but it is not the answer A TRA hall must be provided, but there can be complaints if this is at the centre of an estate due to the noise so it should be at the edge. Better soundproofing should help. Example given of	Playgrounds – on the Setchell Estate we had four and now there are none left. Example given of playground being replaced by Hyde Housing on the Neckinger Estate but being of poor quality Seating for people to use whilst children are in playgrounds or generally across communal spaces outdoors. Can be as simple as concrete blocks. More interesting play areas – size not necessarily important Green spaces

Forum	Date of meeting	What do you think are the most important features of an attractive neighbourhood/estate?	What do you think are the most important amenities or facilities a neighbourhood/estate should have?	Please let us know your suggestions for improving communal areas in developments of new council homes	If you were moving into a new council home, what would be most important to you?	We will be building more homes to meet the needs of our families. What makes a home family friendly?	We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can we best achieve this?	We want to encourage social interaction and develop a sense of community with these new homes. Can you share an example of a situation that has brought you closer to your neighbours?	We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?
			but they must be well maintained Recycling and rubbish storage should be provided in flats					Beormund Community Centre being too expensive. TRAs should be able to access it at a reduced rate. Hyde Housing has a development neighbouring to the Neckinger Estate but hasn't delivered on various pledges to improve facilities and encourage interaction on the estate e.g. shared fun days for residents Landlords – council and housing associations - have a role in bringing people together Need to make sure people are well supported when they move in and that everything works	
Borough & Bankside	24/6/15	Surveys were instead distributed to Forum attendees to complete and return via the Freepost address.							
Camberwell East	17/6/15	The forum were presented with questions and background papers and had a general discussion with the officer regarding the 11,000 new council home programme.							
Camberwell West	Tbc	tbc							
Dulwich	23/7/15	A sense of space Sympathetic design to complement the local neighbourhood	Good proximity to public transport and schools; a children's centre; mixed age youth facilities such as playgrounds; leisure and drop-in centre.	Limited access via security doors (i.e. to reasonable number of flats A sense of space via design Informal surveillance – eg balconies overlooking communal areas No "No go" areas – as can happen with playgrounds	Security Getting removal lorry close to block Well built to a high quality Realistic bedroom size Well designed living area Good insulation that operates properly	Security Storage esp bikes and buggies Design in flexible rooms Sound insulation Secure doors A balcony giving a small amount of access to space	Ensure building standards are the same Ensure social housing %age Design in curtains/blinds via double glazing Monitor level of signage Quality gates and door furniture Imaginative street lighting design Consider colour and cladding	Outside community event Sports day Community garden creation The community hall	Outdoor gym Life time homes Properties disability ready Public space for the elderly Properties built with work in mind – IT? Automatic ventilation/ solar panels/ rain water collection

Forum	Date of meeting	What do you think are the most important features of an attractive neighbourhood/estate?	What do you think are the most important amenities or facilities a neighbourhood/estate should have?	Please let us know your suggestions for improving communal areas in developments of new council homes	If you were moving into a new council home, what would be most important to you?	We will be building more homes to meet the needs of our families. What makes a home family friendly?	We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can we best achieve this?	We want to encourage social interaction and develop a sense of community with these new homes. Can you share an example of a situation that has brought you closer to your neighbours?	We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?
				Better lighting and wider doorways					
Nunhead & Peckham Rye		<p>The forum felt that while design of new homes was very important, it is not possible to predict what type of accommodation and facilities residents will aspire to in years to come. Not to mention what changes there will be in building techniques and materials. Furthermore it was noted that many design elements of a build were dependent on the specifics of the site on which it was to be located so it is hard to make generalised comments. The forum does support the Lifetimes Homes standard and believes that size standards are key with support for the equivalent of Parker Morris 'plus' as a minimum.</p> <p>The forums further notes that what does and does not work well in terms of housing design can also be linked to the management of tenancies in the block. The example was given of the old interlocking blocks on the North Peckham Estate which were ok until a resident caused a problem (noise or ASB) and then the design meant that around 6 other adjoining households would be affected.</p>							
Peckham		<p>Raised the issues and handed round the images of Willow Walk.</p> <p>Agreed there would be a fuller discussion of the responses to the consultation at the meeting on 3 August. Chair will advise if officer is required to attend.</p>							
Rotherhithe	30/6/15	<p>Concern about new government rules that could mean that new builds have to be sold. The chair wishes to go to cabinet to raise this issue and suggest that a separate company is used to be owners of the new homes</p> <p>Green roofs, solar panels, balconies, much that is suitable for older residents to release larger properties. Main concern is new build being</p>							Agreed that members would respond individually and chair would send in a response on behalf of the AHF.

Forum	Date of meeting	What do you think are the most important features of an attractive neighbourhood/estate?	What do you think are the most important amenities or facilities a neighbourhood/estate should have?	Please let us know your suggestions for improving communal areas in developments of new council homes	If you were moving into a new council home, what would be most important to you?	We will be building more homes to meet the needs of our families. What makes a home family friendly?	We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can we best achieve this?	We want to encourage social interaction and develop a sense of community with these new homes. Can you share an example of a situation that has brought you closer to your neighbours?	We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?
		bought for let rather than as homes We are for building there are so many open spaces On-going management an issue people being clean new tenants should told how to behave how to keep the area clean if have a garden need to keep it tidy Homes need to have large rooms							
Walworth East		Forum briefed on the consultation and officer took questions from the forum. The forum expressed it's concerned over the quality of all housing, planning and regeneration consultation over the years, stating that timelines were often too short or that responses were not considered by the council. One forum member expressed concerned over the council's request that residents indicate what their priorities were in terms of design features, fearing that it would allow the council to abandon any design features – eg dual aspect that residents did not rate as most important.							
Walworth West		Adjustable property/ flexible buildings – need storage but built in cupboards (wardrobes) mean that cannot change rooms around as families grow and need space differently organised. Size of properties	Depends on who is housed – practical differences and needs should be taken into account.  But amenities are already in place don't think the council will be building rows of shops etc.	Yes communal spaces Play grounds on estates Outdoor gyms	5 x storage 4 x sound proofing 4 x separate toilet and bathroom 1x kitchen 1 x dual aspect Additional suggestion solar panels to generate own electricity	Comfortable conditions Space Adaptability Neighbours	No communal washing lines Communal spaces/meeting places but smaller than Pasley TRA Hall so easier to maintain Can't change front doors or other things such as windows – but council repairs need to mind this as often when they make internal changes this has impact on the outside (e.g. boiler flues) that means you can tell the difference.	This was too personal for wider meeting – but in general estates need something that brings people together like a hall	Open spaces Communal garden that is run and cared for by community Allotments Private spaces

Design and Neighbourhoods consultation – Community Councils feedback

APPENDIX 3

Community Council	Meeting dates	Attendees	Format
Bermondsey and Rotherhithe	23 <sup>rd</sup> March	90	Housing theme meeting including presentation from community engagement focus on publicising 11,000 new homes consultation, particularly suggestions for site for the new homes.  <a href="http://moderngov.southwark.gov.uk/mgAi.aspx?ID=36030">http://moderngov.southwark.gov.uk/mgAi.aspx?ID=36030</a>
Borough, Bankside and Walworth	17 <sup>th</sup> March	158	Housing special meeting which included a joint presentation by Direct Delivery Team and Community Engagement – focus on publicising 11,000 new homes consultation, particularly suggestions for site for the new homes.  <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=350&amp;MId=4816&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=350&amp;MId=4816&amp;Ver=4</a>
Camberwell	4 <sup>th</sup> Feb	69	Feb meeting – community engagement managed stall promoting 11,000 new homes programme and call for sites. Presentation by David Markham on the 11,000 new homes programme + Warm Dry Safe
	15 <sup>th</sup> July	46	July meeting- 11,000 new council homes special meeting Presentations from Regeneration, Direct Delivery Team and Community Engagement Workshops – ward based using maps to identify potential sites  <a href="http://moderngov.southwark.gov.uk/mgAi.aspx?ID=37223">http://moderngov.southwark.gov.uk/mgAi.aspx?ID=37223</a>
Dulwich	No housing themed meetings held during consultation period.		Consultation promoted via Dulwich CC's email mailing list and online forum as well as by Chair at meetings.
Peckham and Nunhead	23 <sup>rd</sup> March	168	As part of the a Revitalised neighbourhoods, community spaces and homes themed meeting, attendees were asked to suggest possible sites for the 11,000 new homes
	6 <sup>th</sup> July	220	The design and neighbourhoods consultation was promoted in the community announcements item of the agenda.
	<b>TOTAL</b>	<b>751 people engaged</b>	

## Design and Neighbourhoods Consultation

### APPENDIX 4

11,000 Homes Consultation workshop with schoolchildren  
Pilgrim's Way Primary School  
16/07/15

In June 2015, Southwark Splash brought together 561 children from Southwark Primary schools aged 8 – 11 who together explored core values and principles which underpin thriving communities. The children considered what was most important to them in their homes, neighbourhoods and wider community and conveyed these ideas through song, poetry and dance accompanied by live music and 3D art projections inspired by their drawings of a desirable city.

The following notes are from a special production evaluation/workshop with a group of 30 year 4 children from Pilgrim's Way Primary School in the Livesey ward by Tustin Estate that participated in SPLASH. The bullet points are verbal comments made by the year 4 group age 8 - 9 on 16 July 2015.

#### What do you think the council does?

- *They give you houses.*
- *They put up **No Ball Games** signs in your area and if you play there, the council comes.*
- *If you break a window, or you don't pay your bills, the council comes.*
- *They fix things.*
- *They pick up your bins and clean the streets.*

#### What did you most enjoy about the process for Splash?

- *We most enjoyed the dancing and singing.*
- *The process was interesting and fun because we got to understand what we were doing.*
- *Meeting other people from different schools and performing together.*
- *The poems because we got to write about we love and learn them.*

#### What did you least enjoy about the Splash project?

- *Practicing a lot so we don't make any mistakes.*
- *Having to stand up and sit down for too long during the performance.*
- *Scared about performing in front of a big audience.*
- *I didn't like the bright lights shining in my face.*

#### What would you say is the most important thing about your home?

- *That it's safe.*
- *Feeling like you can be yourself.*
- *Lockers so I can hide biscuits.*
- *A colourful home.*
- *Having a front and back entrance through the garden.*
- *A garden to play in.*
- *Air vents are not nice because they look horrible and they leave dirt around the window and my mum has to clean them all the time.*
- *In my family, it is important to stick together, there are seven of us but we only have two bedrooms. We need more bedrooms, bigger ones and space for everyone.*

## Design and Neighbourhoods Consultation

- *Internet connection that works, there is no signal from my block*
- *We want more swimming pools – (informed them that they can swim free)*
- *More safe places to play and bring people together.*
- *Bigger children should share the play areas so everyone can enjoy.*

### What do you like most about your area?

- *I like that all my friends and family are close and I can visit them and stay with them.*
- *I like that I have a garden to play in but it's small so I prefer to go the park.*
- *We have lifts in our building that work, in my friend's building the lifts don't work and it's not easy for people to go up the stairs.*
- *It's quite in my area.*
- *A space close to my house where I can play football.*
- *Open spaces so my mum can see us from the window when we're playing outside.*

### What do should we have more of?

- *More trees that produce oxygen.*
- *More cupboards in the home to store things.*
- *More rooms and bigger ones.*
- *More safety.*
- *Big balconies.*
- *Have spaces for people who like to graffiti so you don't do it in the house.*

The issue around safety was quite topical and some of the group shared stories, highlighting why safety in their area was such a concern for them.

- *Once a police was trying to catch a bad guy who was running and he jumped over onto the balcony and ran through my house.*
- *People keep breaking the glass in our (communal) door so they can press the button inside and let themselves in. The glass is always broken and people can come in.*
- *Pigeons fly into balcony all the time and sometimes they come into my house.*

### What would you do to improve your area?

- *I would save money to build more houses.*
- *I would stop people putting junk mail in houses.*
- *More decorations, flowerers, better gardens so our area looks pretty.*
- *I would make a safer environment.*
- *I would build more parks.*
- *Makes the houses cheaper so people can afford to pay for it.*
- *Make bills cheaper and not paying for so many things.*
- *Have high fencing so strangers can't get in.*



## APPENDIX 5

### Design and Neighbourhoods Consultation – Charter of Principles stage feedback on design and neighbourhoods

#### Comments about design issues

##### 1. Inside the home

###### Energy

- The most energy inefficient or most expensive to maintain should be replaced or upgraded for new homes
- Would like commitment for energy saving/renewable energy measures/green measures, such as promoting green schemes (cycling, allotments, community gardens)
- Ensure homes are well insulated.
- Use of renewable energy and technology.
- There should be reference to sustainability and taking a stand on power generating solar arrays on roofs etc
- Living up to the European Directive on new kitchens, bathrooms (which include showers) which would reduce water wastes of toilets which again would reduce water waste with more economical flushing systems.
- insulation concerns about cavity walls on new builds
- Insulate the homes you have already.
- Energy saving enhancements etc...

###### Size

- Build more 3,4,5 bedrooms
- Reasonable sized bathrooms
- Make sure kitchens are fair size
- I hope the new homes will be spacious and not chicken coops
- But you are making the rooms too small
- You're making the bedrooms too small.
- Bigger rooms
- Spacious rooms
- I think it's important that rooms are big enough for everyone. I mean single rooms that are actually a box room aren't going to be enough for anyone.
- Good sized living room and dining area. Bedroom space(s) must allow for desk(s) psychological effects (ergonomics) of human space tolerance must be considered.
- Just that I hope the management team considers large family design homes, i.e. kitchen with more cupboards item specified at the moment.
- Homes are suitable size and not made too small in order to fit more people into an area.
- L
- larger floor space than the abysmal average in London new builds,

###### Sound

- soundproofing of flats wall ceilings between and within in flats to reduce noise this will give tenants better and removal of asbestos and replacement with non asbestos material

- Highlights importance of sound proofing
- floors which don't make noise
- homes that exceed levels for noise insulation build with materials that will last will be funded long term to look good and secure

## 2. Outside the home

### Open/green spaces

- a small green area
- Ensure the estates have 'green areas'. Regular rubbish/recycling collections and introduction of food waste
- We must make sure that Southwark is not over developed: that green parks and play areas are not forfeited for the purpose of extra housing.
- Do not want to see green spaces or communal area used for housing. Would like to be kept posted
- Green space or communal area shouldn't be used for additional housing
- worry about noise of more homes and effect on environment and loss of green spaces
- You are creating to[o] many buildings, the area green is gone.
- Do not develop green sites. These make Southwark what it is
- please look into cleaner greener estate
- Would like commitment for energy saving/renewable energy measures/green measures, such as promoting green schemes (cycling, allotments, community gardens)
- Tenants need private outdoor space - on my estate all we have are tiny open back yards. If the council could fence each one in, it would be lovely.
- Use roofs for gardens
- Redevelopment needs green areas
- improve green areas and plant trees
- Keep limited green spaces
- loss of open spaces a concern
- on our estate a guarantee that the woodland will never be threatened by a housing development
- provision should be made for green spaces,
- more green spaces
- Green spaces should be used for communal gardens not just walking dogs
- Keep some green spaces for people to sit and relax that cannot travel to from home
- We need more parks and green spaces
- no reduction in open or green spaces, garden, pathways
- there should be more green spaces around the estate
- concern about loss of open spaces
- private out door space allow for flowers in communal areas
- Yes the park for the children and old person and young adult
- Making housing environmentally friendly - use of green spaces, gardens.
- If these homes are low level and not blocks of flats and also need gardens as not a lot of open spaces or safe places for vulnerable / disabled people to go for peace and quiet
- Some outside space is always welcome for new homes, even if that amounts to a small balcony
- But also important to ensure the provision of quality, green public spaces,
- open spaces they are vital for residents health and well being do not cram more flats in

- no trees or bushes over 6 ft
- less green space could decrease property value
- access to outdoor area,
- Please include street furniture when doing this
- Green projects - communal composting for estates. You do it for residents in houses so why not on estates.
- Would like commitment for energy saving/renewable energy measures/green measures, such as promoting green schemes (cycling, allotments, community gardens)
- Amenity area such as lawn, play area, trees and shrubberies should not be reduced. With increased population density, it stands to reason that amenity and leisure areas should be increased. This includes much needed open space that contributes to the quality of life in Southwark.
- green spaces,

### **Recreation**

- Play areas to be separate from homes.
- sport and leisure activities when developing estates
- Important we need area for children to play outside
- There is no exercising area for the residents
- Dog walking space there is one for the whole estate which is not good as it is in-between two play area do not good for dog.
- play areas,

### **Size**

- Small, intimate, not big, brutal, communal well maintained space - not soulless alleys + mowed lawns
- The site of the estate is very important small is beautiful
- Homes / housing estates should be of a manageable size meaning residents can feel pride in their area and actively manage their homes in a tidy / clean way
- make sure that estates are small to avoid Aylesbury problems
- size of balconies important

### **Transport**

- dedicated bike parking
- Car park should have a door to lock, at night sometimes have people (not from estate) disturbing or hiding in dark corner
- Adequate parking. Safeguarding green spaces.
- Small flats must provide further space to store bicycles, London needs all the help it can get to make this city more environmentally friendly
- Parking space. Bicycles (spaces to park)
- Land not wasted on car parking and garages.
- car parks
- Small flats must provide further space to store bicycles, London needs all the help it can get to make this city more environmentally friendly
- ensure estates have sustainable transport e.g. bike parking
- suitable infrastructure, eg parking spaces and speed humps.
- I think you should build underground car park with cameras
- Please include communal area garages
- Would like commitment for energy saving/renewable energy measures/green measures, such as promoting green schemes (cycling, allotments, community gardens)

**Waste management**

- Think about rubbish - make a secure place for it. Don't pursue low quality design
- Every estate should have clothes recycle bins as some areas have and some don't. Not everyone can access these bins located only in some areas

**3. Local infrastructure****Churches**

- control on number of churches

**Health**

- This programme will increase population density in Southwark. What thought has been given to the requirement for new
- Where is the infrastructure plan to provide for additional 30,000 people -

**Jobs**

- attract new services and job opportunities to the borough
- What about commercial/retail/ developments?
- I think Southwark needs jobs

**Leisure**

- Please do not overload an area with new homes. Old Kent Road, for instance, does not have the infrastructure, leisure areas,

**Schools**

- More schools
- What about education developments?
- Homes need to be close to schools
- This programme will increase population density in Southwark. What thought has been given to the requirement for new schools, Where is the infrastructure plan to provide for additional 30,000 people - schools,
- How many after school clubs do you have that is free? Not everybody wants to be a security guard or labourer.

**Shops**

- Encourage shops that enhance peoples lives area is already overpopulated
- excellent this includes developing enjoyable green and safe neighbourhoods with local independent business support
- Please do not overload an area with new homes. Old Kent Road, for instance, does not have the infrastructure - shops,
- properties more liveable if more desirable and less stigmatised so need to create a mixed community to do this including market rent. High streets are just as important

**Transport**

- Walworth area needs better transport infrastructure immediately and will need even more when new houses are developed. Tube line(s) serving Walworth, Burgess Park etc; better/dedicated cycle routes, and expansion of cycle hire further south; more bus routes especially up Thurlow St.
- Small flats must provide further space to store bicycles, London needs all the help it can get to make this city more environmentally friendly
- Homes need to be close to public transport,
- An increase in the population will result in more cars which give rise to more congestion and pollution

- Where is the infrastructure plan to provide for additional 30,000 people - public transport
- Please do not overload an area with new homes. Old Kent Road, for instance, does not have the infrastructure - and tube or rail stations. Wait till the tube is built, then build more homes.
- lots of noise and traffic

#### 4. Where will the homes go?

##### **Brownfield sites**

- Where is Southwark are there brown field sites
- Most new housing should be on brown field sites to avoid long term blight of estates and social cleansing through rent increases

##### **Overcrowded estates**

- Bermondsey Area is very crowded. Developed buildings should be built away from these Areas
- I think Southwark area is already very crammed with housing. There are less + less green spaces and very few employment opportunities. Crowding people together causes more problems, so I do not agree with the building of new homes in this area
- Limited space on our estate and green space should be left as is.
- It would be very nice to have all the new homes if we had the room. Which we do not
- there is no space for new building on Arnold Estate
- feels like more squeezed onto estates as not getting the homes into private developments
- Do not want more houses on this estate. its a large estate, enough is enough
- homes are suitable size and not made too small in order to fit more people into an area.

##### **Undeveloped land**

- There is lots of underdeveloped land in Southwark. This should be given over to self build projects. For example there's a piece of land 33-43 Nunhead Lane that's been boarded off for about 30 years that's just one example
- efficient use of land existing estates audited to release areas.

## 5. Design and building standards

### Design and planning

- model future housing stock on flats in Elmwood Road which are well designed
- no high rise buildings
- Make sure the design is with some thought to character. Not pigeon holed or egg boxes. Should look attractive, not just boring shapes.
- its all about the spaces between the buildings
- In addition, you got to look at other projects/developments outside the borough to get a broader view of what has/ hasn't work well.
- Elephant and Castle where I live could equal in design terms places like Le Defense in Paris. Please make this area of Southwark the envy of London and the rest of the country.
- who do plan to work with on the designs?
- homes not just flats but also houses
- High standard also includes being mindful of neighbouring properties and effect on wider environment for individuals living amongst/beside and work being carried out. To ensure consideration aesthetically.
- more lights in places
- New housing must be of high quality architecture
- Professional architecture
- I immediately want to know what "high standards" mean. Some factors: all dual aspect, access to outdoor area, larger floor space than the abismal average in London new builds, descent sized windows, energy saving enhancements etc...
- mix up old and new young and old
- I simply do not because flats in a high land cost area your plans will not involve major cutbacks in terms of the housing size and quality
- high quality involves not just function but also appearance - planning for good landscaping, well produced signage etc. Make it look good and people will want it to last.
- Don't pursue low quality design
- Include interior design?
- design for safety
- local issues must be taken into account in planning decisions
- For years I keep saying (1) No windows in cinema put underground Build on Top.(2) No windows in Bowling put underground. (3) Shopping centre parking spaces put underground (4) Swimming pools no windows put underground- so much wasted space

### Build standards

- What are the basic standard quality criteria for all new homes to be build? What will be the lifespan of the new homes? What safeguards are there to ensure the new homes last as long as private sector homes which last centuries?
- I think they should use better thing to build the homes
- Using cheap materials is not value for money
- Standards of construction to include homes built to last
- Also, the drainage system a better one

### Sustainability

- Use of renewable energy and technology.
- There should be reference to sustainability and taking a stand on power generating solar arrays on roofs etc

- consider new materials that have less impact on the environment such as hempcrete
- Living up to the European Director of new kitchens, bathrooms (which include showers) which would reduce water wastes of toilets which again would reduce water waste with more economical flushing systems.
- sustainable energy
- energy saving enhancements etc...

## **6. Security**

### **Anti-social behaviour**

- Try to build houses that deter drunks from hanging around buildings
- esp young people hanging on stairways
- also as area as of gangs (etc)

### **CCTV**

- Should have cameras
- We might need CCTV in this area and the police also predict this as well.

### **Design features**

- design for safety

### **Ground floor flats**

- Security for lower level flats
- Ground floor flats should be given more protection. We are very exposed
- safety doors

### **Police involvement**

- safety on estates i.e. police patrol

### **General comments**

- Estate security and comfortability is investing in for the future
- safety real issue

## 7. Accessibility

### For residents with disabilities

- Think about disabled children when building these properties - they need a bed in the room for two carers to stand either side. Bedrooms tend to be too small for this
- Need disabled access parking
- Ensuring access for the disabled people and local residents including elderly that doesn't take them to march out of the way from their homes.
- Disabled properties that are built need to be affordable and well designed. Have been waiting 7yrs for the right property
- We need a half ramp to the ground floor block entrance
- pavements need to be adjusted for mobility scooters
- I will like the programme development planners to consider or include the problems and needs of vulnerable people with disabilities who are residents in the existing (old) houses without lifts especially in East Dulwich Estate area. Thank you.
- If you also included the appropriate equipment for disabled and other needy people who get these places and a name and number of someone to get any repairs or replacements if faulty not just housing officer and out of hours.

### For older residents

- Ensuring access for the disabled people and local residents including elderly that doesn't take them to march out of the way from their homes.
- You should build some retirement flat for the over 60 or some small house

### Lifts

- Please look at installing lifts
- The idea is sometimes some of the estate need lift as there are old people and young couples with their buggy but the council refused to fix the lift inside when they ask they say they do not have the budget.
- I will like the programme development planners to consider or include the problems and needs of vulnerable people with disabilities who are residents in the existing (old) houses without lifts especially in East Dulwich Estate area. Thank you.



## 8. Other points

### Consultation and engagement with local residents

- We think our estate is well designed and would wish to be consulted about any alterations
- More discussion about changes to accommodation, ie windows we are in middle of scheme to have estate fitted with new windows - most of us are unhappy to have this done - new ones are less secure.
- Involvement in design of outward and inner spaces also consideration for existing property still in useful occupation will give a sense of intimate participation and ownership of built environment as planned. Educative roles will be imparted to tenants and informed tenants make responsible neighbourhoods.
- residents & leaseholders to be directly involved in appointment of any third assessors

### Existing homes

- Very poor standard in the work done in my flat.
- - Improving sound and heat insulation of damp problems in existing buildings.
- They are not HIGH standard; they are, to be honest, crap.
- Insulate the homes you have already.

### Housing allocation

- Successful places are where local working people are given a fair chance to live in a council home and not just for those on benefits.
- Allocation prioritised to working people local people to find a home
- If half of the homes are for tenants in housing need on the estate, will these be built to the same standard as the other 50%? Are the 50% to be private homes to be bought on the open market
- first option for people who live in area
- Bedroom tax. I need to downsize but I am in rent arrears due to part-time job with low income and have been told I cannot move. I have been told there are no 1 bed homes available

### Management and maintenance

- Should have caretakers on each estate
- Support associations
- There is no one responsible for the complaints what residents raise to Council Officers and no one visits at least once a month to know the condition or situation of the estate.
- name and number of someone to get any repairs or replacements if faulty not just housing officer and out of hours.

**APPENDIX 6**

11,000 new council homes  
Consultation Plan – Stage 2  
Borough-wide principles

November 2014

[www.southwark.gov.uk](http://www.southwark.gov.uk)

**Contents**

1.0	Introduction .....	2
2.0	Approach to Community Engagement .....	5
3.0	Aim and Objectives .....	6
4.0	Consultation Methodology .....	7
5.0	Consultation Activity .....	8
6.0	Communications .....	12

## 1.0 Introduction

- 1.1 On 22 July 2014 the Cabinet agreed a report on progress in developing the long term plans for the delivery of new council homes. This report provided an update on the delivery of 11,000 new homes and the early sites that are already in progress.
- 1.2 Cabinet also agreed a consultation draft of a Charter of Principles intended to form the framework for consulting with residents of Southwark on the ongoing delivery of 11,000 new council homes, and asked officers to consult with residents on these principles.
- 1.3 The principles build on the outcomes of the Housing Commission, the approach to community engagement and the way we have been working with residents in the ongoing major works programme 'Putting Residents First' and on projects such as the refurbishment of Lakanal.
- 1.4 This Charter of Principles consultation was only the first stage in a series of conversations the Council will have with people in Southwark about how it will deliver the 11,000 homes by 2043.
- 1.5 The various stages of the 11,000 new council homes consultation are as follows:

	<b>11,000 council homes – stages of public consultation</b>	<b>Time frame</b>
<b>Stage 1</b>	Charter of Principles	August 15 – October 13 2014
<b>Stage 2</b>	Borough-wide principles for development	Jan – September 2015
<b>Stage 3</b>	Estate-by-estate engagement	Late 2015 onwards
<b>Stage 4</b>	Engagement with local residents around involvement in management of new homes	TBC – as various projects near completion

- 1.6 This consultation plan sets out the framework for how we propose to engage residents in **stage 2** of the 11,000 new council homes project, on the **borough-wide principles** for development.

### Summary of Stage 1: Charter of Principles

- 1.7 This initial stage of consultation began on 15 August and ended on 13 October 2014. The timeframe of the consultation was extended from 22 September 2014 after consultation with the Future Steering Board.
- 1.8 The Charter outlines the Council's commitments to residents across a number of key areas. These are:
- Pledge 1: How the Council will work with residents on developing the principles for housing investment and renewal on estates.
- Pledge 2: How the Council will work with residents on development of new homes on their estate.

- Pledge 3: How the Council will involve residents in ensuring that the new homes are of high quality.
- Pledge 4: How the Council will give residents a say on how the new homes are managed
- Pledge 5: How the council will demand high standards for the quality and affordability of new homes
- Pledge 6: What the council will do if residents are affected by redevelopment.

- 1.9 The response to the consultation was considerable: 1913 responses were received by the deadline and a further 103 in the following weeks, making a total of **2,016**<sup>1</sup> responses.
- 1.10 There was overwhelming support – around 90% - for the six pledges which have subsequently been adopted by cabinet. With over 2,000 responses in total we can have a high level of confidence that the results reflect those views of the wider population of residents in council homes.
- 1.11 Almost 700 individuals expressed an interest in staying involved representing 36% of those that replied. This provides a great opportunity for us to engage a significant constituency of new residents in the 11,000 homes project going forward.
- 1.12 The consultation generated almost 1900 separate comments. 1260 of these were linked directly to the individual pledges.
- 1.13 Many comments related to issues that fall into the borough-wide principles stage of consultation e.g. around location of new homes and design standards. These will be analysed and used to inform and shape the second stage of consultation.
- 1.14 Some concerns were expressed from residents covering a number of themes, such as:
- Lack of confidence that the council will uphold the pledges
  - Potential cost of the programme
  - Ensuring we reach a broad and diverse range of people
  - Who will be entitled to the new homes
  - Fear of demolition of existing homes
- 1.15 Responding to these concerns and using them to inform how we involve residents in decision-making during the borough wide principles stage of the consultation is a high priority for the council. For example, there will be:
- A system of review of the operation of the charter of principles annually, through existing representative groups and other residents who have been involved.
  - Ongoing involvement of the Futures Steering Board made up of representatives of Tenant Council and Homeowners Council in the development of the engagement activity as it progresses.
  - A proactive communication strategy that seeks to address some of the

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<sup>1</sup> The comments from the additional responses received beyond the deadline will be analysed and used to inform future engagement and other relevant teams.

frequently asked questions that have arisen through the consultation, clarifies what we mean when we use terms such as “affordability” and “regeneration”, and tackles some of the misinformation and misapprehension.

- An approach to consultation that combines engagement through the formal tenant and homeowner structures, alongside taking ensuring that those who are not engaged in the formal structures are able and encouraged to get involved.

## Stage 2: Borough-wide Principles Consultation

- 1.16 This plan sets how we propose to conduct the second stage of the 11,000 new council homes consultation, on the borough-wide principles for development.
- 1.17 The second stage of consultation on the 11,000 new council homes was due to begin in Spring 2015 but has been moved forward to January 2015 to be coordinated with the consultation on the New Southwark Plan. The New Southwark Plan will set out how we will deliver our Housing Strategy, and will support the delivery of some of our key housing strategic ambitions, including the building of 11,000 new council homes for rent. As such, is important that we consult with the public on these directly related issues at the same time.
- 1.18 The borough-wide principles consultation will start in January 2015 and run until September 2015. It will take a phased approach to exploring the following issues:

**Table 1: Borough-wide principles – Proposed timeframe**

Timeframe	Theme	Questions for residents
Jan - March 2015	Land-use designations	How can we create more opportunities to build new homes?
February – June 2015	Sites for development	Where could we build new homes?
April - June 2015	Tenure Mix Design Standards Health and wellbeing	What kind of estates/communities to do we want in Southwark?  How do we create these estates/communities?  How should we ensure the highest standards of design and delivery?
May – July 2015	Principles for decisions about investment in existing stock	How do we decide to invest or rebuild?

## 2.0 Approach to Community Engagement

2.1 The borough-wide principles consultation will be conducted in line with the council's approach to community engagement, which was adopted in 2012 and sets out a new relationship between the council and our residents, built on trust, openness and transparency.

2.2 The approach states that we will:

- Be clear about what the scope of our engagement is, whether we are communicating, consulting, deciding together or acting together
- Engage when we know it will make a difference, when there is a real opportunity for people to have an impact and influence decisions on issues that local people care about
- Engage at the right time, at an early enough stage for there to be a opportunity to genuinely influence a policy or service
- Allow sufficient time for good quality engagement to take place
- Be clear about what we are asking, what opportunities there are to shape services and be honest about what can and can't be achieved
- We will ensure that our engagement is accessible and targeted to those it needs to reach using a variety of engagement methods to broaden participation and overcome any barriers people may have in engaging with us
- Aim to engage as widely as possible so that we increase engagement with those who are not already in touch with the council
- Tell people what has happened as a result of their engagement

2.3 The borough-wide principles consultation will be conducted in a series of phases, where different approaches to engagement will be required. These will be clearly communicated in each case. For example, the call for sites will be an open information-gathering exercise, which will involve resident proposals being considered, appraised and fed-back on. In contrast, discussion of design standards will take place within the context of proposals which have been developed by our planning policy team.

2.4 The council is also committed to fulfilling its obligations under the public sector equality duty, and will ensure it takes active steps to engage residents across the protected characteristics of the Equality Act.

### 3.0 Aim and Objectives

- 3.1 Our aim to involve Southwark residents in decision-making around the borough-wide principles for development of 11,000 new council homes, in particular:
- sites for new council homes
  - design standards for new council homes
  - how we can work together to create healthy and sustainable communities
- 3.2 The objectives will be:
- To share information with residents about the progress of the 1,500 council homes which are part of the initial delivery phase of the 1,000 council homes
  - To provide a broad range of opportunities for residents to get involved in the borough-wide principles consultation
  - To provide residents with regular feedback and updates on the consultation – both in terms of data collected, and decisions taken
- 3.3 To be clear about when we are:
- A. informing residents about a decision or course of action
  - B. consulting residents in advance of a decision being taken
  - C. working in partnership to reach a joint decision (co-production)



## 4.0 Consultation Methodology

- 4.1 The borough-wide principles consultation will start in January 2015 and run until September 2015. It will take a phased approach to exploring the following issues:
- sites for new council homes
  - design standards for new council homes
  - how we can work together to create healthy and sustainable communities
- 4.2 All residents living in the borough are stakeholders in this consultation, and will have an opportunity to contribute to the conversation about the borough-wide principles, via community conversations, public meetings, online activity, dedicated mailings, and local and social media.
- 4.3 A significant portion of the activity will focus on people living in homes that are owned or leased by the council as those most likely to be directly affected by new council homes being built in the vicinity of their existing homes. This will include close consultation with housing based formal meetings, such as Area Housing Forums (AHFs), Tenants Council, Homeowners Council and the Future Steering Board (FSB).
- 4.4 All stages of the consultation will be open to residents to get involved in; however, the approach and method of engagement will be tailored to the specific theme of the borough-wide consultation.
- 4.5 For example, engagement around a **call for sites** is a relatively straightforward data collection project. It will require us to use a broad selection of online and offline engagement tools to deliver a high number of responses. This ideally will be done via online and hard copy maps of the borough that people add their suggestions to. The process needs to enable people to give their suggestions quickly and easily, and expect feedback if they are share their details.
- 4.6 In contrast, engagement on **land use designations**, is a more complex issue that requires explanation and interrogation of the advantages and disadvantages. This is an area that the planning policy team will be leading on. We would propose engaging residents in this theme via area-based community forums, workshops or focus groups to enable more detailed exploration of the issues which need to be considered, and obtain more in-depth and considered feedback. We would not be seeking or expecting such a high volume of responses in this case.

## **5.0 Consultation Activity**

- 5.1 The following table outlines how we propose to engage residents in the borough-wide principles consultation, across the various themes.

**Table 2: Borough-wide principles – proposed engagement approaches and themes**

Month	Theme	Questions/issues for residents	Specific tools
January February March April May June	Where can we build new council homes?	<p>What are your suggestions for where we can build new homes?</p> <p>[This is the call for sites in the New Southwark Plan]</p>	<ul style="list-style-type: none"> <li>• Housing based formal meetings</li> <li>• Area-based community forums</li> <li>• Interactive digital map of borough for people to post suggestions online</li> <li>• Develop online discussion forum (non-council site) and twitter feed (e.g. #11k council homes Southwark) to start to generate debate and link in with other national initiatives investing in social housing</li> <li>• Online e-form</li> <li>• Community conversations</li> <li>• Resident Service Officer and Manager workshops to explore options and promotion</li> <li>• Community Councils</li> <li>• Social &amp; print media</li> <li>• Libraries and leisure centres</li> <li>• Mailing to residents with rent statements (Feb 2015)</li> <li>• Mailing to leaseholders (Feb 2015)</li> <li>• Youth participation event (Feb 2015)</li> <li>• Workshops with hard to reach groups</li> </ul>
		<p>Sharing options for making more land available for building new homes (as per New Southwark Plan)</p> <p>[This relates to land-use designations in the New Southwark Plan]</p>	<ul style="list-style-type: none"> <li>• Housing based formal meetings</li> <li>• Area-based community forums</li> <li>• Focus groups/ workshops with key stakeholder groups</li> <li>• Online e-form</li> <li>• Online discussion forum posts</li> </ul>

<p>April May June</p>	<p>What kind of homes should be built?</p>	<p>Sharing council proposals for types of homes to be built across the borough (as per New Southwark Plan)</p> <p>Sharing proposed design standards (as per New Southwark Plan)</p> <p>Sharing proposals for energy efficiency and environmental sustainability</p>	<ul style="list-style-type: none"> <li>• Housing based formal meetings</li> <li>• Area-based community forums</li> <li>• Development of council show home in one of new developments</li> <li>• Show-home materials and visuals available digitally and in hard-copy for meetings</li> <li>• Community conversations/outreach programme using housing bus to share visuals of show home and design standards</li> <li>• Online e-form</li> <li>• Social &amp; print media</li> <li>• Online discussion forum posts</li> <li>• Workshops with hard-to-reach groups</li> <li>• Youth-led outreach strand</li> </ul>
<p>April May June</p>	<p>What kind of communities do we want to create in Southwark?</p>	<p>What makes an area/estate a great place to live in?</p> <p>How can we make sure our new homes are built in such areas/estates?</p> <p>Sharing plans for creating mixed tenure communities (as per New Southwark Plan)</p> <p>Key themes – health and wellbeing, community safety, transport and infrastructure</p>	<ul style="list-style-type: none"> <li>• Housing based formal meetings</li> <li>• Area-based community forums</li> <li>• Interactive digital map of borough for people to post suggestions online</li> <li>• Community conversations</li> <li>• Community Councils</li> <li>• Social &amp; print media</li> <li>• Libraries and leisure centres</li> <li>• Mailing to residents with rent statements (Feb 2015)</li> <li>• Mailing to leaseholders (Feb 2015)</li> <li>• Youth-led outreach strand</li> </ul>
<p>May June July</p>	<p>How do we decide to invest or rebuild?</p>	<p>Further discussions are required to decide how to approach this crucial final stage of consultation.</p>	

- 5.2 As outlined in the table above we will be ensuring we consult both through our existing network of formal housing-based meetings, and with a broader constituency of people via community conversations, bespoke online tools and discussion group, dedicated area-based meetings and workshops to ensure we include hard to reach groups.
- 5.3 Following on from the council's recent support of #Housing Day on 12 November, which was a twitter campaign to promote the positive value of social housing, the council should continue to actively contribute to such national level debates. It is proposed that we set up a **dedicated twitter feed** for the 11,000 council homes campaign, as well as starting an **online discussion forum** (hosted externally to the council site) to facilitate debate and enable people to post interesting ideas and innovations.
- 5.4 As part of the New Southwark Plan consultation, a number of **area-based consultative meetings** will take place from November 2014 – February 2015. Starting from January, there will be the opportunity to incorporate some of the above themes in these meetings, as an opportunity to explore some key issues with residents in more detail. It is highly likely that we will reconvene these area-based consultative forums one or more times during the consultation period.
- 5.5 **Youth participation** will be critical to this stage of the consultation, and work has been ongoing during 2014 to conduct a survey of young residents of the borough and the barriers and enablers to them becoming more informed and active around their housing and broader council decision-making. Some 400 young people have been involved to date, and we will be sharing and developing youth-led strategies to tackling these barriers at an event in February 2015. This event will be the launch-pad for a strand of engagement activity on the borough-wide principles, which is developed and run by young people living, working or studying in the borough.
- 5.6 Another element of the engagement plan which is worth highlighting, are plans to develop a **council show-home** on one of the first new council home developments which will be available in 2015. This will be an important tool in demonstrating the kind of design standards that the council will deliver for new council homes, and overcoming some of the concerns people have. A virtual show home and visuals should also be developed to be posted online and shown at meetings. A broader communication strategy around the new homes being delivered in 2015, and the responses of those going to live in them, will also be a valuable tool in encouraging people to get involved in the consultation.
- 5.7 The borough-wide principles consultation has a quite important theme underpinning it around the new homes being **"more than just bricks and mortar"**. It is therefore suggested that we start a **debate** about not just the homes themselves, but the broader neighbourhoods and communities needed around them to support residents.
- 5.8 Clearly, it will be critical not to create unrealistic expectations of what can be delivered by the 11,000 council homes project. The aim would more be to explore issues such as infrastructure, green space, health and wellbeing and community resilience - and start a discussion around the co-productive strategies residents, community organisations, businesses, the voluntary sector and the council can take to deliver this vision.

## **6.0 Communications**

- 6.1 A Communications Plan will be developed in December 2015 in consultation with the council Communications team. A draft Frequently Asked Questions is currently being prepared.

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		11,000 New Council Homes – Design Values and Standards	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

## **FOREWORD – COUNCILLOR MARK WILLIAMS, REGENERATION AND NEW HOMES**

Much new housing in London today comes across to many as tacky, boxy, poorly composed, visibly value-engineered and unworthy of this great city. It is also common to see much new housing development compromising on space and light standards, starkly segregating their residents by economic circumstance, and disregarding the many small but important details that make for a humane and truly enabling living environment.

The Southwark Design Guide represents an attempt to restart a new race to the top in housing design. It sets out a commitment to the highest aspirations a progressive housing client might have – from nationally leading space standards, lifetime access and the highest standards of energy efficiency in both their on-going management and construction, through to a strong commitment to coherent compositions that enhance the character identity and psychology of a neighbourhood. Our aim is to deliver durable and manageable new homes that are as convenient to Southwark to manage as a landlord as they are life-enhancing to residents and passers-by.

It also sets out an uncompromising approach to tenure blind development, demanding that external compositions and internal circulation and communal spaces make indistinguishable the presence of council or private residents. No children in Southwark commissioned new homes will be able to point to ‘rich areas’ or ‘poor areas’ of where they live, and all shared spaces will consider carefully how they can best engender new community.

The Design Standards document will also act as a ‘living document’, evolving with what critical feedback comes to back to us as we roll out our programme of new council housing - open to new smart technologies, to old technologies being used in new ways and open to challenge from architects. It will, in short, act as a key point of reference for architects and contractors working on our Direct Delivery and Regeneration in Partnership development sites and an inducement that in Southwark they have a client for whom they can and should produce career-best work.

The London Borough of Southwark has a glorious (as well as an inglorious) tradition of council house design to draw on and this guide represents our accumulated learning from both the highlights and lowlights of housing past and present. With our new Southwark Design Guide, we are using our New Homes programme as an opportunity to restore the pride and prestige of council housing, and create a legacy that present and future Southwark residents can be proud of for many decades to come.

## **RECOMMENDATIONS**

That the Cabinet:

1. Approves the Southwark Design Values attached in Appendix 1 which sets out the council's aspirations for design excellence and reflect the council's core values and commitment to residents.
2. Approves the interim Design Standards attached in Appendix 2 which set out the council's commitment to high quality and robust design.
3. Notes that the two documents along with a third document, the Technical Specifications, will form the new Southwark Design Guide.

## **BACKGROUND INFORMATION**

4. In July 2013 this council made an historic commitment to build 11,000 new council homes by 2043; with the first 1500 delivered by 2018.
5. In November 2014 Cabinet agreed, as part of a staged approach to formalise further community engagement in the delivery of the new council homes, that the second stage engagement would address borough wide principles including design. A report noting the outcomes of the second stage engagement is being presented to Cabinet at this meeting.
6. In parallel to the above process officers commissioned the development of a design guide that sets out the Council's aspirations and expectations for its partners and contractors. The outcome is a suite of 3 documents (Design Values, Design Standards and Technical Specifications) that will form the Southwark Design Guide.
7. This report seeks approval for the two foundation documents in the suite – namely, the Design Values and Design Standards.
8. The Technical Specifications document, which is still being developed, is intended to serve as the starting point for consultants tasked with developing employer's requirement on behalf of the council and is underpinned by the Design Values and Design Standards documents.
9. The three documents will be used individually and together. The process for every New Homes project will start with an understanding of the council's Design Values; as the design process gets underway, the Design Standards will become the most relevant day-to-day reference point up to planning stage and from there on the Technical Specifications will play a larger role.
10. They need to be read in conjunction with our Core Strategy, New Southwark Plan and related policy documents, all of our existing housing related planning policy documents, the London Plan and other GLA standards and relevant external publications.

## **KEY ISSUES FOR CONSIDERATION**

11. The Design Values document is the kernel of the council's aspirations for excellence in design quality in the New Homes programme. It also represents the council's commitment to its residents. As such, it defines the outcomes sought, rather than the outputs required.



12. The starting point for the Design Values document was the 5 Fairer Future Principles and 10 Fairer Future Promises as set out in the Council Plan and the four principles set out in the Southwark Housing Strategy to 2043. As such the 15 design values set out in the document (and listed in the following table) are a reflection of the council's core objectives.

<b>The Fifteen Design Values</b>	
1.	Promote equality, diversity and social cohesion through tenure blind design
2.	Provide a wide range of dwelling types and sizes that respond to different household sizes, ages, circumstances and lifestyle choices.
3.	Create a legacy of high quality buildings and spaces and places where these can be justified through a long-term approach.
4.	Involve residents every step of the way.
5.	Enhance the character, identity and psychology of an existing place – or create new places that have this potential.
6.	Be open to new ideas, innovation and the benefits of smart and sustainable technology without taking undue risks.
7.	Reduce capital cost by using space wisely in buildings that are straightforward to construct.
8.	Keep rents, service charges and general running costs down by using robust, good quality materials and designing for low maintenance and light-touch management.
9.	Reduce health and social care costs by making homes and neighbourhoods safe, comfortable, accessible and adaptable to changing need.
10.	Take a 'lean, green and clean' approach to energy consumption to reduce fuel poverty and protect the natural environment.
11.	Support family life and individual health and well-being by creating healthy environments that value privacy as well as sociability.
12.	Improve life chances and encourage social mobility by providing space to study and work and for recreation and play.
13.	Provide opportunities for social interaction and civic participation.
14.	Create homes and places where people feel they have ownership, and are proud to live in and want to care for.
15.	Seek to spread regeneration benefits beyond the immediate site boundary and ensure that new development takes account of future plans and looks for wider opportunities.

13. The Design Standards document is essentially a client brief to design consultants and contractors. In addition to standards set out in local, regional and national planning guidance, the design standards document is also informed by the council's experience as landlord. Its development has drawn on the wide-ranging experience of many residents, councillors, council staff and consultants.

14. Southwark is a large and varied borough with a very wide range of housing need, tenure and typology at very different densities. So although these standards are unique to the council, they will still need to be supplemented on a project-by-project basis to reflect extra sites specific requirements. Key aspects of the Design Standards and the Technical Specifications will then be incorporated in the Employers Requirements produced for every scheme. Without being over prescriptive, the aim is to achieve a consistent level of quality while delivering value for money over the long term, at a time when all local authority budgets are particularly stretched.
15. Although not yet in use, this document has already been affected by new government policies and legislation. Ministers announced last year that new homes must achieve Zero Carbon (with Allowable Solutions) from 2016. This year has seen the introduction of new and amended Building Regulations for accessibility, security, waste and water, and the publication of a new national space standard.
16. These changes to planning and building regulation took effect on 1 October 2015 and its affects the GLA planning and funding standards as well as our existing local planning policies have not been fully established. Rather than wait, officers have continued with the drafting of what is now an interim version of Design Standards because the council has projects already underway and others about to start. Therefore, both Design Standards and Technical Specifications will be updated as soon as the full implications of the national policy changes are clear and as the emerging Southwark Plan gains weight.
17. Looking further ahead, the intent is to review the Design Standards and Technical Specifications regularly to ensure that they remain current, and reflect lessons learnt. As the standards are implemented officers will seek feedback from residents, staff (particularly housing managers) and external development partners and consultants.

### **Policy implications**

18. In 2014 the council made ten new fairer future promises aimed at making Southwark a fairer place to live, where all residents have the opportunity to fulfil their potential. Promise 3 was that 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.
19. Southwark Housing Strategy to 2043 set out Southwark's first long-term housing strategy. The housing strategy sets a clear ambition to increase the supply of homes in the borough including council homes, ensuring a supply of housing that is affordable to people on a range of incomes, and a demand that all homes are to be of the highest possible quality.
20. The development plan for the borough consists of the Mayor's London Plan (2015), the Core Strategy (2011), the saved policies of the Southwark Plan (2007), the Aylesbury Area Action Plan (2010), the Peckham and Nunhead Area Action Plan (2014) and the revised Canada Water Area Action Plan (2015). The Core Strategy and the Saved Southwark Plan policies are to be replaced by a local plan to be known as the New Southwark Plan. This is currently being prepared in consultation with residents, land owners, developers, employers, local organisations and other groups and is expected to be adopted by 2018. The New Southwark Plan will set out a strategy to bring the full benefits and

opportunities of regeneration to all of Southwark's residents including the delivery of the long term Housing Strategy.

21. The Design Values are derived from the Council Plan 2014/15 to 2017/18 and Southwark Housing Strategy to 2043.
22. The Design Standards are intended to complement and supplement rather than replace existing council standards and to take account of many other external standards – including those of the GLA. They also take account of the final outcome of the Governments review of housing standards which took effect on 1 October 2015 by enshrining those standards, such as Code for Sustainable Homes and the South East London Housing Partnership Wheelchair Design Guidance.
23. They interpret these documents in the context of the council's own house-building programme, and add extra standards where the council feel they are necessary. They provide more detail, and at a more practical level. They cover issues such as management and maintenance - the less 'glamorous' areas that receive little coverage in typical design guides, but are crucial to long-term success.

### **Community impact statement**

24. 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.
25. The values and standards laid out in Southwark Design Guide aim to advance equality of opportunity and foster good relations between different people by ensuring that all occupants of the new homes are treated equitably. Design emphasis is placed on ensure that all new homes are tenure blind, that there is a balance of bedroom sizes, and that in addition to all homes being built to Lifetime Homes standards that there is also adequate provision of wheelchair units.

### **Resource implications**

26. All costs associated with the development of the Southwark Design Guide to date have been contained within the Housing Revenue Account.
27. The costs and benefits (including lifecycle values) of implementing the standards and technical specifications will be evaluated on a project specific basis as part of a development viability assessment.

### **Consultation**

28. In November 2014 Cabinet agreed a staged approach to formalise further community engagement in the delivery of the new council homes as per the table below.

11,000 council homes – stages of public consultation		Time frame
<b>Stage 1</b>	Charter of Principles	August – October 2014
<b>Stage 2</b>	Borough-wide principles for development	February – September 2015
<b>Stage 3</b>	Estate-by-estate/ site specific engagement	Autumn 2015 onwards
<b>Stage 4</b>	Engagement with local residents around involvement in management of new homes	TBC – as various projects near completion

29. Central to stage 2 of the public consultation was the question of what these new homes should look like, the findings of which were to be incorporated in the suite of design documents. In order to elicit the widest ranges of comments, the following nine questions were posed to residents:

1. What do you think of the way your neighbourhood/estate looks?
2. What do you think are the most important features of an attractive neighbourhood or estate?
3. What do you think are the most important amenities or facilities a neighbourhood or estate should have?
4. If you were moving into a new council home, what would be most important to you? What makes a home family-friendly?
5. Let us know your suggestions for improving communal areas in developments of new council homes
6. We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can best achieve this?
7. We want to encourage social interaction and develop a sense of community with these new homes.
8. Can you share an example of a situation that has brought you closer to your neighbours?
9. We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood or estate?

30. The main vehicle for these questions was a paper questionnaire distributed to residents at various events across the borough, such as the Bermondsey Carnival and Eid festival throughout June and July. Community engagement officers attended these events and encouraged attendees to complete the questionnaires in person. The questionnaire was also posted on the council's new online consultation hub and sessions were also held at four libraries (targeted on the basis of footfall and ensuring a good geographical spread) across the borough where residents were again encouraged to complete the questionnaire.
31. The questions were also posed to the council's formal housing consultation structure of area housing forums, Tenant Council and Homeowner Council as well as a number of discussions with the Future Steering Board, both on the

subject of the questions and on the design guide itself. In total, around 2,500 residents were engaged on the issue of design of the new homes and neighbourhoods during the consultation which ran from June to August 2015.

32. The following table outlines how the key issues raised by residents in response to the consultation questions have been addressed within the Design Standards.

Issue	How it is addressed in the Design Standards
<b>Adequate room size/ space</b>	The space standards set out in Section 3.1 (general requirement within the home) will ensure that the new homes are not only spacious but also provide a good social (e.g. kitchen and living rooms) and private spaces (e.g. bedrooms).
<b>Green space/ playgrounds</b>	The requirements set Section 1.4 (public spaces) of the Design Standards will enable attractive open spaces with provision for play.
<b>Energy efficiency</b>	The requirements set out in Section 3.14 (energy, power and water) adopts a 'fabric first' approach that will produce highly energy efficient homes.
<b>Sound proofing</b>	The requirements set out in Section 3.9 (privacy and sound-proofing) exceed current building regulations.
<b>Importance of community cohesion</b>	The design standards for the communal areas (page 20) aims to make them convivial spaces that provide opportunities for social interaction and reduce the likelihood of antisocial behaviour. Likewise, the soundproofing requirements in Section 3.9 will by ensuring that residents have quiet enjoyment of their home will foster goodwill and community cohesion.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

33. The council is committed to the delivery of a substantial number of new council homes over future years and, in particular, 1,500 by 2018. The quality of design for those homes is an important factor and this report asks Cabinet to approve two fundamental documents which are the Design Values and the Design Standards.
34. The report refers at paragraph 22 to the review of housing standards which is being introduced. In effect, the national technical housing standards came fully into effect from October 1 2015 and therefore in the future the Council will only be able to impose upon developers optional standards in building regulations relating to access to and the use of buildings. Therefore, the ability for the Council to regulate the work undertaken by developers is being restricted.
35. However, this report is concerned with the Council's own developments and the Council is therefore able to complete developments to a higher standard. The Cabinet clearly has the authority to reach this decision.
36. The Public Sector Equality Duty has been considered at paragraph 25 and reflects the aim of advancing the equality of opportunity and in particular highlights the need for the adequate provision of wheelchair units.

**Strategic Director of Finance and Governance (FC15/032)**

37. The strategic director of finance and governance notes the proposal to seek approval for the Design Values and Design Standards for the new Southwark Design Guide for the 11,000 new council homes. The financial implications of implementing these values and standards will need to be met from within the council's overall capital resources for the housing investment programme.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Council Plan 2014/15 to 2017/18	Chief Executive / Strategy and Partnerships 160 Tooley Street, London SE1 2QH	Stephen Gaskell 020 7525 7293
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=5163">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=5163</a>		
Housing Strategy to 2043	Housing and Modernisation / Strategy & Performance Improvement 160 Tooley Street, London SE1 2QH	Claire Linnane 020 7525 0732
<b>Link:</b> <a href="#">Housing Strategy to 2043</a>		

**APPENDICES**

No.	Title
Appendix 1	Southwark Design Values
Appendix 2	Interim New Homes Design Standards

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Community Services, and Stephen Platts, Director of Regeneration	
<b>Report Author</b>	Nnenna Urum-Eke, Housing Regeneration Programme Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 November 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>	5 November 2015	

**Fairer future**

Quality affordable homes



APPENDIX 1



# Southwark Design Values 2015

The vision for a new homes programmes

74



## Background and borough-wide objectives

Southwark is once again building new council homes. We are embarking on an ambitious new development programme that will explore thoroughly all opportunities for building much-needed new homes, with any viable space becoming a potential site and every new development an opportunity to ensure we provide suitable, genuinely affordable housing for our residents.

We are doing this in order to address some of the very specific challenges we face in the borough.

- We have the largest number of council homes of any borough in London.
- We have the highest proportion of council housing to homes of any council in the country.
- As an inner London borough, we are at the epicentre of London's housing crisis – every year, we have over 20,000 applicants on our waiting lists.
- We are the 26th most deprived local authority area out of 354 nationally based on the average of scores and the ninth most deprived in London.

We have therefore made an ambitious commitment to build 11,000 new council homes by 2043, with the first 1,500 of these delivered by 2018. These will be at council rent levels, genuinely affordable to our tenants. We are supported in our aim by the experience of our strong track record of delivering large scale regeneration

The primary aim of our new programme is to build more homes for affordable and social rent. Providing specialist housing such as accessible, or wheelchair adapted homes, can also be addressed with this council-managed model, which will respond to the need for properties suitable for disabled people as well as larger properties for families. We will, however, be developing across the full range of tenures – partly to achieve our goal of mixed communities and partly to fund future development through cross subsidy generated by homes we sell and higher levels of revenue accrued through private rental.

We see our direct delivery housing programme as playing our own part in bringing the country out of recession. Job creation, new homes and thriving, mixed communities are what build the future for our borough, for the rest of London and across the country.

But quality is every bit as important as quantity. Our house building programme presents an historic opportunity to deliver exemplary buildings that create value and life-enhancing opportunities for our residents for years to come.

In order to achieve this, we need to live up to the promises we have made and, correspondingly, we need to be clear about the values we hold and the standards we must meet. Our aspiration for design excellence must therefore reflect our core values and commitment to our residents.

This document reviews our 5 Fairer Future principles and 10 Fairer Future promises and translates them into design values. These then underpin our design standards, technical specification and procurement and partnering approaches.



# The role of this document

In order to make a genuine difference to the lives of our residents, these Fairer Future principles and promises need to be turned into simple, practical measures that can be delivered on the ground. That is the purpose of this new suite of documents.

Our aim is to look to the future while learning from the past. Our experience as landlord informs our role as client and in developing this suite of documents we have drawn on the wide-ranging experience of many residents, councillors, council staff and consultants, including Levitt Bernstein and PRP architects who have produced these documents for us.

## How the documents are structured

Our expectations for the new homes we build are set out in a suite of three documents. The component parts are as follows:

- Design Values
- Design Standards
- Technical Specifications

This is the first, the Design Values document, which shows how our Council-wide pledges have been developed into a set of priorities that relate directly to the design and building of new homes in Southwark. In this document we define Southwark's design aspiration in the context of the borough's design values to inform the architects, developers and contractors we engage in the delivery of the council build programmes.

The aim is to provide clarity on what matters to the borough as a client/partner without being overly prescriptive or subjective about what is good design. Essentially, the goal is to say what good design must do or be, rather than what it must look like, therefore relating to outcomes, rather than outputs.

The second, Design Standards document, then demonstrates how these priorities have been taken forward, and on into the Technical Specifications, the third document.

## How the documents should be used

The three documents will be used individually and together. They will be used to convey our expectations during a bidding process and form the main part of our brief to the consultants we appoint. They also represent a commitment to our residents.

They need to be read in conjunction with our Core Strategy, all of our existing housing related planning policy documents, the London Plan and other GLA standards and relevant external publications.

We know that building new homes takes a great deal of effort, and needs a wide range of skills from a large number of participants. Good teamwork is essential if we are to emerge with a good product and that relies on a common understanding of shared goals. We therefore expect everyone who wishes to work with us - whether as designers, other consultants or development partners - to familiarise themselves with the full suite of documents as well as with our other housing related policy documents.

This process starts with an understanding of our Design Values – what they are, and where they come from. We expect them to be a constant reference point throughout the entire process. They should underpin all the decisions that are made and remain the test of a successful outcome.

As the design process gets underway, the Design Standards will become the most relevant day-to-day reference point up to planning stage. From there on, the Technical Specifications will play a larger role.

As proposals emerge and develop, we will be reviewing them against our values and standards and will expect our design team to carry out and submit a comprehensive audit against the full set of design requirements, prior to making a planning application.



## 5 Fairer Future principles

In developing these documents, the starting point has been the 5 Fairer Future principles which we developed with Southwark residents and set out in our Council Plan. All of these have implications for any new housing we build:

- 1** Treat residents as if they were a valued member of our own family
- 2** Be open, honest and accountable
- 3** Spend money as if it were from our own pocket
- 4** Work for everyone to realise own potential
- 5** Make Southwark a place to be proud of

## Our 10 Fairer Future promises

The council plan also contains our ten Fairer Future promises. These are 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 suite of three design guidance documents therefore also responds to our 10 Fairer Future Promises.

### Promise 1 - Value for Money

We will continue to keep council tax low by delivering value for money across all our high quality services.

### Promise 2 - Free Swimming and Gyms

We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks.

*“Make it easier to be healthy and live a healthy lifestyle.”*

### 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.

### Promise 4 - More and Better Schools

We will meet the demand for primary and secondary school places and drive up standards across our schools so at least 70% of students at every secondary get at least five good GCSEs.

*“Help pupils learn and attain.”*

### Promise 5 - Nurseries and Childcare

We will help parents to balance work and family life including investment in our children’s centres to deliver more quality affordable childcare and open two new community nurseries.

*“Help parents to balance work and family life.”*

### Promise 6 - A Greener Borough

We will protect our environment by diverting more than 95% of waste away from landfill, doubling the estates receiving green energy and investing in our parks and open spaces.

### Promise 7 - Safer Communities

We will make Southwark safer with increased CCTV, more estate security doors and a Women’s Safety Charter. We will have zero-tolerance on noisy neighbours.

### Promise 8 - Education, Employment and Training

We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.

*“Enable economic mobility for local people.”*

### Promise 9 - Revitalised Neighbourhoods

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

### Promise 10 - Age Friendly Borough

We want you to get the best out of Southwark whatever your age so we will become an age friendly borough, including the delivery of an ethical care charter and an older people’s centre of excellence.

## Our Housing Strategy promises

Our long-term Housing Strategy looks forward to 2043 with a plan of action which learns from the past, tackles the issues of the present and puts in place clear plans for the future. This marks us out over other local councils, and sets the framework for our commitment to providing quality homes and housing services.

Our housing strategy principles are:

- 1 We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
- 2 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.
- 3 We will support and encourage all residents to take pride and responsibility in their homes and local area.
- 4 We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

## Our Design Values

From our Council Plan, fairer future principles and promises and the Housing Strategy principles, we have derived fifteen design values specifically to guide and inform our housing development programme.

The Design Values are the kernel of our aspirations for excellence in our new housing development programme. They define the outcomes sought, rather than the outputs required.

- 1 Promote equality, diversity and social cohesion through tenure blind design.
- 2 Provide a wide range of dwelling types and sizes that respond to different household sizes, ages, circumstances and lifestyle choices.
- 3 Create a legacy of high quality buildings and spaces and places where these can be justified through a long-term approach.
- 4 Involve residents every step of the way.
- 5 Enhance the character, identity and psychology of an existing place – or create new places that have this potential.
- 6 Be open to new ideas, innovation and the benefits of smart and sustainable technology without taking undue risks.
- 7 Reduce capital cost by using space wisely in buildings that are straightforward to construct.

## The Design Values in practice

The Design Values will only make a difference to the homes we create when they are implemented in practice to bring about a lasting benefit to the borough, the immediate neighbourhood and to our residents.

The following pages therefore focus on each of the Fairer Future principles in turn and show how they relate to our Design Values, and how these carry through into the Design Standards and Technical Specification. These pages show how the principles and design values have influenced the standards and specifications.

These examples relate to three distinct sections of the Design Standards which are also reflected in the Technical Specifications. These are the public realm, communal areas and private spaces in and around the home.

The design values are illustrated with examples from Southwark's rich and varied modern buildings where appropriate, to establish the aspirations for high-quality design and performance.

- 8** Keep rents, service charges and general running costs down by using robust, good quality materials and designing for low maintenance and light-touch management.
- 9** Reduce health and social care costs by making homes and neighbourhoods safe, comfortable, accessible and adaptable to changing need.
- 10** Take a 'lean, green and clean' approach to energy consumption to reduce fuel poverty and protect the natural environment.
- 11** Support family life and individual health and well-being by creating healthy environments that value privacy as well as sociability.
- 12** Improve life chances and encourage social mobility by providing space to study and work and for recreation and play.
- 13** Provide opportunities for social interaction and civic participation.
- 14** Create homes and places where people feel they have ownership, and are proud to live in and want to care for.
- 15** Seek to spread regeneration benefits beyond the immediate site boundary and ensure that new development takes account of future plans and looks for wider opportunities.

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The specific ways in which these design values are correlated to the Fairer Future Principles and Promises and the Housing Strategy principles can be found in the Appendix.



# Good design must treat residents as if they were a member of our own family

Simply expressed, we want the design of our new developments and the homes within them to be attractive, flexible, inclusive, secure and affordable.

A high quality home should provide the basis for a fulfilling and independent life, regardless of a person's health, age or disability. It enables them to earn a living, raise a family, and be an active participant in their local community. We require a mix of dwelling sizes as set out in the New Southwark Plan, thereby ensuring that all new housing is built to the Lifetime Homes standard so it is adaptable to changing needs.

The quality and design of our new homes is particularly important with an ageing population and fewer resources, as people will live in their own homes for longer. We want our new homes to be places where people can

grow old in comfort and security. To enable them to do so, we need to benefit from the design and technological advances which will help them maintain their independence for as long as possible.

We also need to ensure that children and young people have the best start in life, and we can do that by requiring high standards of housing design, including energy-efficient measures which will contribute to reducing fuel poverty and utilising renewable sources of energy where possible.

We also intend to develop specialist housing types which maximise independence for people with physical disabilities, those with mental health issues, people with learning disabilities, vulnerable young people, older people and other specific needs





# 1 Promote equality, diversity and social cohesion through tenure blind design.

Inclusive design is an essential tenet of our design values. We want our residents to feel proud of their homes and neighbourhoods, and therefore to respect them and to be able to enjoy living healthy and fulfilled lives. We want to promote a comfortable environment, regardless of income and background.

Inclusive design is achieved through our attention to equality of opportunity for residents to make good choices about their homes, including location, cost, appearance, security and desirability. It also means that our design of the public realm, communal areas and the individual homes are designed inclusively from the outset - readily accessible to everyone regardless of their age, size, ability or disability.

## Public realm

Buildings and spaces should work together to:

- Support the principles of tenure neutral development and mixed communities whereby no group of people is segregated or stigmatised
- Create a safe, attractive, desirable and accessible environment that responds to the human scale even when large or tall buildings are proposed

## Communal areas

- Entrances should be visible from the public realm, inviting, secure and accessible to the widest possible range of users, and offer shelter from wind and rain. This is particularly important in mixed use buildings where the residential entrances have to compete with shops, or other non-residential uses, to maintain a safe and prominent street presence.
- A safe, level, well-lit drop-off space is required close to every communal entrance, with dropped kerbs to assist wheelchair users.

## Private spaces in and around the home

- All dwellings should meet the full set of requirements of the new national space standard. Substantially larger floor areas will be required for wheelchair homes.

### 3 Provide a wide range of dwelling types and sizes that respond to different household sizes, ages, circumstances and lifestyle choices

Across all of our developments, we aim to provide a well-integrated, good mix of dwelling sizes, types and tenures in order to promote mixed communities and provide choice to our residents. The different tenures need to have common space standards to allow us the flexibility over time to vary the tenures if circumstances change.

Our residents have diverse needs and often remain in the same home for many years so spaces that are flexible and adaptable enough to respond to the physical challenges of aging and disability without the need to uproot, are important in maintaining a good quality of life and reducing long-term health and care costs.



#### Public realm

- Building and spaces should work together to support the principles of tenure neutral development and mixed communities whereby no group of people is segregated or stigmatized.

#### Communal areas

- There should be no hierarchy or segregation in communal spaces unless there are site-specific reasons for doing so.
- Cores should serve a maximum of 25 dwellings or 100 people/bedspaces, and each landing (or length of landing) give access to a maximum of 8 dwellings, unless higher numbers are expressly permitted.
- Internal communal space generally should be secure but welcoming, and naturally lit and ventilated as far as possible. Spaces should be modest in size to keep to service charges reasonable but designed to encourage social interaction.

#### Private spaces in and around the home

- All dwellings should meet the full set of requirements of the new national space standard.
- Substantially larger floor areas will be required for wheelchair homes.
- All dwellings should meet at least the requirements of the new Category 2 regulation (Part M Volume 1: Dwellings of the Building Regulations) irrespective of whether step-free access can be achieved.
- Designated wheelchair dwellings should meet the requirements of the new Category 3 regulation (Part M Volume 1: Dwellings of the Building Regulations). The requirement for wheelchair dwellings will be determined on a site by site basis.
- The mix of wheelchair dwellings should generally reflect the overall dwelling mix and tenure balance, unless otherwise requested, but 3 storey wheelchair homes are not permitted.



### 3 Create a legacy of high quality buildings and spaces where these can be justified through a long-term approach.

We expect new developments to realise the full potential of every site and exploit opportunities to improve the wider area wherever possible. Character, continuity and enclosure, quality of the public realm, ease of movement, legibility, adaptability and diversity are key components of successful urban design and place-making.

We want the minimum standards to be regarded as simply the minimum acceptable, and not as a target to achieve compliance with our requirements, so we hope that they will be exceeded wherever there is the opportunity. This means reviewing the lifecycle costings alongside an assessment of the long-term social value of our developments.

Trees and other forms of planting are important for their softening effect and can also provide summer shade, act as a filter for airborne pollutants, absorb carbon dioxide and support native birds and other forms of wildlife.

#### Public realm

- Building and spaces should work together to be designed to age well over a long life
- Buildings should have a strong presence and discernible character that is as evident in the detail of every component as it is in the overall form and massing.
- New residential buildings should address, and contribute to, the public realm and provide active overlooking of streets and public spaces through the placement of entrances, windows and balconies.

#### Communal areas

- Internal communal space generally should be secure but welcoming, and naturally lit and ventilated as far as possible.
- Entrances should be visible from the public realm, inviting, secure and accessible to the widest possible range of users, and offer shelter from wind and rain.

#### Private spaces in and around the home

- We have a strong preference for all homes to be dual aspect, and this is essential for homes with 3 or more bedrooms.
- No north-facing single-aspect homes are permitted.
- We want to exceed current Building Regulations in respect of soundproofing between dwellings
- We will consider triple glazing and the use of winter-gardens instead of open balconies where conditions are particularly exposed or noisy.





Fairer Future Principle  1

# “Good design must be open, honest and accountable”

Our approach is underpinned by empathy, openness and trust. We respond to the knowledge and experience of our residents and use it to ensure we get things right first time, every time. We will take an honest look at everything we do and ask, “Can we do it better?”

For our housing programme to be open, honest and accountable, we want the new homes to be modest in form and using materials in simple, practical and durable ways. For ease of use, buildings must be easily understandable, with the location of entrances and access routes simple and logical for the first time visitor. Construction details should be consistent with robust design, and provide interest at close quarters as well as from a distance, so there is always something of interest to see.

Accountability also means having a responsibility for designing with climate change and the environmental impacts in mind.

## 4 Involve residents every step of the way

Local people often know and understand their own area better than anyone, and can make valuable contributions to the design process and the eventual proposals. Therefore, in all new developments, we require a high level of engagement with the local community from the outset to identify and meet aspirations where possible and to ensure broad support for the final proposals.

We have demonstrated our commitment to inclusion and involvement of local people through the council's budget process which developed our Fairer Future principles. This engagement and conversation continues and will contribute to increasing customer satisfaction.

We will foster an open, inclusive approach to projects is required, ensuring that individuals and groups with different experiences and expectations can positively influence the design of their future community. This will involve working with residents to form design review groups, and working with others to develop residents' design capacity to make decisions, as well as more general open days and site visits to elicit opinions and inform decision-making.

### Public realm

- High levels of consultation and engagement with residents and local people is required through the masterplanning process in order to gain a detailed understanding of the local area and bring forward appropriate proposals.
- We expect to see well-planned events which engage residents in wide-ranging discussions including details of the public realm, particularly routes and desire lines through the area, uses and layout of public open space and parking requirements.
- A walkabout around the local area with residents can be useful for eliciting informal information.

### Communal areas

- Residents' experiences of shared spaces, both internal and external, can provide invaluable input to inform the design, ensuring that poor examples are avoided and only best practice perpetuated.
- Visits to existing and new apartment blocks can provoke useful discussions and commentary.

### Private spaces in and around the home

- Feedback from residents, combined with visits to existing and new homes, will provide a wealth of information about the ways that people live and how they like to use their homes, including their cultural requirements.
- The use of models and perspective drawings is always helpful to explain constraints and explore options.





## 5 Enhance the character, identity and psychology of an existing place – or create new places that have this potential.

We look for design that is appropriate to its physical context, reflecting the best aspects of local character and integrating well with the surrounding area. The questions which form the basis of Building for Life 12 are an important consideration in the design of a new neighbourhood, taking in connectivity, local facilities, transport, existing topography and landscape. We look for public and private spaces which have clear definitions between ownership and we aim for attractive, well-managed and safe environments.

### Public realm

Building and spaces should work together to:

- Respond to their physical context and local character
- Integrate with the existing pattern of buildings and spaces
- Make a positive contribution to the neighbourhood
- Create a safe, attractive, desirable and accessible environment that responds to the human scale even when large or tall buildings are proposed

Existing assets such as important structures, boundary walls, mature trees and hedgerows should be preserved and incorporated into new development where possible.

Buildings should have a strong presence and discernible character that is evident in the detail of every component as it is in the overall form and massing.

### Communal areas

- We want the entrances to our new buildings to be genuinely inviting; not just adequate, visible from the public realm, secure and accessible to the widest possible range of users, and offer shelter from wind and rain.
- Spaces should be designed to encourage our residents to be good neighbours and discourage anti-social behaviour





## 6 Be open to new ideas, innovation and the benefits of smart and sustainable technology without taking undue risks.

Innovation and new ideas can relate to construction processes as well as products and services. Keeping abreast of new ideas, technology and innovation in construction is essential. However, we do not seek to be innovative at the expense of all else. Innovation must be challenged and interrogated to ensure that we are not recreating some of the problems of the past. We require thorough joined-up thinking to ensure that innovation brings genuine benefits to our residents as well as to our maintenance and repair regimes.

Forward-thinking is also desirable. So the facility to incorporate assistive technology is part of our wider future-proofing strategy to ensure that many of the homes we build now will take us into the next century.

### Public realm

- Building and spaces should work together to optimise the development potential of the site
- Sustainable urban drainage (SUDS) should be implemented where possible through the use of permeable paving with tarmac generally restricted to large 'feeder roads'

### Communal areas

- All access control systems should have digital entry phones in every home, linked to a main front door and with visual verification and electronic door release.
- Satellite dishes and TV aerials, should be communal, rather than individual, wherever possible.

### Private spaces in and around the home

- Provision should be made for smart metering, including the facility to allow the energy consumption of homes to be monitored and compared.
- An assessment of the energy demand, CO2 emissions and details of how renewable energy options have been considered, is to be submitted.
- Developments should aim achieve for a 40% reduction in CO2 emissions from on-site renewable energy (which may include sources of decentralised energy).









## Fairer Future Principle

**“Good design must spend money as if it were from our own pocket.”**

In order to use our money wisely, we need to be sure that we do not compromise quality for quantity. Our new homes need to be built solidly of robust materials which age well and need only reasonable maintenance and repair. We place strong emphasis on designing for ease of management and maintenance - and therefore to our ability to keep service charges down for our residents.

People need to live close to their work, families, friends, schools and formal or informal support networks. We therefore need to build new homes where people want to live, in existing communities and established neighbourhoods. In addition, providing flexible and good-sized homes means that they will suit families through many life changes.

We want life-cycle costings and costs in use to be the basis for assessment and evaluation of the choices we make, so they are well-informed and considered. We want our buildings to represent the best value over the lifetime of our developments.

## 7 Reduce capital cost by using space wisely in buildings that are straightforward to construct.

Simple construction is achieved when there is consistent stacking of rooms and services across all floors in every building, avoiding drainage off-sets and columns in awkward places. It means that we want services to be easily accessible though discretely located.

Attention to the design and layout of circulation spaces, externally, communally and internally within dwellings will ensure that circulation is logical, easily understood and kept to a minimum, so that space is provided where it is needed, in dwellings and habitable spaces, rather than in corridors.

### Public realm

- Layouts should maximise the potential for passive solar gain and the use of appropriate renewable technology through the orientation and siting of buildings and spaces.
- Materials used should look attractive, weather well, have a long-life and require limited maintenance, particularly in areas that are difficult to reach.
- Materials should be responsibly sourced, non-polluting and specified to achieve life cycle value, rather than simply to minimise the capital cost.

### Communal areas

- Way-finding should be as clear and simple as possible, and the number of doors, lobbies, secondary access controls and changes of direction minimised.
- All corridors and decks must be at least 1200mm wide (1500mm in larger blocks and where providing access to wheelchair homes) unheated but with some natural light and ventilation.

### Private spaces in and around the home

- Stacking of similar types of rooms and careful planning of service routes in large buildings will lead to efficiencies in construction
- All habitable rooms should have natural light, ventilation and a view out from a 'vertical window' (not just a rooflight).
- Over-heating should be mitigated by ensuring through-ventilation (dual aspect) and appropriate window size and specification. Where further measures are required, other passive measures such as adjustable screening and shading devices should be used before resorting to mechanical cooling.







## 8 Keep rents, service charges and general running costs down by using robust, good quality materials and designing for low maintenance and light-touch management.

To achieve this aim we need to use materials which weather well, have a long life and require minimal maintenance. They should be selected on the basis of lifecycle value, rather than lowest capital cost.

### Public realm

- Building and spaces should work together to consider ease of management and maintenance

### Communal areas

- Finishes should be attractive, durable and easy to clean.
- M and E services and equipment must be well integrated and concealed where possible, but accessible where necessary for adjustment, servicing and repair.
- Maintenance access is required to all flat roofs via either secure stairs or a fixed, inclined ladder, rather than via a roof hatch or a private balcony.

### Private spaces in and around the home

- An assessment of the energy demand, CO<sub>2</sub> emissions and details of how renewable energy options have been considered, is to be submitted.
- Low energy lighting should be installed, using LED fittings where possible.
- Provision should be made for smart metering, including the facility to allow the energy consumption of homes to be monitored and compared.

## 9 Reduce health and social care costs by making homes and neighbourhoods safe, comfortable, accessible and adaptable to changing need.

The minimum space standards of the new national space standard generally mirror those set out in the London Plan, Housing SPG and Housing Design Guide and ensure that homes are spacious enough for residents to be comfortable and for the principles of Lifetime Homes (the new Category 2 accessibility standard) to be incorporated.

This is vital for us – our residents have diverse needs and often remain in the same home for many years so spaces that are flexible and adaptable enough to respond to the physical challenges of aging and disability without the need to uproot, are important in maintaining a good quality of life and reducing long-term health and care costs.

### Public realm

- Special attention is required at ground level to ensure that homes enjoy privacy while providing active overlooking.
- People should feel safe whether they are using the street or within their home
- A designated parking space, (with 1200mm access zones to 3 sides and dropped kerbs) is required within 30m of every wheelchair (Category 3) home even in developments that provide no other parking (zero-parking).

### Communal areas

- All corridors and decks must be at least 1200mm wide (1500mm in larger blocks and where providing access to wheelchair homes) unheated but with some natural light and ventilation.
- Lift access is required to every flat on, or above, the third floor (fourth storey). Our preference is for all flats to have step-free access and we aim to achieve a minimum of 15 flats per core to make this viable.
- Two lifts are required to every flat on, or above, the seventh floor (eighth storey) and to any wheelchair accessible or adaptable flat.

### Private spaces in and around the home

- All dwellings should meet the full set of requirements of the new national space standard. Substantially larger floor areas will be required for wheelchair homes.
- All dwellings should meet at least the requirements of the new Category 2 regulation (Part M Volume 1: Dwellings of the Building Regulations) irrespective of whether step-free access can be achieved.
- Designated wheelchair dwellings should meet the requirements of the new Category 3 regulation (Part M Volume 1: Dwellings of the Building Regulations). The requirement for wheelchair dwellings will be determined on a site by site basis.
- The mix of wheelchair dwellings should generally reflect the overall dwelling mix and tenure balance, unless otherwise requested, but 3 storey wheelchair homes are not permitted.

## 10 Take a 'lean, green and clean' approach to energy consumption to reduce fuel poverty and protect the natural environment.

It is widely accepted that our climate is changing. We expect longer, drier summers and milder, wetter winters interspersed with extreme weather events such as gales and heavy rainfall. We need our new homes to be designed and developed with this in mind.

New homes need to be robust enough to withstand inclement weather while being comfortable during warmer months. Solar gain should be viewed as a benefit for warming spaces and providing low carbon energy, as opposed to being a problem by triggering demand for mechanical cooling.

We will also expect suitable mechanisms for reducing flood risk such as sustainable urban drainage systems (SUDS), and a proactive response to biodiversity.

### Public realm

- Layouts should maximise the potential for passive solar gain and the use of appropriate renewable technology through the orientation and siting of buildings and spaces, while also considering the visual impact of PV panels, etc.
- Planting should be carefully selected to provide year-round interest, be low maintenance and drought resistant.

- Beds and borders need to be at least 1m wide to avoid drying out to support healthy plant growth and prevent drying out. Avoid small areas of grass.
- The design and layout of the scheme as a whole, should always aim to retain existing trees, encourage biodiversity, support existing eco-systems and create new habitats.

### Communal areas

- Green roofs are encouraged in appropriate locations but must be carefully specified and served by a dedicated watering point.
- Brown roofs may work better where low maintenance is the priority and they are not visible.

### Private spaces in and around the home

- Build highly energy-efficient homes which, while having a modest impact on capital cost, will have an ongoing impact on people's lives through the fuel savings achievable.
- Our current target of 105 litres of water/day/person for internal potable water should be met, and where possible,









## Fairer Future Principle 4

“Good design must work for everyone to realise their own potential.”

We want our new homes to be accessible, safe, secure and desirable. Within the home, health and wellbeing derive from environmental conditions that are stable and comfortable, and spaces that are enjoyable and fit for purpose. The former requires good levels of daylight, ventilation, soundproofing and privacy, and the latter implies a balance of social spaces - where families can choose to eat and sit together, and private spaces - where individuals can choose to study, play or relax alone.

## 11 Support family life and individual health and well-being by creating healthy environments that value privacy as well as sociability

We want to create living environments that promote general health and wellbeing, though we acknowledge that this can be particularly challenging in dense, urban environments.

Where there is limited scope to provide private gardens, balconies and winter-gardens are a valuable substitute. These should be complemented by well-designed public and shared amenity spaces that allow for active play and exercise as well as opportunities for quiet relaxation.

### Public realm

- Tree planting should be incorporated wherever possible; using carefully chosen species appropriately spaced.
- It is important to achieve clear demarcation between public and private areas, and defensible space (typically a 'front garden') is required as a buffer zone to ground floor dwellings.
- New public open space is likely to be needed for larger schemes (40 or more homes as a rule of thumb) depending on what already exists (or is planned) in the immediate neighbourhood.
- Spaces should provide opportunities for incidental play and, where possible include attractive natural play elements

### Communal areas

- Internal communal space generally should be secure but welcoming, and naturally lit and ventilated as far as possible.
- Spaces should be modest in size to keep to service charges reasonable but designed to encourage social interaction.
- External artificial lighting, especially on access galleries, should be sited away from windows.
- One secure, covered, cycle storage space is required for each home with 1 or 2 bedrooms and two cycle spaces provided for homes with 3 or more bedrooms.
- A minimum of 50m<sup>2</sup> of communal amenity space should be provided for each all blocks of flats.
- Communal outdoor space is to be overlooked by those for whom it is intended and attractive when viewed from above, secure, with controlled access for all residents – generally via cores, and accessible to all.

### Private spaces in and around the home

- Wintergardens will be considered instead of balconies in noisy or exposed locations, especially in tall buildings.
- Facing windows on front (street-facing elevations) should be at least 12m apart, and this distance increased to 21m on rear elevations unless compensating measures such as screening, angled or bay windows are provided.
- The main living space or principal bedroom should not face onto an access deck and a secondary bedroom may only do so where the deck is pulled away to create a void in front of the window.
- Party walls should be of double skin masonry construction and achieve sound-reduction of at least 3dB above current Building Regulations (Part E).



## 12 Improve life chances and encourage social mobility by providing space to study and work and for recreation and play.

We recognise that the quality of people's homes and their ability to cover the costs of running the home have a direct bearing on their ability and motivation to seek personal growth and achieve self-fulfilment. Therefore it is important that our new homes offer residents a choice of location, size and type of home and further choices within the home to personalise it. Providing good serviced spaces for privacy and private study is essential.

In addition, projects are expected to offer opportunities for employment to local people, through apprenticeships, regular contracts, consultation assistants, etc.

### Public realm

- Buildings and spaces should work together to support the principles of tenure neutral development and mixed communities whereby no group of people is segregated or stigmatized.
- Buildings should have a strong presence and discernible character that is as evident in the detail of every component as it is in the overall form and massing.

### Private spaces in and around the home

- Every bedroom should be provided with sufficient space for a desk for home study, provided with cable and electrical connections to facilitate this.
- Fully furnished internal layouts (using the GLA furniture schedule) should be provided to a scale of at least 1:100 to demonstrate that home study is possible.



## 13 Provide opportunities for social interaction and civic participation

Many areas where we propose to develop will have existing communities alongside, It is important that these communities are not disrupted or challenged by our development proposals, but are supported and strengthened through the participative process.

Decision-making through the development of a masterplan or scheme design needs to be informed by consultation and participation, both of which are activities which can strengthen a community and focus aspirations towards improvements to their homes and the immediate neighbourhood.

### Public realm

- Creating buildings and spaces that stand the test of time is one of our top priorities and we want that resilience to be social as well as physical. Designing with and for residents is critical to achieving these aims.
- Building and spaces should work together to make a positive contribution to the neighbourhood
- New residential buildings should address, and contribute to, the public realm

### Communal areas

- The number of dwellings served by each core needs to be carefully balanced, particularly in affordable rented cores where lift access is provided.
- It is important to have enough households to keep service charges down while keeping numbers at manageable level.
- Smaller cores also feel safer, less institutional and allow residents to get to know their neighbours.
- Communal spaces should be modest in size to keep to service charges reasonable but designed to encourage social interaction.









## Fairer Future Principle **5**

# “ Good design must make Southwark a place to be proud of.”

We already have many outstanding developments in the borough, of which we are justly proud. We want to be known for the quality of our housing and so we want to build high quality, distinctive, contemporary buildings and streetscapes which are functional and durable. We will achieve this by interrogating developing design proposals from the masterplan stage through to the final construction details. This attention to detail is intended to foster stewardship by residents and the wider community.

Our new buildings must look good from a distance and close up, in all weathers and seasons as well as over time. For places to be well used and enjoyed, they must be safe, comfortable,

New places must be varied and attractive, with “kerb appeal”. They also need to be distinctive, offering variety, choice and fun with opportunities for meeting people, playing in the street and ‘watching the world go by’. Developments should sit comfortably within existing frameworks and yet provide their own sense of identity, security and privacy. Furthermore, they should also promote a sense of community both within the developments themselves and in the wider neighbourhood beyond.

All these considerations will help to ensure that our residents are proud of their homes and neighbourhoods.

## 14 Create homes and places that people feel proud to live in and want to care for.

How we feel about where we live extends well beyond our own front door. The quality of our external environment is integral to our sense of wellbeing and belonging. Places that are well designed become well-loved and well used. They provide a framework for stable and sustainable communities and a platform for individual fulfilment and mutual support. Feeling valued and proud of where we live leads to responsibility and good stewardship too.

We aim to give our residents light, spacious, quiet and practical homes that support family life and personal development.

### Public realm

Building and spaces should work together to:

- Make a positive contribution to the neighbourhood.
- Support the principles of tenure neutral development and mixed communities whereby no group of people is segregated or stigmatised.
- Be designed to age well over a long life.
- Create a safe, attractive, desirable and accessible environment that responds to the human scale even when large or tall buildings are proposed.
- Consider ease of management and maintenance.

Special attention is required at ground level to ensure that:

- Entrances are welcoming and visible.
- Frontages are not dominated by cycle stores, bins and recycling.
- Homes enjoy privacy while providing active overlooking.
- People feel safe whether they are using the street or within their home.
- Rooms have adequate daylight.

### Communal areas

Internal communal space generally should be secure but welcoming, and naturally lit and ventilated as far as possible. Spaces should be modest in size to keep to service charges reasonable but designed to encourage social interaction.

### Communal outdoor space to be

- Overlooked by those for whom it is intended and attractive when viewed from above.
- Secure, with controlled access for all residents – generally via cores.
- Accessible to all, including wheelchair users.

### Private spaces in and around the home

- All dwellings should meet the full set of requirements of the new national space standard. Substantially larger floor areas will be required for wheelchair homes.
- We have a strong preference for all homes to be dual aspect, and this is essential for homes with 3 or more bedrooms. No north facing single aspect homes are permitted.
- Internal layouts should ensure that the living area (or kitchen/dining room) and the balcony are orientated to receive sunlight for part of the day.



## 15 Seek to spread regeneration benefits beyond the immediate site boundary and ensure that new development takes account of future plans and looks for wider opportunities.

Support to the local economy is central to our aspirations. We will therefore encourage the use of local supply chains including 'Small to Medium Enterprises' (SMEs) and 'Voluntary Community Organisations' (VCOs) to provide construction materials and resources, and seek to secure training opportunities and apprenticeships for young people in the borough.

The potential will exist in some locations for providing or updating community facilities, including public amenity spaces and these are opportunities to be fully explored. The benefit will be spread across the neighbourhood, not just the new homes we create.

### Public realm

- Opportunities will exist for developing designs for landscape, planting and play areas in public amenity spaces. These can tap into the expertise of local groups and suppliers, who will have a vested interest in providing high quality products and services, with a long-term relationship with the neighbourhood.
- Knowledge of future developments in the area of our developments will provide us with information to ensure joined-up thinking with the wider neighbourhood and to seize opportunities as they arise.





# Appendix

## How the Fairer Future principles and promises and the Housing Strategy principles relate to the Design Values

	Good design should	Address the Fairer Future principles	Address the Fairer Future promises	Incorporate the Housing Strategy principles
1	Promote equality, diversity and social cohesion through mixed and balanced communities and tenure blind design.	1. Treat residents as if they were a valued member of our own family	9. Revitalised communities 7. Enable safer communities	We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
2	Provide a wide range of dwelling types and sizes that respond to different household sizes, circumstances and lifestyle choices.	1. Treat residents as if they were a valued member of our own family	3. Quality affordable homes	
3	Create a legacy of high quality buildings and spaces by exceeding minimum standards where these can be justified through life cycle costing and long-term social value	1. Treat residents as if they were a valued member of our own family	1. Value for money 3. Quality, affordable homes.	
4	Involve residents every step of the way.	1. Treat residents as if they were a valued member of our own family 2. Be open, honest and accountable 4. Work for everyone to realise their own potential	5. Nurseries and childcare 10. Age-friendly borough	We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark
5	Respond to the existing character, identity and philosophy of an existing place – or create new places that have this potential.	2. Be open, honest and accountable	9. Revitalised neighbourhoods	
6	Be open to new ideas, innovation and the benefits of smart and sustainable technology without taking undue risks.	2. Be open, honest and accountable	1. Value for money 6. A greener borough	

<b>7</b>	Reduce capital cost by using space wisely in buildings that are straightforward to construct.	3. Spending money as if it were from our own pocket	1. Value for money 3. Quality affordable homes	We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark
<b>8</b>	Keep rents, service charges and general running costs down by designing for low maintenance and light-touch management.	3. Spending money as if it were from our own pocket	1. Value for money 6. A greener borough	
<b>9</b>	Reduce health and social care costs by making homes safe, comfortable, accessible and adaptable to changing need.	1. Treat residents as if they were a valued member of our own family. 3. Spending money as if it were from our own pocket.	2. Free swimming and gyms. 3. Quality, affordable homes	
<b>10</b>	Take a 'lean, green and clean' approach to energy consumption to reduce fuel poverty and protect the natural environment.	3. Spending money as if it were from our own pocket	6. A greener borough 9. Revitalised neighbourhoods	
<b>11</b>	Support family life and individual health and well-being by creating healthy environments that value privacy as well as sociability.	4. Working for everyone to realise their own potential	2. Free swimming and gyms.	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.
<b>12</b>	Improve life chances and encourage social mobility by providing space to study and work.	4. Working for everyone to realise their own potential	4. More and better schools 8. Education, employment and training.	
<b>13</b>	Provide opportunities for social interaction and civic participation.	4. Work for everyone to realise their own potential	8 Education, employment and training 10. Age-friendly borough	
<b>14</b>	Create homes and places that people feel proud to live in and want to care for.	1. Treat residents as if they were a valued member of our own family 5. Making Southwark a place to be proud of	3. Quality, affordable homes.	We will support and encourage all residents to take pride and responsibility in their homes and local area.
<b>15</b>	Seek to spread benefits beyond the immediate site boundary and ensure that new development takes account of future plans and looks for wider opportunities.	2. Being open, honest and accountable 5. Making Southwark a place to be proud of	5. Nurseries and childcare	







# NEW HOMES DESIGN STANDARDS



# Change Control

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# Contents

**Introduction.....4**

- Background and borough wide objectives
- The role of this document
- How is it structured
- How it should be used
- How it relates to other standards
- Keeping it up to date
- Summary of minimum design standards

**1. The public realm.....10**

- Design considerations
- The standards we require

**2. Communal areas.....19**

- Design considerations
- The standards we require

**3. Private spaces in and around the home.....27**

- Design considerations
- The standards we require

**ANNEX A: Space Standards.....39**



# Introduction

## Contents

- **Background and borough wide objectives**
- **The role of this document**
- **How is it structured**
- **How it should be used**
- **How it relates to other standards**
- **Keeping it up to date**
- **Summary of minimum design standards**



## Background and borough wide objectives

Southwark is once again building new council homes. Our aim is to build 11,000 new homes by 2043 –and 1500 of these by 2018. But quality is every bit as important as quantity. If we are to live up to the promises we have made we need to be clear about the values we hold and the standards we must meet.

Our expectations for these new homes are set out in a suite of three documents. The component parts are as follows:

- **Design Values**
- **Design Standards**
- **Technical Specifications**

The primary aim of our new programme of council housing development is to build more homes for affordable and social rent. We will, however, be developing across the full range of tenures – partly to achieve our goal of mixed communities and partly to help fund future development through cross subsidy generated by homes we sell, and the higher levels of revenue we will accrue through private rental.

In developing these documents, the starting point has been the five core **fairer future principles** set out in our **Council Plan**. All of these have implications for any new housing we build:

- **Treat residents as if they were a valued member of our own family**
- **Be open, honest and accountable**
- **Spend money as if it were from our own pocket**
- **Work for everyone to realise their own potential**
- **Make Southwark a place to be proud of**

The design values, design standards and the technical specifications also respond very directly to six of our **10 Fairer Future Promises**:

### **Promise 1 – Value for Money**

We will continue to keep council tax low by delivering value for money across all our high quality services.

### **Promise 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.

### **Promise 6 – A Greener Borough**

We will protect our environment by diverting more than 95% of waste away from landfill, doubling the estates receiving green energy and investing in our parks and open spaces.

### **Promise 7 – Safer Communities**

We will make Southwark safer with increased CCTV, more estate security doors and a Women's Safety Charter. We will have zero-tolerance on noisy neighbours.

### **Promise 9 – Revitalised Neighbourhoods**

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

### **Promise 10 – Age Friendly Borough**

We want you to get the best out of Southwark whatever your age so we will become an age friendly borough, including the delivery of an ethical care charter and an older people's centre of excellence.



## The role of this document

In order to make a genuine difference to the lives of our residents, these promises need to be turned into simple, practical measures that can be delivered on the ground. That is the purpose of this new suite of documents.

The first, **Design Values**, shows how our Council-wide pledges have been developed into a set of priorities that relate directly to the design and building of new homes in Southwark. It then demonstrates how these priorities have been taken forward in this, our second, **Design Standards** document, and on into the **Technical Specifications**, the third document.

In here, we set out the design standards we expect to see for all of our new homes and developments. Southwark is a large and varied borough with a very wide range of housing need, tenure and typology at very different densities. So although these standards are unique to us they will still need to be supplemented on a project-by-project basis to reflect extra sites specific requirements. Key aspects of this and the Technical Specifications will then be incorporated in the Employers Requirements we produce for every scheme. Without being over prescriptive, the aim is to achieve a consistent level of quality while delivering value for money over the long term, at a time when all local authority budgets are particularly stretched.

Our aim is to look to the future while learning from the past. Our experience as landlord continues to inform our role as client and in developing this suite of documents we have drawn on the wide-ranging experience of many residents, councillors, council staff and consultants, including Levitt Bernstein and PRP architects, who have produced these documents for us.

## How it is structured

The standards are divided into three sections:

1. **The public realm**
2. **Communal areas**
3. **Private spaces in and around the home**

Each section starts with a summary of design considerations followed by the standards we require. Both relate clearly back to our design values.

Inevitably, it is possible to be more specific with internal areas than external areas as the latter vary more from site to site. The level of detail therefore increases through the three sections.

The standards are set out in simple tables under a series of sub-headings that broadly follow the sequencing of the GLA housing standards. Where they relate directly to our existing planning policy standards, these are identified in the first column. They are also cross-referenced to the corresponding GLA standard and to the technical specifications in our third document.

There is an additional blank table to allow us to add in extra requirements for an individual project.

As well as acting as a design brief, this document can be used to evaluate proposals. Compliance with each of the standards can be checked and recorded in the final column of the tables.

As we explain in a later section, very recent changes to government policy relating to housing standards, mean that we will need to issue an updated version of this document before the end of this year and this interim version has been produced with that in mind.





## How it should be used

The three documents will be used individually and together. They will be used to convey our expectations during a bidding process and form the main part of our brief to the consultants we appoint. They also represent a commitment to our residents.

They need to be read in conjunction with our Core Strategy, New Southwark Plan and related policy documents, all of our existing housing related planning policy documents, the London Plan and other GLA standards and relevant external publications.

We know that building new homes takes a great deal of effort, and needs a wide range of skills from a large number of participants. Good teamwork is essential if we are to emerge with a good product and that relies on a common understanding of shared goals. We therefore expect everyone who wishes to work with us - whether as designers, other consultants or development partners - to familiarise themselves with the full suite of documents as well as with our other housing related policy documents.

This process starts with an understanding of our **Design Values**– what they are, and where they come from. We expect them to be a constant reference point throughout the entire process. They should underpin all the decisions that are made and remain the test of a successful outcome.

As the design process gets underway, the **Design Standards** will become the most relevant day-to-day reference point up to planning stage. From there on, the **Technical Specifications** will play a larger role.

We will, however, remain open to alternative proposals, products, materials or approaches that can achieve an equivalent or better result more effectively or more economically. We are also aware that viability varies - that some sites, or types of project, are more challenging than others - and accept that there is sometimes a need to compromise.

Where this happens, the onus will be on the consultants and contractors we work with to explain and justify any deviations, as soon as they become apparent, and to offer alternative solutions. This applies to our own standards, and the GLA standards.

Where we are seeking funding it will be imperative to flag-up any areas where it is difficult to meet the GLA standards. This needs to happen early to allow us to discuss this with the investment manager from the GLA Housing and Land Team and provide the necessary detail for the proforma as soon as possible.

As proposals emerge and develop, we will be reviewing them against our values and standards and will expect our design team to carry out and submit a comprehensive audit against the full set of design requirements, prior to making a planning application. We also expect our appointed teams to engage with our planners and with experts from highways, sustainability, arboriculture, ecology, waste management and other fields as appropriate.

Subject to possible project specific tenure variations, where it is deemed necessary, the new standards and specifications will apply to all new housing owned and built by us, or built on our behalf. They may also apply, in whole or in part, to new specialised housing, particularly sheltered housing, but this will be discussed and agreed for the individual project concerned.



## How it relates to other standards

The standards in here complement and supplement our existing council standards and take account of many other external standards – particularly those of the GLA. As far as possible, they also take account of final outcome of the Governments review of housing standards, published in March 2015.

They interpret these documents in the context of our own house-building programme, and add extra standards where we feel they are necessary. They provide more detail, and at a more practical level. They cover issues such as management and maintenance - the less 'glamorous' areas that receive little coverage in typical design guides, but are crucial to long-term success.

The new documents relate to the planning policy framework as follows:

<b>National Planning Policy Framework (NPPF)</b>
<b>Current and emerging national space standard and regulations</b>
<b>London Plan and GLA housing standards, including funding criteria</b>
<b>Southwark Local Plan comprising:</b>
<ul style="list-style-type: none"><li>• Core Strategy 2011</li><li>• The Emerging Southwark Plan</li></ul>
<b>Southwark Supplementary Planning Documents:</b>
<ul style="list-style-type: none"><li>• Sustainable Design and Construction 2009</li><li>• Residential Design Standards 2011</li><li>• Sustainable Transport 2010</li></ul>
<b>Area Action Plans (AAPs)</b>
<b>Neighbourhood Plans</b>
<b>Transport Plan 2011</b>
<b>Cycling Strategy 2015</b>
<b>Southwark Housing Design and Technical Brief:</b>
<ul style="list-style-type: none"><li>• Design Values,</li><li>• Design Standards</li><li>• Technical Specifications</li></ul>

The GLA housing standards draw on external standards including Building for Life, the Code for Sustainable Homes, Secured by Design, Lifetime Homes, the Wheelchair Housing Design Guide and the GLA Best Practice Guidance for Wheelchair Accessible Housing, 2007.

Our own requirements adopt some, but not all, of these other documents. This is partly because some, including the Code, will be withdrawn as a result of the Government's review. To simplify what is currently a very complex picture, a summary of the minimum design standards we require is included at the end of this section.

## Keeping it up to date

Not yet in use, this document has already been affected by new government policies and legislation. Ministers announced last year that new homes must achieve Zero Carbon (with Allowable Solutions) from 2016. This year has seen the introduction of new and amended Building Regulations for accessibility, security, waste and water, and the publication of a new national space standard.

These changes took effect from October 2015 and will affect the GLA planning and funding standards as well as our existing local planning policies and the standards in here. Rather than wait, we have continued with the drafting of what is now an interim version because we have projects already underway and others about to start. We therefore intend to update both this and the technical specifications later this year. At the same time, we hope to bring our existing planning policies into line too.

Looking further ahead, we intend to review our requirements regularly to ensure that they remain current, and reflect what we learn. As the standards are implemented we will seek feedback from our own staff (particularly housing managers) and from external development partners and consultants.

In particular, we will reflect and act upon what we learn from our residents.



## Summary of minimum design standards

### General requirements for all tenures

- **Southwark design standards set out in this document (subject to project specific tenure variations)**
- **Other housing related Southwark planning policy requirements**
- **GLA housing standards including:**
  - All Baseline and Good Practice standards
  - Code for Sustainable Homes (Level 4)
  - Secured by Design (including certification where possible)
- **New national space standard and new regulations for accessibility, security, water and waste where these supersede GLA standards**
- **London Plan parking standards**

### Requirements for wheelchair housing

- **New regulation M4(3) Category 3 for wheelchair housing comprising:**
  - Wheelchair accessible standards for affordable rented housing
  - Wheelchair adaptable standards for private and intermediate housing

(Note that this supersedes our current planning policy requirements for affordable rented housing to meet the South East London Housing Partnership Wheelchair Design Guidance and for private and intermediate tenures to comply with the wheelchair adaptable standards in the GLA Housing SPG 2012 and Best Practice Guidance 2007).



# 1. The public realm

## Contents

### Design considerations

### The standards we require

- 1.1 General requirements
- 1.2 Streets and other movement networks
- 1.3 Boundary treatments
- 1.4 Public open space
- 1.5 Parking
- 1.6 Materials, durability and composition

### Additional requirements for this project



## Design Considerations for the public realm

How we feel about where we live extends well beyond our own front door. The quality of our external environment is integral to our sense of wellbeing and belonging. Places that are well designed become well loved and well used. They provide a framework for stable and sustainable communities and a platform for individual fulfilment and mutual support. Feeling valued and proud of where we live leads to responsibility and good stewardship too.

The design standards in this first section deal largely with the public realm and should be read alongside our existing planning policy documents and the Building for Life criteria.

From the start of every project we want to see our design values reflected in the proposals put before us. We look for design that is appropriate to its physical context, reflects the best aspects of local character and integrates well with the surrounding area. We expect new development to realise the full potential of every site and exploit opportunities to improve the wider area wherever possible. Character, continuity and enclosure, quality of the public realm, ease of movement, legibility, adaptability and diversity are key components of successful urban design and place making.

We expect the response to context to be clearly demonstrated by a site analysis diagram highlighting the constraints and weaknesses of the site and its immediate surroundings. In our capacity as clients, we will be in active dialogue with our appointed teams and development partners, and will be discussing design ideas as they emerge and evolve. We will want to see and discuss this analysis at the start of the design process in order to comment and feed in local knowledge. We will also expect to see a concept diagram showing how the design responds to the unique characteristics of the site and addresses broad planning policy objectives.

Early sketch designs will need to show how the outline proposals address key aspects of our project brief including requirements for housing mix, tenure and density, parking and cycle storage.

We will want to see how the scheme is shaping up in terms of scale and massing and be reassured that the general layout and approach has the potential to deliver homes that have adequate amenity space, daylight, sunlight and privacy, avoid undue overlooking, noise and disturbance and meet our environmental sustainability objectives. We will want to talk about materials and components and see precedents, models and 3D images.

Our new housing standards also place strong emphasis on designing for ease of management and maintenance -and therefore to our ability to keep service charges down. This means providing good access to all parts of a development—considerations that affect very early layout decisions. We will want to know not only how residents and visitors will access their homes, parking and other facilities, but also how we, and others, will gain access for deliveries, waste collection, emergency situations, routine maintenance and more major repairs.

Similarly, early design decisions about form, massing and orientation have a significant impact on the long-term sustainability of a development. The biggest benefits are often achieved as a result of sound strategies which understand the links between buildings that are attractive, accessible, durable and energy efficient - spaces that are interesting, enjoyable and bio-diverse - materials and components that are easy to maintain, green and locally sourced - and the health and well-being of residents.

Creating buildings and spaces that stand the test of time is one of our top priorities and we want that resilience to be social as well as physical. Designing with and for residents is critical to achieving these aims.

The design standards we expect for external areas are set out on the following pages. This should be read in conjunction with the public realm section of the technical specification.



## The standards we require

### Key to Southwark policy source references:

SD&C Sustainable Design and Construction SPD, 2009

RDS Residential Design Standards SPD, 2011

SSDM Southwark Streetscape Design Manual

policy reference	standard reference	requirement	GLA reference		technical reference	audit status
<b>1.1 General requirements</b>						
RDS (1.3) (2.2)	1.1.1	<p>Building and spaces should work together to:</p> <ul style="list-style-type: none"> <li>respond to their physical context and local character</li> <li>respect their neighbours</li> <li>integrate with the existing pattern of buildings and spaces</li> <li>make a positive contribution to the neighbourhood</li> <li>optimise the development potential of the site; using the density policy in the Core Strategy as a guide</li> <li>support the principles of tenure neutral development and mixed communities whereby no group of people is segregated or stigmatised</li> <li>be designed to age well over a long life</li> <li>create a safe, attractive, desirable and accessible environment that responds to the human scale even when large or tall buildings are proposed</li> <li>consider ease of management and maintenance</li> </ul>	1.1.1 1.1.2 2.1.1 2.2.1			
	1.1.2	Layouts should maximise the potential for passive solar gain and the use of appropriate renewable technology through the orientation and siting of buildings and spaces, while also considering the visual impact of PV panels etc.				
	1.1.3	Existing assets such as important structures, boundary walls, mature trees and hedgerows should be preserved and incorporated into new development where possible.				
	1.1.4	Buildings should have a strong presence and discernible character that is as evident in the detail of every component as it is in the overall form and massing.				





	<b>1.1.5</b>	The design, specification and placement of 'everyday elements' such as doors, windows and balconies, should be carefully considered to combine practicality with appropriate character.				
	<b>1.1.6</b>	Special attention is required at ground level to ensure that: <ul style="list-style-type: none"> <li>• entrances are welcoming and visible</li> <li>• frontages are not dominated by cycle stores, bins and recycling</li> <li>• homes enjoy privacy while providing active overlooking</li> <li>• boundary treatments are appropriate to their setting</li> <li>• planting is incorporated where this is practical</li> <li>• people feel safe whether they are using the street or within their home</li> <li>• rooms have adequate daylight</li> </ul>	3.1.1 5.1.1			

policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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## 1.2 Streets and other movement networks

	<b>1.2.1</b>	New residential buildings should address, and contribute to, the public realm and provide active overlooking of streets and public spaces through the placement of entrances, windows and balconies. When flank walls are visible, they should make a similar contribution, rather than remain blank.	1.1.2 1.2.3			
SSDM	<b>1.2.2</b>	The street pattern should be legible and coherent with a clear hierarchy of routes that take people safely and conveniently where they wish to go, while discouraging through traffic on 'estate roads'.	1.1.2			
	<b>1.2.3</b>	New roads should be designed with reference to our SSDM, and embody an aspiration to improve permeability for residents. Development proposals should be mindful of the Cycling Strategy and the requirement to facilitate routes in the adopted Network Map.				
	<b>1.2.4</b>	Pedestrians and cyclists should be given a higher priority than cars. The design of cycle routes should reflect the standards set out in the SSDM and the London Cycling Design Standards and reflect the local traffic context.				
	<b>1.2.5</b>	New roads, pavements, street lighting, bollards and street signs should be designed to adoptable				



		standards unless otherwise agreed.				
	<b>1.2.6</b>	Through-routes should be provided where practical, and turning heads incorporated where cul-de-sacs are unavoidable; allowing for refuse vehicles to turn where necessary.				
	<b>1.2.7</b>	Shared surfaces should be limited to low traffic 'estate roads' and mews type settings where traffic speed is restricted by design.				
SD&C (11.8)	<b>1.2.8</b>	Sustainable urban drainage (SUDS) should be implemented where possible through the use of permeable paving. Refer to SSDM.	<b>6.4.4</b>			
	<b>1.2.9</b>	Good vehicular access for delivery, maintenance and emergency services must be provided to all parts of the site, with the presumption that servicing will take place off-street. As a guide, emergency and service vehicles should be able to pull up and park within 30m of every communal and private entrance, and maintenance vehicles within 10m of plant rooms, play areas, gardens, refuse stores and other areas needing regular maintenance.				
	<b>1.2.10</b>	Tree planting should be incorporated wherever possible; using carefully chosen species appropriately spaced (typically at least 8m apart) in large tree pits away from service routes. Other types of street planting (shrubby or herbaceous) should generally be avoided. Refer to SSDM.				
	<b>1.2.11</b>	Lighting to streets and other outdoor spaces should be low energy (preferably LED) with vandal resistant fittings selected to suit the use of the space and the character of the place. Care should be taken to minimise nuisance to dwellings and, where appropriate, be timed or motion activated.				
	<b>1.2.11</b>	Underground services should be confined to dedicated, identifiable zones, clear of tree planting or other obstacles, and with a surface that can easily be taken up and reinstated (grass or small paving units, rather than tarmac). Refer to SSDM				
	<b>1.2.12</b>	Street 'furniture' (seating, bollards, signage etc.) needs to be carefully selected and sparingly used to avoid 'street clutter' and minimise maintenance. Timber seating will not usually be appropriate in public areas. Refer to SSDM				
	<b>1.2.13</b>	Satellite dishes, boiler flue terminals and extracts should not be located on street facing elevations.				



policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 1.3 Boundary treatments

	<b>1.3.1</b>	It is important to achieve clear demarcation between public and private areas, and, where appropriate, defensible space should be provided as a buffer zone to ground floor dwellings.				
	<b>1.3.2</b>	Planting beds should be included in front gardens where possible, and refuse and cycle storage carefully integrated. (See also Sections 2 and 3). Where boundary planting is not retained behind a wall, railing or fence, the pavement should be wide enough to remain usable in the event that the planting is not adequately maintained. Refer to SSDM				

### 1.4 Public open space

RDS (3.1,3.2)	<b>1.4.1</b>	New public open space is likely to be needed for larger schemes (40 or more homes as a rule of thumb) depending on what already exists (or is planned) in the immediate neighbourhood.				
	<b>1.4.2</b>	Every new open space should have a clear purpose and complement, rather than duplicate, what exists nearby.	1.2.1			
RDS (3.2)	<b>1.4.3</b>	Spaces should provide opportunities for incidental play and, where possible include attractive natural play elements (for example tree trunks and boulders).				
RDS (3.2)	<b>1.4.4</b>	Developments with a potential occupancy of 10 or more children should make provision for play in accordance with current GLA guidance (including the methodology for calculating child density).	1.2.2			
	<b>1.4.5</b>	Planting should be carefully selected to provide year-round interest, be low maintenance and drought resistant. Beds and borders need to be at least 1m wide to avoid drying out to support healthy plant growth and prevent drying out. Small areas of grass should also be avoided. Refer to SSDM				
	<b>1.4.6</b>	The design and layout of the scheme as a whole, should always aim to retain existing trees, encourage biodiversity, support existing eco-systems and create new habitats. Refer to SSDM	6.6.1			



policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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## 1.5 Car Parking

Southwark Plan	1.5.1	Parking ratios must comply with the London Plan and reference the emerging Southwark Plan with a presumption for car free development in areas of high public transport accessibility. Parking ratios should be cross checked against Census car ownership levels to highlight suitability of parking levels and realistic demand from future residents. The presumption is that any car parking will be provided off street. Mitigation, such as car clubs and other facilities such as to increase cycle usage, should be used to reduce the demand for car parking and overspill parking in non CPZ areas – parking surveys are required in this case. In CPZ areas, residents will be excluded from applying from on-street parking permits.	3.3.1			
	1.5.2	A designated parking space, (with 1200mm access zones to 3 sides and dropped kerbs) is required within 30m of every wheelchair (Category 3) home even in developments that provide no other parking (zero-parking). Wheelchair parking on an adopted highway is not acceptable.	3.3.2			
	1.5.3	Parking should be secure and overlooked. Where underground or undercroft parking spaces are proposed, their future-use or potential for conversion should be considered.				
	1.5.4	Wherever car parking is provided within the public realm it should be carefully designed and located to minimise visual impact but close to the homes it serves. It should be interspersed with trees and/or low maintenance planting, well-lit and well-overlooked. Refer to SSDM	3.3.3			
	1.5.5	Parking areas should be as level and even as possible to provide maximum safety and accessibility, surfaced in semi-permeable paving (a dark colour to disguise oil spills) and with bays demarcated by a contrasting colour or pattern of paving, rather than by painted lines. Refer to SSDM	6.4.4			

## 1.6 Materials, durability and composition

	1.6.1	Materials used should look attractive, weather well, have a long-life and require limited maintenance; particularly in areas that are difficult to reach. They should be responsibly sourced, non-polluting and specified to achieve life cycle value, rather than simply to minimise the capital cost.	6.5.1 6.5.2			
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	<b>1.6.2</b>	For external facades, brickwork is preferable to less durable, higher maintenance materials such as timber or render, but it must be of high quality and well detailed. Material choices and arrangement of external elements should form a coherent composition rather than appear as 'bolt-ons' and non-material amendments.				
	<b>1.6.3</b>	Window frames should be self-finished, composite construction (aluminium/timber) where possible. UPVC and painted or varnished external timber components should generally be avoided.				
SD&C (11.3)	<b>1.6.4</b>	Green roofs are encouraged in appropriate locations but must be carefully specified and served by a dedicated watering point. Brown roofs may work better where low maintenance is the priority and they are not visible. The use of green walls is not generally encouraged, but will be considered on a site-by-site basis where there are strong justifications.	6.4.4			

NOTE: Density should be calculated in accordance with the methodology set out in our Residential Design Standards (RSD), Appendix 2



### Additional requirements for this project

1. Density target:
2. Tenure breakdown:
3. Dwelling mix:
4. Parking requirement:
5. Cycle storage provision: Refer to London Plan standards and Sustainable Transport SPD





# 2. Communal areas

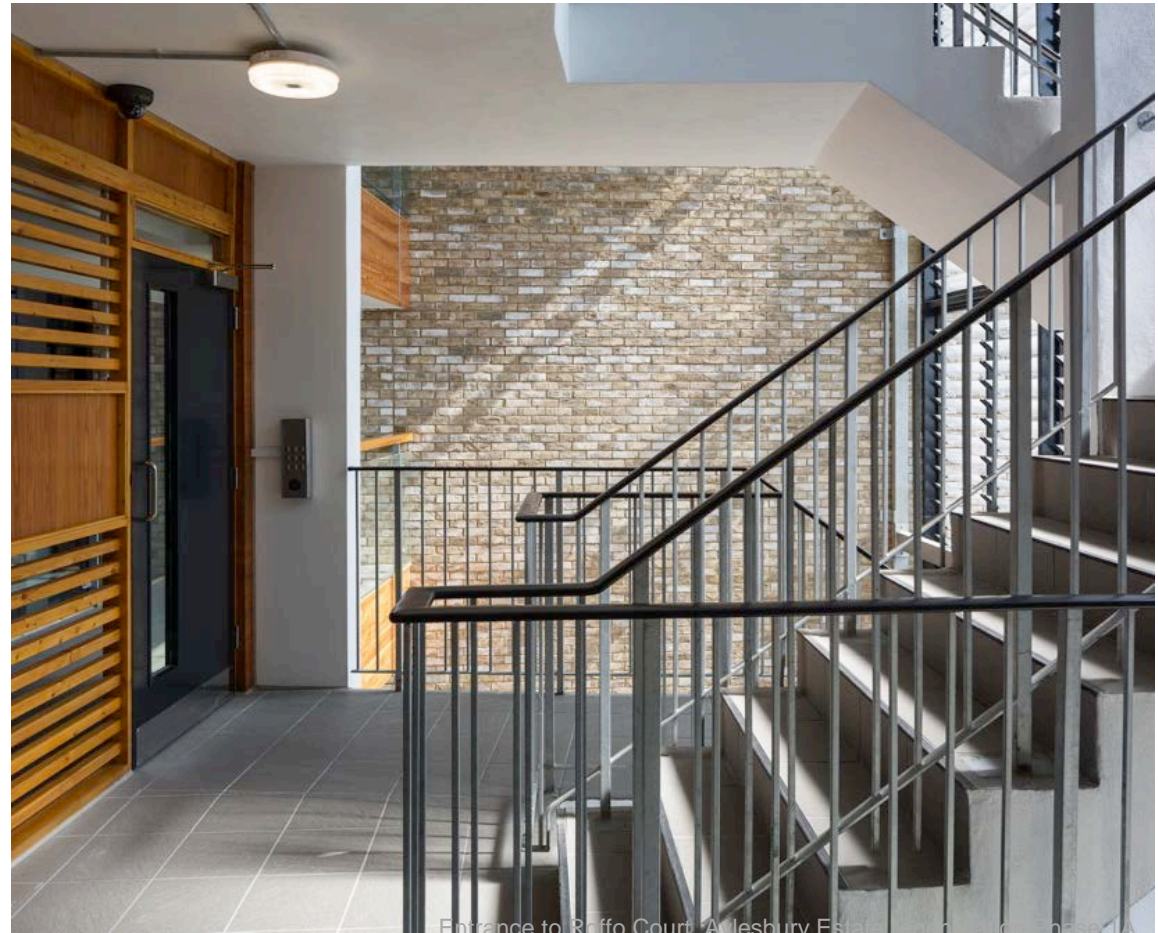
## Contents

### Design considerations

### The standards we require

- 2.1 General requirements for communal areas
- 2.2 Entrances and mail delivery
- 2.3 Cores and circulation areas
- 2.4 Services and ancillary areas
- 2.5 Underground and undercroft parking areas
- 2.6 Communal cycle stores
- 2.7 Communal refuse stores
- 2.8 Communal outdoor space

### Additional requirements for this project



Entrance to Ruffo Court, Aylesbury Estate regeneration, Phase 1A



## Design considerations for communal areas

Communal areas are inevitable in high density urban areas where flats predominate. We want to make a virtue of necessity by ensuring that they are convivial spaces that provide opportunities for social interaction and foster community cohesion.

Communal areas can also be some of the most difficult spaces to manage and maintain, especially in complicated mixed-use developments. They have a very significant impact on service charges too, so we prefer to keep internal areas to a reasonable minimum. This means that they will generally only comprise entrance lobbies, lift and stair cores and circulation areas along with essential storage for waste, recycling and bicycles.

Although many of our projects will be mixed tenure, cores will generally be mono-tenure as this simplifies management responsibilities and service charges. The number of dwellings served by each core needs to be carefully balanced, particularly in affordable rented cores where lift access is provided. It is important to have enough households to keep service charges down while keeping numbers at manageable level. Smaller cores also feel safer, less institutional and allow residents to get to know their neighbours.

Previous models of council housing were too often let down by uninspiring, unsafe and invisible entrances. We want the entrances to our new buildings to be genuinely inviting; not just adequate. The sense of arrival begins at the approach to the building and the quality of the route from the communal entrance to the private entrance to each flat matters to residents and their visitors. Initial impressions often form lasting memories.

Communal circulation needs to be safe and uncomplicated - designed to make way-finding simple. Where possible, we seek to avoid escape stairs and dual entrances to the same core. All areas should be bright, fresh, airy and pleasant, and materials hardwearing and easy to clean.

Spaces should be designed to encourage our residents to be good neighbours and discourage anti-social behaviour - such as undue noise, dumping of waste and storage of personal items.

Long, dark, double-loaded corridors do little to encourage a sense of pride and shared responsibility and give rise to single aspect dwellings. We therefore welcome the fact that the GLA standards set limits for the number of homes per floor and per core. We seek efficient, manageable arrangements such as small clusters of flats or short access decks— simple solutions that add value to residents' daily lives without putting undue pressure on service charges.

Many otherwise good schemes fall down because they have failed to set aside enough space for everyday necessities like bike and bin stores, as well as for plant rooms, meters, service risers and cleaners cupboards. Others are compromised because these facilities are either too prominent, or are not in safe, accessible locations.

Wherever possible we want to be able to access and maintain services and equipment from communal areas rather than from within flats. This will allow us to isolate and rectify problems quickly and easily with minimal disturbance to residents.

The design standards we expect for communal areas are set out on the following pages. This should be read in conjunction with the communal areas section of the technical specification which includes schedules of preferred internal finishes.



## The standards we require

### Key to Southwark policy source references:

SD&C Sustainable Design and Construction SPD, 2009

RDS Residential Design Standards SPD, 2011

SSDM Southwark Streetscape Design Manual

policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 2.1 General requirements for communal areas

	<b>2.1.1</b>	There should be no hierarchy or segregation in communal spaces unless there are site specific reasons for doing otherwise.				
	<b>2.1.2</b>	Cores should serve a maximum of 25 dwellings or 100 people/bed spaces, and each landing (or length of landing) give access to a maximum of 8 dwellings, unless higher numbers are expressly permitted. Single orientation open deck access should be considered provided that it enhances or increases security. Designing for passive natural surveillance should be the starting point.	3.2.1 3.2.2			
	<b>2.1.3</b>	Internal communal space generally should be secure but welcoming, and naturally lit and ventilated as far as possible. Spaces should be modest in size to keep to service charges reasonable but designed to encourage social interaction, a sense of collective ownership and self-maintenance.	3.2.3			
	<b>2.1.4</b>	Finishes should be attractive, durable and easy to clean.				
	<b>2.1.5</b>	M and E services and equipment must be well integrated and concealed where possible, but accessible where necessary for adjustment, servicing and repair.				

### 2.2 Entrances and mail delivery

	<b>2.2.1</b>	Entrances should be visible from the public realm, inviting, secure and accessible to the widest possible range of users, and offer shelter from wind and rain. This is particularly important in mixed use buildings where the residential entrances have to compete with shops, or other non-residential uses, to maintain a safe and prominent street presence. CCTV is a last resort we wish to avoid.	3.1.1			
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2.2.2	A safe, level, well-lit drop-off space is required close to every communal entrance, with dropped kerbs to assist wheelchair users.				
2.2.3	LBS signage to be discretely visible and open to design adaptation. Wording to include 'Year built; name of architect; name of contractor; for London Borough of Southwark' sign integrated into entrance composition.				
2.2.4	All access control systems should have digital entry phones in every home, linked to a main front door and with visual verification and electronic door release.				
2.2.5	Within the context of the composition, entrance doors should ideally be steel or aluminium with glazed panels, but not fully glazed to floor level.				
2.2.6	Dirt control matting, extending at least 1800mm in front of the door, fitted flush with the surrounding floor and with a surface texture suitable for wheelchair users, should be provided.				
2.2.7	The location of the lift and stairs should be obvious when entering the lobby and the location of all dwellings served by the entrance in question, clearly signed. The design of all areas should encourage healthy, active living and the stairs should be emphasized as the most attractive option.				
2.2.8	Individual A4+ size letterboxes should be located either within the external wall of the lobby (to allow mail to be delivered from outside and retrieved from inside) or located within the entrance lobby, where this has a second set of security doors. The minimum preferred height is 900mm above FFL to assist wheelchair users, and help prevent spinal injuries to postal workers.				

policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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### 2.3 Cores and circulation areas

2.3.1	All corridors and decks must be at least 1500mm wide; unheated but with some natural light and ventilation.	3.2.3 3.2.4			
2.3.2	Lift access is required to every flat on, or above, the third floor (fourth storey). Two lifts are required to every flat on, or above, the seventh floor (eighth storey) and to any wheelchair accessible or adaptable flat. Our preference is for all flats to have step-free access and we aim to achieve a minimum of 15 flats per core to make this viable. Where lift access cannot reasonably be achieved,	3.2.6 3.2.7			



		consideration should be given to the provision of a suitable stair lift.				
	<b>2.3.3</b>	Way-finding should be as clear and simple as possible, and the number of doors, lobbies, secondary access controls and changes of direction, minimised.				
	<b>2.3.4</b>	Internal artificial lighting should provide even illumination and be either motion activated or operated by a dawn to dusk timer. Our preference is for artificial lighting to be in the yellow/red spectrum (rather than green/blue) as this is softer, warmer and more flattering to skin-tone.				
	<b>2.3.5</b>	External artificial lighting, especially on access galleries, should be sited away from windows.				
	<b>2.3.6</b>	Stairwells must provide a refuge space on every level on which a wheelchair flat is located and our preference is to include a refuge space on every floor for the benefit of visiting wheelchair users.				

policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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## 2.4 Services and ancillary areas

	<b>2.4.1</b>	Service risers should be located in accessible but discreet positions within each core and dry riser outlets housed within enclosed risers in stairwells (rather than exposed) unless these are clearly intended to be a aesthetic design feature.				
	<b>2.4.2</b>	Communal heating pipes should be concealed and must be insulated, even internally, to reduce the risk of overheating.				
	<b>2.4.3</b>	Maintenance access is required to all flat roofs via either secure stairs or a fixed, inclined ladder, rather than via a roof hatch or a private balcony. Roofs should generally have a parapet and railings; a 'man-safe' system is only acceptable for small areas where recovery does not require extra equipment (for example where fixed ladders are provided).				
	<b>2.4.4</b>	A cleaner's cupboard (minimum 1.5 x 2.5m approx.) is required to each core and should include hot and cold water supplies, a sink and bucket stand, and electrical points.				
	<b>2.4.5</b>	Gas and electricity should be individually metered for each home. Meters should be located in risers on the floor level on which the dwelling is located, kept separate from other services and accessible to residents. Enough space should be allowed for pre-payment meters.				



	<b>2.4.6</b>	As a minimum, isolating valves are required in communal corridors to allow services to be quickly shut down and damage restricted without needing to gain access to dwellings. Our preference is for all SVPs, stopcocks and other important services within flats to be accessible from communal areas.				
	<b>2.4.7</b>	Satellite dishes and TV aerials, should be communal, rather than individual, wherever possible.				
	<b>2.4.8</b>	The services design should allow for the retro-fitting of sprinklers unless provided at the outset. We prefer to include sprinklers in wheelchair flats but will advise on a project-by-project basis.				

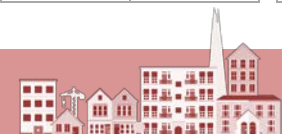
policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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## 2.5 Underground and undercroft parking areas

	<b>2.5.1</b>	Where practicable, any parking should be incorporated within the site boundary. Undercroft parking (typically ground level, beneath a podium within a courtyard block) is preferable to underground parking, which will not generally be permitted. (See also Section 1). Where undercroft parking is provided, the possible future re-use/conversion of this space to dwellings should be considered at the outset.				
	<b>2.5.2</b>	Underground parking areas should be secure and gated. Undercroft parking areas should be designed to allow gates to be fitted (either at completion or in the future) and be naturally lit as far as possible. Both undercroft and underground areas should be naturally ventilated where possible.				
	<b>2.5.3</b>	All covered, communal parking areas should be for the use of the residents of that building only. They should include charging points for electric cars and dedicated storage for mobility scooters together with charging and locking points where possible. These features should be routinely incorporated in parking areas for 20 or more cars.				

## 2.6 Communal cycle stores (see also Section 3)

	<b>2.6.1</b>	Cycle parking provision should conform with the London Plan minimum standards and always be located close to residents' homes, cores and/or entrances, as appropriate.	3.4.1			
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	<b>2.6.2</b>	Where communal cycle storage is provided for residents, individual lockers are required within communal stores that are accessed via the core. Double-stacked storage should be avoided. Contact the Transport Policy team for further advice.	3.4.2			
	<b>2.6.3</b>	Where cycle storage is provided above ground, the lift car should be at least 18mm deep.				
	<b>2.6.4</b>	Visitor cycle parking spaces should be provided as per London Plan standards. They must allow cycles to be effectively locked (e.g. to metal hoops) be overlooked and located close to entrances. Where provided in communal stores, visitor cycle parking must not be combined with residents' parking.				

policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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## 2.7 Communal refuse and recycling stores (see also Section 3)

	<b>2.7.1</b>	Proposals must meet current Southwark Waste Management Requirements.	3.5.2			
	<b>2.7.2</b>	Communal bin stores should be discreetly sited (generally within 15m of core entrances but preferably not immediately adjacent to them) and the risk of noise and smell to nearby dwellings minimised. They should allow waste to be deposited and collected from outside and be accessible to wheelchair users.	3.5.1			
	<b>2.7.3</b>	Doors should be secure and constructed of pre-finished (not painted) steel with louvers (unless ventilation is achieved by another means). Finishes and facilities should be suitable for hosing down.				

## 2.8 Communal outdoor space

RDS (2.6)	<b>2.8.1</b>	A minimum of 50m <sup>2</sup> of communal amenity space should be provided for every block of flats.				
	<b>2.8.2</b>	Communal outdoor space to be: <ul style="list-style-type: none"> <li>overlooked by those for whom it is intended and attractive when viewed from above</li> <li>secure, with controlled access for all residents – generally via cores</li> <li>accessible to all, including wheelchair users.</li> </ul>	1.2.3			





	<b>2.8.3</b>	For general ease of access, safety and management, amenity space should be at low level (ground or podium) where possible. Rooftop spaces must be overlooked by dwellings and lift-served.				
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**Additional requirements for this project**

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# 3. Private spaces in and around the home

## Contents

### Design considerations

### The standards we require

- 3.1 General requirements within the home
- 3.2 Living, dining and kitchen areas
- 3.3 Bedrooms
- 3.4 Bathrooms and WCs
- 3.5 Circulation areas and storage
- 3.6 Floor to ceiling height
- 3.7 Balconies, rear gardens and wintergardens
- 3.8 Front gardens
- 3.9 Privacy and soundproofing
- 3.10 Aspect, orientation, daylight and sunlight
- 3.11 Overheating and air quality
- 3.12 Safety and security
- 3.14 Energy, power and water

### Additional requirements for this project



## Design considerations for spaces in and around the home

We aim to give our residents light, spacious, quiet and practical homes that support family life and personal development. These simple attributes are more difficult to achieve in higher density environments and, like other urban areas, Southwark has some areas of poor air quality and major roads that generate high levels of traffic noise and pollution. Extra care is needed in these situations.

We expect homes to be dual aspect wherever possible to achieve good levels of natural light and ventilation and a choice of outlook. This is particularly important on busy streets, where the ability to retreat to quieter spaces within, and attached to the home, is essential. We want to exceed current Building Regulations in respect of soundproofing between dwellings and will consider triple glazing and the use of wintergardens instead of open balconies where conditions are particularly exposed or noisy. Similarly, where air quality is below ideal levels, or there is a risk of overheating, we will look at whole house ventilation and shading devices where appropriate. In all circumstances, we will adopt passive measures where possible.

The minimum space standards of the new national space standard generally mirror those set out in the London Plan, Housing SPG and Housing Design Guide and ensure that homes are spacious enough for residents to be comfortable and for the principles of Lifetime Homes (the new Category 2 accessibility standard) to be incorporated.

This is vital for us – our residents have diverse needs and often remain in the same home for many years so spaces that are flexible and adaptable enough to respond to the physical challenges of aging and disability without the need to uproot, are important in maintaining a good quality of life and reducing long-term health and care costs. The facility to incorporate assistive technology is part of our wider future-proofing strategy that means many of the homes we build now will take us into the next century. To cater for higher levels of disability, we will continue to require wheelchair accessible and adaptable housing.

One of the other practical ways in which we can help all of our residents is to build highly energy efficient homes; adopting a fabric first approach. While this has a modest impact on capital cost, it has no on-going cost burden yet the fuel savings that result from a well-insulated home can be enormous - enough to lift most people out of fuel poverty.

We recognise that families are often under particular pressure and want layouts to provide a good balance of social space - where families can sit, eat or play together, and genuinely private space - where individuals can study, work, rest or play alone.

The home is also the area where residents can have the most choice, both at the outset and in the future. We want to give all households the ability to have a separate kitchen if this is what they prefer, or what their cultural needs dictate, and the flexibility to furnish and use rooms in different ways over time. Residents will be able to choose from a menu of internal finishes, including paint colours, kitchen fittings and wall tiling.

We also know that having enough internal storage is vital, especially as so many of the homes we build will be fully occupied. We aim to exceed minimum national and GLA requirements by providing an airing cupboard in all homes, extra storage for 'dirty items' in flats and dedicated utility space for larger households.

Our standards also guarantee that all new dwellings will have a reasonable amount of private outdoor space. These too, are a modest uplift on the GLA standards.

The design standards we expect within and around the home are set out on the following pages. This should be read in conjunction with the private spaces in and around the home section of the technical specification which includes schedules of preferred internal fittings and finishes.



## The standards we require

### Key to Southwark policy source references:

SD&C Sustainable Design and Construction SPD, 2009

RDS Residential Design Standards SPD, 2011

policy reference	standard reference	requirement	GLA reference		technical reference	audit status
<b>3.1 General requirements within the home</b>						
RDS (2.4)	3.1.1	All new dwellings should meet or exceed the full set of spatial requirements set out in the tables within Annex A. Table 1 comprises the new National Space Standard and Table 2 sets out our own room requirements. This may require larger overall floor areas than the minimum GIAs of Table 1. Substantially larger floor areas will be required for Category 3 wheelchair homes.	4.1.1			
RDS (2.4)	3.1.2	To ensure a good mix of dwelling types, we also require the average internal dwelling floor areas (GIAs) to be as follows: <ul style="list-style-type: none"> <li>• 2 bed 1 storey - average 66m<sup>2</sup></li> <li>• 3 bed 1 storey - average 85m<sup>2</sup></li> <li>• 4 bed 1 storey - average 95m<sup>2</sup></li> <li>• 3 bed 2 storey - average 92m<sup>2</sup></li> <li>• 4 bed (and above) 2 storey - average 104m<sup>2</sup></li> <li>• 4 bed (and above) 3 storey - average 110m<sup>2</sup></li> </ul>				
	3.1.3	Fully furnished internal layouts (using the GLA furniture schedule) should be provided to a scale of at least 1:100.	4.1.2			
RDS (2.9)	3.1.4	All dwellings should meet at least the internal requirements of the new M4(2) Category 2 of the Building Regulations) irrespective of whether step-free access can be achieved.				
RDS (2.10)	3.1.5	The requirement for wheelchair dwellings will be confirmed on a site by site basis. All designated wheelchair dwellings should meet the requirements of M4(3) (Category 3 wheelchair accessible) of the Building Regulations and the mix should generally reflect the overall dwelling mix and tenure balance, unless otherwise requested. Threes storey wheelchair homes are not permitted.	4.9.1			



	<b>3.1.6</b>	Internal and external doorsets should be at least 2100mm high.				
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policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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## 3.2 Living, dining and kitchen areas

RDS (2.4)	<b>3.2.1</b>	Living, kitchen and dining floor areas should meet the requirements of Table 2, Annex A.	4.4.1			
	<b>3.2.2</b>	The width of the main living area should be at least 2.8m for 1-3 people and 3.2m for 5 people or more.	4.4.2			
RDS (2.5)	<b>3.2.3</b>	We prefer all homes with 2 or more bedrooms to have a separate kitchen or kitchen/dining room, close, or connected, to the living room but with access from the hallway, rather than solely from the living room. This is essential for homes with 3 or more bedrooms where our strong preference is for a separate kitchen/dining room. (Wheelchair homes may have fully open plan living, kitchen and dining arrangements).	4.4.3			
	<b>3.2.4</b>	Where a separate kitchen, rather than a kitchen/dining room, is provided we would prefer this to include space for 2 people to eat unless the kitchen is directly connected to the dining area.				
	<b>3.2.5</b>	Where the kitchen is part of an open plan living area, it should occupy an alcove or discreet part of the room where it is partially screened from the sitting area.				
	<b>3.2.6</b>	Where the kitchen or kitchen/dining room is a separate room it should have a window, and we prefer a kitchen within an open plan living space to have a window too.				
	<b>3.2.7</b>	All kitchen layouts should be practical (preferably 'C-shaped' or 'L-shaped', rather than a straight run) and provide a convenient relationship between the sink, hob and fridge. The minimum worktop lengths set out in the GLA (LHDG) furniture schedule should be achieved. Sinks and hobs should have at least 400mm worktop to each side and wall cupboards should be maximised.				
	<b>3.2.8</b>	There is no requirement to provide white goods except in wheelchair accessible dwellings.				



policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 3.3 Bedrooms

RDS (2.4)	3.3.1	Bedroom floor areas should meet the requirements of Table 2, Annex A.	4.5.1			
	3.3.2	Bedroom widths should meet the requirements of Table 1, Annex A.	4.5.2			
RDS (2.5)	3.3.3	Bedrooms should be accessible from a circulation space, not via another room.				
	3.3.4	We prefer not to have more than one single bedroom in any home.				
	3.3.5	Built-in wardrobes should not generally be provided but will be considered where there is a natural alcove in the room.				

### 3.4 Bathrooms and WCs

	3.4.1	Where possible, bathrooms should have natural light and ventilation. The window should only be positioned above a bath where this is the only available location.				
RDS (2.5)	3.4.2	A second WC is required in homes with 3 or more bedrooms and this is preferable in homes with 2 bedrooms.	4.6.1			
	3.4.3	A second bath or shower room is required in homes for 7p and above. This may comprise a fully installed level access shower in the WC.				
RDS (2.5)	3.4.4	Bathrooms should be accessed from circulation, rather than from a bedroom, and include some built-in storage where possible.				
	3.4.5	In wheelchair accessible dwellings which offer the choice of an installed bath or shower, the shower should be provided at the outset unless otherwise requested by the LBS occupational therapist.				





policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 3.5 Entrances, circulation and storage areas

RDS	3.5.1	All private entrances should have doorbells (including flats accessed from communal areas).				
	3.5.2	In a house, we prefer a porch or lobby to be provided to conserve energy and avoid the front door opening directly onto the stairs. We will not accept an entrance door that opens directly into a room.				
	3.5.3	Straight stair flights are preferable to winders.				
	3.5.4	For the minimum area of built-in storage refer to Annex A.	4.7.1			
RDS (2.4)	3.5.5	Some built-in storage should be provided on every floor of the home and not more than 50% of the total area should be within bedrooms. An airing cupboard with slatted shelving and a heat source should be provided in all homes as part of the general storage requirement.	4.7.1			
	3.5.6	A utility room is required in homes for 7p and above, and is preferable in all homes where this would not increase the overall floor area. The space should aim to include a sink and drainer, plumbing and drainage for a washing machine, floor and wall cupboards and the boiler or heat exchanger.				
	3.5.7	Wherever living/kitchen/dining spaces are open plan, plumbing and drainage for a washing machine should be provided in a storage cupboard or utility space, with space for a separate tumble drier above. This space should be additional to the minimum storage requirement.				
	3.5.8	Flats with 2 or more bedrooms should have additional storage of at least 1m <sup>2</sup> , located close to the entrance and suitable for storing a buggy, light gardening tools and other 'dirty items'.				

### 3.6 Floor to ceiling height

RDS (2.4)	3.6.1	The floor to ceiling height of the main living area should be at least 2.5m over at least 75% of the room. We prefer this height to be achieved in all habitable rooms but a minimum of 2.3m is acceptable in bedrooms where this is achieved over at least 50% of the floor area in 'attic rooms'. Higher ceilings/taller windows are encouraged at ground floor level, particularly in high density development.	5.4.1			
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policy reference	standard reference	requirement	GLA reference	technical reference	audit status
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### 3.7 Private open space (rear gardens, balconies and wintergardens)

RDS (3.2)	3.7.1	<p>The minimum area of private open space we require for flats is as follows:</p> <ul style="list-style-type: none"> <li>• 2p - 5m<sup>2</sup></li> <li>• 3p - 6m<sup>2</sup></li> <li>• 4p - 7m<sup>2</sup></li> <li>• homes with 3 or more bedrooms - 10m<sup>2</sup></li> </ul> <p>We prefer to achieve at least 10m<sup>2</sup> of private open in 2 bed homes too, and where this cannot be achieved, require the balance to be provided as additional communal space. Where possible, the minimum required area for all dwelling types, should be achieved in one space, rather than multiple spaces, to allow families to sit out together. Noting the emphasis on composition in sub-section 1.6, balconies should be designed as an integral part of the building to avoid any sense of being an ill-considered 'bolt-on'.</p>	4.10.1		
	3.7.2	Wintergardens will be considered instead of balconies in noisy or exposed locations, especially in tall buildings.			
	3.7.3	All private outdoor space should be accessed via a living space, kitchen/dining room or circulation area, not solely via a bedroom.			
RDS (3.1)	3.7.4	<p>Rear gardens to houses should be the full width of the house, at least 10m long and 50m<sup>2</sup> in area. They should be generally turfed, with a patio at least 2m deep and include the following features:</p> <ul style="list-style-type: none"> <li>• external lighting</li> <li>• secure socket for a rotary washing line adjacent to the patio</li> <li>• garden shed on a concrete base connected to the patio by a path</li> <li>• insulated outdoor tap for watering</li> <li>• water butt</li> </ul>			
	3.7.5	Cycles and refuse/re-cycling should only be stored in rear gardens that are accessible without needing to go through the home. Alleys between adjoining rear gardens are not permitted.			



policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 3.8 Front gardens (see also Sections 1 and 2)

	3.8.1	Front gardens to all ground floor dwellings should be private, rather than communal, and adjacent gardens separated by a wall, fence or railing.				
	3.8.2	Front gardens should be deep enough to include secure, covered cycle storage and a refuse and recycling enclosure with doors (and preferably covered) unless stored elsewhere. Cycle and bin storage should not obstruct windows, doors or paths.				
	3.8.3	Planting beds are encouraged but should be at least 750mm deep. Where trees are planted within front gardens, these should be at least 5m from the wall of the house or block of flats.				
	3.8.4	All ground floor windows should be accessible for cleaning from outside.				

### 3.9 Privacy and sound-proofing

SD&C (11.4)	3.9.1	Facing windows on front (street-facing elevations) should be at least 12m apart, and this distance increased to 21m on rear elevations unless compensating measures such as screening, angled or bay windows are provided.				
	3.9.2	Clear glass balustrading to balconies should be avoided where this compromises privacy.				
	3.9.3	The main living space or principle bedroom should not face onto an access deck and a secondary bedroom may only do so where the deck is pulled away to create a void in front of the window.				
	3.9.4	Full height ground floor windows should be avoided on facades that face the public realm unless set well back from the pavement and with adequate screening.				
	3.9.5	Party walls should be of double skin masonry construction and achieve sound-reduction of at least 3dB above current Building Regulations (Part E).				



policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 3.10 Aspect, orientation, daylight and sunlight

	<b>3.10.1</b>	We have a strong preference for all homes to be dual aspect, and this is essential for homes with 3 or more bedrooms. No north facing single aspect homes are permitted.	5.2.1			
RDS (2.7)	<b>3.10.2</b>	All habitable rooms should have natural light, ventilation and a view out from a 'vertical window' (not just a roof light).				
	<b>3.10.3</b>	As a general rule, glazing to habitable rooms should be equivalent to 15 - 25% of the floor area of the room, depending on the proportions and function of the room, and the orientation and outlook.	5.5.1			
RDS (2.7)	<b>3.10.4</b>	Internal layouts should ensure that the living area (or kitchen/dining room) and the balcony are orientated to receive sunlight for part of the day.	5.5.2			
RDS (2.7)	<b>3.10.5</b>	Assessments will be required for any dwellings where there is concern that they may not receive sufficient daylight and/or sunlight.				

### 3.11 Overheating and air quality

	<b>3.11.1</b>	Over-heating should be mitigated by ensuring through-ventilation (achieved by dual aspect dwellings) and appropriate window size and specification. Where further measures are required, other passive measures such as adjustable screening and shading devices should be used before resorting to mechanical cooling.	6.3.1			
SD&C (11.4)	<b>3.11.2</b>	An air quality impact assessment and, where necessary, proposals for mitigation will be required for developments in an Air Quality Management Area.	5.6.1			
SD&C	<b>3.11.3</b>	Gas boilers should be low NOx rated.				



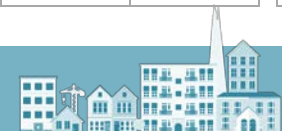
policy reference	standard reference	requirement	GLA reference		technical reference	audit status
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### 3.12 Safety and security

RDS (2.2)	3.12.1	The physical security standards of Section 2 of Secured by Design should to be achieved and certified (unless CCTV is demanded) and certification for Section 1 acquired where possible.	6.3.1			
RDS (2.2)	3.12.2	Particular attention must be given to the security of ground floor doors and windows, and to first floor balconies. Consideration should begin with the design of any boundary treatment in the context of the streetscape. (See also Section 1).				
	3.12.3	Windows on upper floors should be designed to meet the safe cleaning criteria for non-residential buildings within Approved Document K of the Building Regulations. Areas of glazing that cannot be safely reached from inside, to be kept to a minimum and etched or other semi-obscure glazing used.				

### 3.13 Energy, power and water

SD&C (11.1)	3.13.1	A 35% reduction in CO2 emission (over Building Regulations Part L 2013) should be achieved as a minimum, and a fabric first approach adopted.	6.1.1			
SD&C (11.2)	3.13.2	An assessment of the energy demand, CO <sub>2</sub> emissions and details of how renewable energy options have been considered, is to be submitted.				
SD&C (11.2)	3.13.3	Developments should be connected to existing CHP networks where these exist, or allow for connection in the future where a network is planned.				
SD&C (11.2)	3.13.4	Developments should aim to achieve a 40% reduction in CO2 emissions from onsite renewable energy (which may include sources of decentralised energy).				
	3.14.5	Low energy lighting should be installed, using LED fittings where possible.				
	3.13.6	Provision should be made for smart metering, including the facility to allow the energy consumption of homes to be monitored and compared.				
SD&C (11.7)	3.14.1	Our current target of 105 litres/day/person for internal potable water should be met, and where possible, improved towards 80 litres/day.	6.4.1			



**Additional requirements for this project**

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## Annex A: Space Standards

**Table 1 New National Space Standard**

number of bedrooms	number of bed spaces	1 storey dwellings	2 storey dwellings	3 storey dwellings	built-in storage
	1p	39 (37)			1.0
1b	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

The Gross Internal Area (GIA) of a dwelling is defined as the total floor space measured between the internal face of the perimeter walls<sup>1</sup> that enclose the dwelling. This includes partitions, structural elements, cupboards, ducts flights of stairs and void above stairs. The GIA should be denoted in m<sup>2</sup>.

<sup>1</sup>The internal face of a perimeter wall is the finished surface of the wall. For a detached house the perimeter walls are the walls that enclose the dwelling, and for other houses or apartments they are the external walls and party walls.

The standard requires that:

- a. The dwelling provides at least the gross internal floor area and storage area set out in Table 1
- b. A dwelling with 2 or more bed spaces has at least one double (or twin) bedroom
- c. In order to provide one bed spaces, a single bedroom has a floor area of at least 7.5m<sup>2</sup> and is at least 2.15m wide
- d. In order to provide two bed spaces, a double (or twin) bedroom has a floor area of at least 11.5m<sup>2</sup>\*
- e. One double (or twin bedroom is at least 2.75m wide and every other double (or twin bedroom is at least 2.55m wide)
- f. Any area with a headroom of less than 1.5m is not counted within the GIA unless used solely for storage (if the area under the stairs is to be used for storage assume a general floor area of 1m<sup>2</sup> within the GIA
- g. Any other area that is used solely for storage and has a headroom of 900-1500mm is counted at 50% of its floor area, and any area lower than 900mm is not counted at all
- h. A built-in wardrobe counts towards the GIA and bedroom floor area requirements, but should not reduce the effective width of the bedroom below the minimum widths set out above. The built-in area in excess of 0.72m<sup>2</sup> in a double bedroom and 0.36m<sup>2</sup> in a single bedroom counts towards the total storage requirement
- i. The minimum ceiling height is 2.3m for at least 75% of the GIA\*

1. Standards marked\* are exceeded by our own requirements in Table 2
2. See also our average dwelling size requirements in Standard 3.1.2 of this document.





**Table 2 Minimum room areas**

DWELLING TYPE	1 BED	2 BED	3 BED	4 BED
<b>Double bedroom</b>	12	12	12	12
<b>Single bedroom</b>		7.5	7.5	7.5
<b>Living room</b> (where eating is in the lounge)	16	17	18	19
<b>Kitchen</b> (where eating is in the lounge)	6	7	8	8
<b>Kitchen/diner</b> (where separate living room)	9	11	11	12
<b>Living room</b> (where kitchen/diner provided)	13	13	15	15
<b>Open plan living/kitchen/ dining</b>	24	27	30	

Source: Residential Design Standards except where exceeded by new National Space Standard

Notes:

1. Figures shown in blue boxes are derived from our RDS and either exceed the new National Space Standard or are additional standards.
2. Figures shown in white boxes are from the National Space Standard and exceed our RDS requirements.



<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Quarter 2 Capital Monitoring for 2015/16 and Capital Programme Refresh for 2015/16-2024/25	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This quarter’s capital monitor provides, as usual, an update and progress report on the delivery of our £2 billion 10 year capital programme. Within the report you will find an update from each department covering their projects.

Our capital investment programme is delivering on so many of our Fairer Future promises such as our Warm, Dry and Safe council housing upgrades, building 11,000 new council homes, ensuring every child has a local school place and delivering new libraries and leisure centres.

I’m particularly delighted that this month we have seen the completion of one of those key capital commitments – a new library for Camberwell. The new library is simply amazing and a massive improvement on the previous facilities. It is a £3.7m investment that Camberwell thoroughly deserved.

## **RECOMMENDATIONS**

That cabinet:

1. Notes the general fund capital programme for the period 2015/16 to 2024/25 as at Quarter 2 2015/16, as detailed in Appendix A and D.
2. Notes the housing investment programme for the period 2015/16 to 2024/25 as at Quarter 2 2015/16, as detailed in Appendix B.
3. Approve the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C.
4. Notes 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 as at Quarter 2 2015/16 and this position will be updated during the year and the budgets re-profiled accordingly at Quarter 3 when more up to date information is available.

## **BACKGROUND INFORMATION**

5. The scale of the capital programme being managed within the council is immense and with a total forecast spend of nearly £2 billion the capital

programme represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and or do business in the borough.

6. The quarter 1 2015/16 capital monitor report indicated that expenditure of £14.1m had been incurred on the general fund capital programme against a budget of £119.5m. This represented a spend of 11.8% to budget as at quarter 1 and a favourable variance of £1.5m was projected against the budget for the year at that point.
7. The quarter 1 2015/16 capital monitor report also reflected a spend of £24.7m on the Housing Investment Capital programme against a budget of £356.8m which represented a spend 6.9% against the budget for the year.
8. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Historically the capital programme has been over programmed in year to compensate for these variations, whilst retaining a balanced programme overall.
9. The capital programme is subject to on-going review by service managers and the quarter 1 2015/16 capital monitor report noted that some of the expenditure forecast will need to be updated as the capital schemes progress through the year and it is expected that further re-profiling of budgets will be required when more up to date information is available.
10. This report sets out the current profiled budget and forecast outturn position for 2015/16 for the General Fund and the Housing Investment Programme (HIP).

## **KEY ISSUES FOR CONSIDERATION**

### **General Fund Capital Spend**

11. The quarter 2 capital monitor report indicates that expenditure of £25.8m incurred at quarter 2 against a re-profiled budget of £125m for 2015/16 showing a spend of 20.6% to budget on the general fund capital programme. The summary position and the programme details by departments are reflected in Appendices A and D respectively.

### **Housing Investment Programme Spend**

12. The total re-profiled budgets on the Housing Investment Programme for 2015/16 is £352.6m and the expenditure incurred at quarter 2 is £72.9m, indicating a spend of 20.6% to budget. The majority of the expenditure on the Housing Investment Programme relates to the numerous works on the Warm, Dry and Safe programmes which is forecast to spend £185m in 2015/16. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

### **Resource implications**

13. The council's capital resources are comprised of the following:
  - capital receipts from disposal of property
  - grants

- external contributions
  - section 106 and Community Infrastructure Levy (CIL) contributions
  - housing major repair reserve
  - contributions from revenue
  - contribution from reserves
  - internal borrowing
  - external borrowing.
14. The capital programme is influenced by resource timing and availability. Over the life of the programme, all commitments must be met from anticipated resources. The final funding requirement will be based on the final actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks and officers undertake regular reviews as part of the process for preparing quarterly monitors to assess income to date, forecasts and changes.
15. Each department forecasts its programme as accurately as possible to minimise the need for re-profiling. Where this does occur, the requirement is flagged as early as possible and budgets re-profiled in line with anticipated spend. Given the general complexity of capital projects, it is common to see some variation in the profile of the actual programme against the forecast. The impact of this is mitigated through regular formal monitoring, departmental reviews and access to a resource base wide enough to cope with change.
16. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources, to identify new resources or to make changes to the use of resources at an organisational level as projects complete or new projects appear.

### **Section 106 and Community Infrastructure Levy**

17. The 2015/16 quarter 1 monitor report to cabinet explained Section 106 (S106) agreements, otherwise known as planning obligations, and the Community Infrastructure Levy (CIL) as two of the sources for funding the capital programme.

### **Contributions from Earmarked Reserves**

18. Reserves are funds set aside from favourable variances in the revenue and capital budgets. They can also be planned contributions to meet contractual commitments or future expenditure plans which may include risks or liabilities that arise at a later date. The three reserves which have relevance for funding the capital programme are outlined below:
- modernisation reserve supports one-off expenditure or multi-year projects designed to modernise and further improve the operational efficiency of Southwark's service provision.
  - the regeneration and development reserve funds one-off expenditure and multi-year projects delivering regeneration and development across the

borough. Relevant projects include the Aylesbury Estate Regeneration, Canada Water, and Elephant & Castle Regeneration.

- compliance and planned preventative maintenance reserve which may be used to support activities upgrading the wider council estate in line with legislative and/or preventative maintenance requirements.

### **Capital Receipts**

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

### **Capital Grants**

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

### **Resourcing to Quarter 2 2015/16**

23. As at quarter 2 2015/16, capital receipts of £11.9m and £15.8m had been received from the general fund and housing receipts respectively for the financial year 2015/16.
24. At the end of quarter 2 2015/16, 28.7m other income had been received including £4.3m of education related grants and £22.2m secured through S106 and CIL agreements.
25. The above resources will be monitored and applied as appropriate to schemes in 2015/16.

### **Programme position at Quarter 2 2015/16**

26. Attached at Appendix A is a summary of the general fund programme position as at quarter 2 of 2015/16. This shows a total expenditure budget of £575.9m budgeted over the programme from 2015/16 to 2024/25.
27. Attached at Appendix B is a summary of the housing investment programme position as at quarter 2 of 2015/16. This shows a total expenditure budget of

£1,391.1m over the programme from 2015/16 to 2024/25.

28. Appendix C shows the budget virements and variations arising in quarter 2 of 2015/16 for approval by cabinet.
29. Appendix D shows a more detailed view of the general fund programme on individual projects or groups of projects over the period 2015/16 to 2024/25.
30. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

### **Departmental Updates**

31. The sections below provide commentary on the budget position by departments for 2015/16.

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

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

32. In summary, the capital programme across Children's and Adults Services for the period 2015/16 to 2024/25 at quarter 1 was £164.1. There is a programme of major refurbishment at the Anchor Trust properties and it is requested that £1.1m is added to the capital programme for 2015/16 and funded from earmarked revenue reserves held for this purpose. This makes a revised total programme of £165.2m. The revised annual budget for 2015/16 was £49.1m and the expenditure incurred at quarter 2 was £5.1m. The forecast expenditure for 2015/16 is £29.7m following a proposed £15.6m re-profiling of the schools expansion programme and re-profiling £3.5m on adult's Services properties.

#### Children's Services

33. The revised capital programme for 2015/16 to 2024/25 is unchanged from quarter 1 at £144.7m. The annual budget for 2015/16 is £43.2m. The expenditure incurred for quarter 2 was £4.7m. The forecast for the current year has been re-profiled to £27.3m due to the additional time incurred in addressing the cost pressures of the expansion programme.
34. The main areas of expenditure for 2015/16 will be:
  - £800,000 for 2 year old places
  - £4.5m schools maintenance programme
  - £600,000 temporary expansion, and
  - £21.6m on permanent expansion.
35. As the main expansion programme is progressing with enabling works, designs and main contract tenders, there are a number of cost pressures arising. The main reasons are construction industry inflation associated with a high volume of construction in London and the south east. Contractors are required to demonstrate that they are achieving competitive value for money prices. .
36. The total cost of the programme for 2015/16 to 2018/19 is now forecast to be £115m. This is mainly due to the insurance requirement to fit sprinklers to some new buildings, specific site abnormalities including land contamination, works to

listed buildings and the requirements of Transport for London. The re-profiled programme can be contained within the existing identified budget.

37. Further to the forecasted shortfall of secondary places from 2017/18 onwards, £2.5m has been earmarked for one form of entry at St Michael's Academy in 2017/18 to support the development, with £4m of grant that has been awarded directly to the Academy following a bid.

#### Adults' Services

38. The capital programme for the period 2015/16 to 2024/25 at Q1 was £19.4m and the annual budget for 2015/16 was £4.8m. Appendix C reflects the request to add £1.1m to the current year's programme funded from revenue reserves set up for the refurbishment of the Anchor Trust properties. This makes the revised programme £20.6m and the budget for 2015/16 of £5.9m. The forecasted expenditure for 2015/16 is now £2.4m reflecting the re-profiling of the fit out of Half Moon Lane, Orient Street and the Brandon Trust properties. The expenditure incurred for quarter 1 was £300,000. The main works in 2015/16 include major refurbishments at the Anchor Trust properties, re-profiled works at Orient Street and the Brandon Trust properties and the expansion of the Telecare service

#### Southwark Schools for the Future

39. The capital programme for the period 2015/16 to 2024/25 is £38.4m and the revised annual budget for 2015/16 is £2.7m with the total forecast expenditure at £2.1m as a result of re-profiling of budgets for ICT and council retained liabilities. The expenditure for quarter 2 was £700,000. Forecast expenditure in 2015/16 will be on ICT equipment, lease payment for Highshore and retention on completed schools.
40. The final stage of the SSF programme will be SILS KS3/4. A budget of £8m has been earmarked for this purpose whilst plans are being drawn up. The costs budget can be contained within the existing identified programme budgets.

#### Finance and Corporate Services

41. The capital programme for this department continues to focus on two key areas: Information technology infrastructure projects and premises-related improvements to the council's operational buildings. The total departmental capital programme stands at £55m of which £10.1m was set to be delivered in 2015/16. However since quarter 1 the forecast spend this year has reduced to £6.5m.
42. Information technology remains a key component to the council's ability to successfully deliver services efficiently and effectively going forward. As reported at quarter 1, over the next ten years the council will continue to update and improve the IT infrastructure and networks with spend this year expected to be in the region of £2.8m. Work is also continuing on the implementation of the new social care system.
43. Facilities management will over the next ten years deliver a comprehensive planned preventative maintenance and compliance programme for the assets and fabric of the operational estate that fully supports the delivery of front line services. Programme spend in 2015/16 is expected to be £2.7m, compared to



£4.3m reported at quarter 1 reflecting the slippage of certain projects into the early part of 2016/17 which is not exceptional given their nature and size. In addition to this, works continue on the re-instatement of Walworth Town Hall, which was significantly damaged by fire in March 2013 with spend of £876,000 to the end of quarter 2.

## Environment & Leisure

### Summary

44. The total value of the departmental capital programme for the period 2015/16 to 2024/25 is £129m. The latest projected spends for the year is estimated to be £24.9m against the latest capital budget for 2015/16 of around £28.2m. The overall net variance which arises from re-profiling of the expenditure is proposed to be carried forward into 2016/17.
45. The forecasts of projects in the departmental capital programme for 2015/16 and future years have been reviewed for their robustness and some budgets have been re-profiled, as appropriate.
46. The progress of major schemes is outlined below.

### Public Realm

47. The Highway Asset investment programme (non-principal and principal roads) is programmed for full spend.
48. The Cleaner Greener Safer (CGS) programme is programmed to spend £2m and deliver 200 projects.
49. The cycle infrastructure fund is forecast to spend £100,000 on scoping and design work for the Southwark Spine. This is a reduction from the previous forecast of £250,000 and reflects the prioritisation of TfL-funded routes where funding is more tightly time-limited. The 20mph programme is on course to spend £186,000 this financial year on surveys, preparation and design work for further physical interventions in 2016/17.
50. The implementation of the cemetery strategy continues to create further burial spaces and make associated infrastructure improvements. The main focus this year is on the completion of the lodge refurbishment works and the replacement of one of the cremators. Subject to planning approval the implementation of works at Area D1 should also take place this year and works to Area Z in Camberwell Old Cemetery should start, plus the Underhill Road Boundary work.
51. The Southern Entrance project at Burgess Park is the most significant project that will be progressed as part of Phase 3 of Burgess Park improvements this year. The projected spend in this financial year is £952,000 as compared with the budget £1.3m. The variance of £341,000 will be profiled to the next year.
52. The Parks Infrastructure and Investment improvements will continue to include urgent health and safety works such as lighting improvements, wall repairs and drainage work whilst we work on the asset data capture project which will ultimately lead to Parks Infrastructure Asset Management Plan. The asset data capture project is progressing with stage 1 completed (methodology agreed). The programme is projecting to spend £850,000 in this financial year as

compared with the budget £1.2m. The variance of £360,000 will be profiled to the next year.

#### Culture, Libraries, Learning & Leisure

53. The £550,000 refurbishment of Peckham Library has been completed.
54. Works to phase one of the Southwark Athletics track recommenced at the end of June following sign off of planning conditions. The works have progressed well and are on budget. They will be complete by the end of November 2015 (subject to weather conditions). Plans for phase two (building refurbishment) are currently being developed with the main spend forecast for the first quarter of the new financial year, in line with the spending profile.
55. The Peckham Pulse capital works, which included the redecoration of the pool halls, the replacement of the pool hall air handling unit and the re-grouting of the pool wet side floor tiles, were completed in quarter 2. The pool halls re-opened in May 2015. Work on the Pulse building management system, metering and lighting works will be completed by end of March 2016 with further improvements currently at design stage. The programme is projecting to spend as per budget of in this financial year.
56. The works at Seven Islands will commence once asbestos works have been completed. It has been agreed the most appropriate time to start pool pipe and valve replacement works will be in January 2016 when the pool hall closes for other refurbishment works. The programme is projecting to spend as per budget of £1.0m in this financial year.

#### Housing Renewal

57. The Brayards Road Improvement Zone group repair scheme is well underway, with the first phase of 13 units 50% completed. The majority of the properties to be completed in the first phase are council owned properties. The project will provide health and safety repair works and environmental improvements to 53 street properties of mixed tenures. The bulk of project expenditure is expected in quarters 3 and 4.
58. The Disabled Facilities Grant (DFG) programme has to date approved schemes costing £552,000. The unit is on track to meet the target of 95 completions this year, delivered on budget. The greater part of DFG expenditure usually occurs in quarters 3 and 4, when most of the schemes are completed. The 2015/16 DFG subsidy allocation of £613,700 has been received via the better care fund.

#### Environmental Services

59. The energy strategy team and corporate facilities management are currently working together to finalise the programme of investment for 2015/16's carbon reduction programme, with energy surveys taking place during September and October to identify required energy efficiency improvements. The confirmed programme is expected to be in quarter 4 2015/16.

#### Chief Executive's Department

60. The current value of the capital programme for the department over the 2015/16 to 2024/25 period is £187.1m, and includes funding confirmed since the last

quarterly report was presented to cabinet, of an additional capital budget of £3m, of which £1.4m is funded by TfL, £1m of funding agreed by cabinet for Tate Modern extension and the balance of £600,000 derived mainly from new s106 allocations and external contribution.

61. Performance in 2015/16 has been steady with expenditure of £12.8m at the end of quarter 2 against full year budget of £33.4m, and forecast spend of £30.2m. The favourable variance of £3.2m between the full year budget and forecast is a result of rigorous and robust review of planned expenditure and the subsequent re-profiling of some projects into future years.
62. This year, the council secured approximately £9m in funding from Transport for London (TfL). More than half of this is from the Quietways funding to continue the programme of improved cycle routes started in 2014. The key areas for improvement this year include pedestrian and cycle improvements at Crystal Palace Parade, completion of public realm improvements in the areas of Bellenden, Brayards and Coleman Road and the delivery of a significant number of cycle parking spaces. The major investment in Camberwell Town Centre public realm is on-going and will continue into the next financial year.
63. The regeneration of Camberwell under Revitalise5 Programme is on-going with the completion of the new Camberwell Library and Plaza which opened in November 2015. Camberwell now has a fantastic new modern library that provides a welcoming, accessible and more pleasant environment, set in a new Plaza. The library is fully stocked with new books, films and music. Visitors can read, relax, browse the web and spend some time studying. They are also able to participate in a reading club, attend parent and toddler groups. The library is open seven days a week and also provides access to a range of council services in the heart of the borough and there is also space available for hire to external organisations.
64. The improvements to Camberwell Green which include planting trees, wildflower meadow, a new play area and a market square have commenced. The revitalised and much improved Camberwell Green will re-open next summer.
65. The first Pocket Space, Datchelor Place, is complete and is now a highly pedestrianised area, creating opportunities for outdoor sitting and serves as the temporary home for the Urban Farmers markets.
66. Work is progressing on the detailed designs for the remainder of the Pockets Spaces, all of which are due for completion by summer 2016. Work to agree the detailed designs for the town centre Streetscape project is also on-going. This will create a safer space for all users and is expected to be delivered from summer 2016.
67. A number of public realm and environmental improvements projects are currently underway and will complete by the end of this financial year. These include the environmental improvements and traffic calming in Hadfields working with partners at Lambeth Council; works to the community garden at All Hallows; the comprehensive remodelling of the triangle site at Queen Elizabeth Street which includes the refurbishment of Samuel Bourne Bevington (a grade 2 listed statue); and the cleaning, refurbishment and lighting of three tunnels by Dockley Road.
68. A further programme of projects is currently under development for delivery later this year. These include the environmental improvements of Queens Road,

Peckham; a series of small scale projects in Meeting House Lane and the environmental improvements on Brayards Road. These three projects are the culmination of the Area Renewal programme.

69. Other projects being developed include the Albert McKenzie memorial on Tower Bridge Road and the shop front programmes on Harper Road, East Street, Walworth Road and Lower Road.

### **Housing General Fund**

70. The total value of the housing general capital programme is £1.4m and details of the projects are provided below.
71. Waddling St - The Guinness housing scheme started on site in May 2014. This is the final Elephant & Castle replacement housing scheme.
72. Ilderton Rd - Gypsy & Travellers site - Negotiations are on going with Network Rail concerning the stability works to the embankment.

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

73. The total value of the Housing Investment Capital Programme for the period 2015/16 to 2024/25 is £1,391.2m. The forecast spend in 2015/16 is £303.9m against a revised budget of £352.6. The variance of £48.7m is re-profiled into 2017/18. The section below provides commentary on the major areas of activity across the various capital projects within the Housing Investment Programme.

#### **HIP - Warm Dry and Safe**

74. £100m was spent in 2014/15 on warm dry and safe, ahead of the £90m original forecast, bringing total spend to £283m. At the start of the year the WDS programmes were estimated to spend £200m with projects now being committed against the £985m capital bid allocation. At the end of quarter 2 £48.5m has been spent and current forecasts are showing estimates of around 92.5% of the £200m will be spent. The programme has consistently met or slightly exceeded the annual estimate. This year is likely to be highest investment in existing stock in the council's history. The WDS programmes will be fully committed, with a few exceptions, by March 2016 and a 90% decency target has also been set for March 2016.
75. The 2 year programmes are now complete. A total original provision of £76m was made for the two year programmes, carry over schemes and the original FRA works within the original WDS budget. The final outturn is expected to be around £82m for delivering these schemes.
76. All the WDS 2012 major works schemes are completed or on site. The remaining two schemes on site are expected to complete in 2015/16.
77. Nine of the twelve WDS 2013 major works schemes are committed, with 5 achieving practical completion. A further batch of street properties is due to start in 2015/16. Tustin is delayed but is being developed into a wider scheme, refurbishment works are due to start in 16/17. Acorn delayed pending regeneration works but is due to start in 2015/16.
78. 37 of the 40 WDS 2014 major works schemes are committed, with 17

completed. Portland Estate requires major structural works but due on site in 2015/16) and D'Eynsford Estate externals on hold pending district heating works. Crane House structural works will be starting in 2015/16.

79. 53 of the 98 WDS 2015 major works schemes are on site or completed. 18 have been completed, with the remainder starting in 2015/16 with the exception of Caroline Gardens.
80. The trend of schemes requiring more resources than the original 2010 stock condition survey estimate has continued, meaning that the existing WDS budget is effectively committed with resources for now being allocated from the £985m approved budget on the Housing Stock Programme to complete the programme of works.
81. Following the manifesto commitment to deliver a kitchens and bathroom programme, a programme is being put together to be delivered alongside the major works programme for 2015/16. Costs have been included in the capital refresh for 2015/16 and are currently estimated to be £15m for the current year, revised down from the earlier £20m estimate.
82. There are a number of potential funding streams that can contribute to or reduce the commitment for extra resources for this programme. A successful bid was submitted for Decent Homes Backlog funding in 2015/16 and a potential £53m has been added to the funding assumptions.
83. Both the Four Squares and Hawkstone WDS/HINE projects continue on site and will complete in 2015/16. The main Abbeyfield scheme, "Maydew", is now due to start on site in late 2016/17. The HINE allocation for Four Squares was increased to £28m following structural issues and the scope of works required to complete the scheme.
84. All the remaining programmed 2015/16 WDS district heating schemes are now expected to be committed this financial year or early 2016/17.
85. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. All the higher moderate risk high rise blocks are also complete except for works being completed to coincide the WDS programme. £2.3m has been allocated to complete substantial medium rise FRA works which are also being completed in 2015/16 alongside planned WDS works. Sidmouth has also been added to the programme.
86. 1,937 homes fell into non-decency at the start of 2015/16 meaning the Decency level fell from 65.3% at 2014/15 year end to 60.07% at the start of 2015/16. The decency level at the end of quarter 2 was 66.2%. A 90% decency target has been set for March 2016.

#### Bermondsey Spa

87. Approximately £787,000 is expected to be spent on Vauban and Neckinger Estates environmental works in 2015/16 but has yet to be committed. A budget of £393,000 has been brought forward from 2016/17.

## Lakanal

88. Lakanal refurbishment works are expecting to spend around £3.2m in 2015/16 with works progressing in quarter 2 and onwards.

## 11,000 New Homes Programme &amp; Hidden Homes – refurbishment

89. Five Hidden Homes were completed at the start of this year, with 2 Hidden homes currently on site and 6 with planning approval are being progressed using existing budgets.
90. Direct Delivery programme comprising of 8 sites are on site. Willow Walk will be the first newly built homes delivered as a result of this programme. The 54 short stay accommodation completed in quarter 2 with the 21 general needs housing scheduled to complete in quarter 3. These units are being funded through a mix of RTB Receipts, GLA grant funding, S106 Affordable housing fund and other capital funding.
91. Main construction works on seven other sites at Long Lane, Masterman House, Clifton Estate, Gatebeck and Southdown on the East Dulwich Estate, Cator Street and Nunhead Green site B started in January 2015. These works are due to complete in between January and September 2016. Enabling works at Sumner Road has also commenced with the main works due to commence in 2016. The expenditure has been re-profiled as there are forecast delays in some of these schemes taking spend into 2016/17.
92. The estimated cost of the works to these 7 sites is approximately £39m excluding Sumner Road. This is currently being funded from various funding streams; £27m from S106 Affordable Housing Fund, approved by the Planning Committee 14 July 2015. The balance is expected to be funded from a combination of other resources including GLA grant (Building the Pipeline) £1.9m, £4,350m from forecast sales; £8.7m from the reserved part of the RTB receipts set aside for new build and from other capital resources.
93. A further 13 schemes are being worked up for a planning application, but are not expected to start on site until 2016/17. There is some allowance of fees within the overall profile, however, there will not be significant spend within this financial year.

## Summary Position

94. The provisional estimated cost of phase 1A and 1B (excluding Sumner Road) is £54m. The programme is forecasting to spend of £26m which is lower than the original £35m estimated for 2015/16 with 10m spent to the end of September.

## East Dulwich Estate regeneration Programme

95. Void for Sale – cabinet agreed the sale of 50 voids to help finance the regeneration of the estate. Of that 50, 43 have been sold. A further 5 have been identified and, in order to achieve best value, require decoration to market standard prior to disposal. These works should take place in quarter 4.
- Drying Room Conversions - This consists of the conversion of 18 drying rooms in two phases for private sale. Phase 1 was completed in January with all 9 units created now sold. Phase 2 completed in August 2014, of which 7

have been sold and the other 2 are under offer. There is also an opportunity to convert a further 6 drying rooms with feasibility studies completed and the intention is to start works in quarter 4.

96. Badminton House - Refurbishment of an 11 unit block with a drying room conversion making a total of 12 units of which 3 will be for private sale and the remaining 9 for social rent. Works started in July 2014 and completed in June 2015.
97. Environmental Works – The environmental works programme has been decoupled from the health and safety works that are currently underway on the estate. However, the health and safety works have taken up a much larger proportion of the budget than initially anticipated, so more funding may be required.

#### Elmington Estate Regeneration

98. The refurbishment work Drayton House, Brisbane Street, Proctor House, Flatman House and Langland House have been completed.
99. The rehousing of tenants to achieve vacant possession for new build is still on track for Phase 3 with 1 tenant and 17 leaseholders remaining. The CPOs for 2 of the 3 sites has been confirmed. Confirmation of the third order is expected within quarter 3. Therefore, it is anticipated that a large number of the remaining households will be rehoused in quarter 4.
100. Landscaping works to the Benhill Road Nature Garden completed in March 2015.

#### Wooddene Regeneration Project

101. Diversion of pipework running across the Wooddene site was completed in December 2014.
102. Re-provision of a heat and hot water plant within the Wooddene energy centre to serve the Acorn Estate: Due to delays with start on site, handover of the energy centre has slipped from January to April 2016 and therefore the works are expected to start in 2016/17.

#### Southwark Regeneration in Partnership Programme

103. On 20 October 2015, cabinet approved the use of the GLA's London Development Panel to procure two development partners for a package of Southwark Regeneration in Partnership Programme sites over a 6 to 10 year period.
104. 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:
  - Planning costs including technical surveys - £1.75m
  - Stakeholder consultation - £10,000
  - Procurement costs – including soft market testing - £40,000
  - Contingency/risk pot - £200,000



105. This additional budget requirement will be funded from the re-profiling of existing estate regeneration commitments within the Housing Investment Programme. This budget virement is reflected in Appendix C for cabinet approval. 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.

### **Risks on Council's Development and Refurbishment Projects**

106. The current capital programmes across all departments relating to development and refurbishment projects are subject to an emerging risk. This relates to the significant overheating of the construction market, particularly in London, in terms of main contractor services, subcontractor capacity and supply of materials. This is impacting directly on both time and cost for projects currently underway. While this is largely out of the councils control the impact on cost and time of current market conditions needs to be given full consideration in both the feasibility and development stages of emerging projects.

### **Resource Re-profiling**

107. The budgets across the capital programme were re-profiled at 2014/15 outturn based on the information available at that time. However, due to the size of the capital programme and the number of projects involved, it is inevitable that unforeseen delays can occur leading to some variation against planned expenditure. The capital programme will be subject to on-going review by service managers and the budgets will need to be re-profiled further during 2015/16 based on the latest information available on procurement and contract management issues.

### **Community impact statement**

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

### **Resource implications**

111. This report forms part of the council's budget framework and outlines the current position on the capital programme.
112. Staffing resources are generally contained within the council's current establishments and where additional or specialist resources are needed these will be subject to separate reports.

### Legal implications

113. The legal implications of this report are identified in the concurrent report of the director of law and democracy.

### Financial implications

114. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at quarter 2 of 2015/16. The report also presents an updated position on the refreshed capital programme over the period 2015/16 to 2024/25 on the predicted resources and expenditure across this period.

### Consultation

115. Consultation on the overall programme has not taken place. However, each of the individual projects is subject to such consultation as may be required or desirable when developed. Some projects may require more extensive consultation than others, for example projects with an impact on the public realm. Projects funded by grant or s106 may require consultation as a condition of funding.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

116. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
117. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 1 Capital Monitoring for 2015/16 and Capital Programme Refresh for 2015/16-2024/25 Report	Southwark Council Finance and corporate services 160 Tooley Street London SE1 2QH	Jay Nair, Senior Finance Manager, Finance and Governance.
<b>Link:</b> <a href="#">Quarter 1 capital monitoring and capital programme refresh report</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	General fund summary monitoring position at quarter 2 2015/16
Appendix B	Housing investment programme summary monitoring position at quarter 2 2015/16
Appendix C	Budget virements and variations at quarter 2 2015/16
Appendix D	General fund programme detail at quarter 2 2015/16

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Finance, Modernisation and Performance	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Jay Nair, Senior Finance Manager, Finance and Governance	
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<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director for Finance and Governance	N/a	N/a
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	6 November 2015	

Department	2015/16				2016/17			2017/18+			Total Programme 2015/16-24/25		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	49,140	5,088	29,711	(19,429)	85,736	84,247	(1,489)	30,364	51,282	20,918	165,240	165,240	0
Southwark Schools for the Future	2,679	696	2,134	(545)	2,837	5,460	2,623	32,838	30,760	(2,078)	38,354	38,354	0
Finance and Corporate Services	10,129	2,139	6,541	(3,588)	5,869	5,869	0	38,975	38,975	0	54,973	51,385	(3,588)
Environment	28,193	5,183	24,917	(3,276)	29,517	32,693	3,176	71,055	71,156	101	128,765	128,766	1
Housing General Fund	1,452	11	1,452	0	0	0	0	0	0	0	1,452	1,452	0
Chief Executive	33,418	12,717	29,307	(4,111)	51,047	43,856	(7,191)	102,685	113,987	11,302	187,150	187,150	0
<b>TOTAL EXPENDITURE</b>	<b>125,011</b>	<b>25,834</b>	<b>94,062</b>	<b>(30,949)</b>	<b>175,006</b>	<b>172,125</b>	<b>(2,881)</b>	<b>275,917</b>	<b>306,160</b>	<b>30,243</b>	<b>575,934</b>	<b>572,347</b>	<b>(3,587)</b>
<b>FINANCED BY:</b>													
Capital Receipts	72,237	11,987	51,300	(20,937)	133,830	27,923	(105,907)	167,523	211,204	43,681	373,590	290,427	(83,163)
Reserves	5,480	1,049	4,212	(1,268)	3,836	2,970	(866)	2,316	3,266	950	11,632	10,448	(1,184)
Revenue	1,253	1,071	1,253	0	0	0	0	50	50	0	1,303	1,303	0
SSF Capital Grant	0	0	0	0	0	0	0	26,107	26,107	0	26,107	26,107	0
Capital Grants	32,989	9,948	32,838	(151)	20,873	20,873	0	31,217	31,367	150	85,079	85,078	(1)
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 106 Funds - allocated	12,875	996	10,085	(2,790)	15,630	18,419	2,789	48,704	48,704	0	77,209	77,208	(1)
External Contributions	177	120	177	0	837	837	0	0	0	0	1,014	1,014	0
Pay back of Children Services grant	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>125,011</b>	<b>25,171</b>	<b>99,865</b>	<b>(25,146)</b>	<b>175,006</b>	<b>71,022</b>	<b>(103,984)</b>	<b>275,917</b>	<b>320,698</b>	<b>44,781</b>	<b>575,934</b>	<b>491,585</b>	<b>(84,349)</b>
<b>Forecast variation (under)/over</b>	<b>0</b>	<b>663</b>	<b>(5,803)</b>	<b>(5,803)</b>	<b>0</b>	<b>101,103</b>	<b>101,103</b>	<b>0</b>	<b>(14,538)</b>	<b>(14,538)</b>	<b>0</b>	<b>80,762</b>	<b>80,762</b>

Project description	2015/16				2016/17		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	14	14	14	0	0	0	0
WDS 2-year programme	418	437	1,247	829	2,462	1,634	(828)
WDS 2012 major works	5,543	1,890	3,662	(1,881)	50	1,930	1,880
WDS 2013 major works	6,409	3,475	6,154	(255)	418	673	255
WDS 2014 major works	40,223	14,738	39,101	(1,122)	12,082	13,203	1,121
WDS 2015 major works	132,689	24,281	118,865	(13,824)	40,598	54,422	13,824
FRA works	2,127	108	744	(1,383)	0	1,384	1,384
M&E electrical	1,177	63	63	(1,114)	541	1,655	1,114
M&E heating	5,594	1,349	7,174	1,580	527	(1,052)	(1,579)
M&E lifts	795	623	790	(5)	37	42	5
WDS voids works	4,088	505	4,505	417	0	(418)	(418)
WDS Unallocated Budget	463	16	308	(155)	0	155	155
HINE WDS works	1,040	1,026	2,973	1,933	4,891	2,959	(1,932)
WDS Leathermarket JMB	371	0	371	0	0	0	0
Housing Stock - New Programme	15,000	177	15,000	0	15,000	63,343	48,343
Additional FRA Works	3,065	36	2,486	(579)	0	579	579
HINE additional works	14,297	4,484	10,970	(3,327)	6,991	10,318	3,327
Aylesbury Estate PPM works	1,659	0	478	(1,181)	0	1,181	1,181
Aylesbury Estate regeneration	10,212	4,073	11,600	1,388	7,050	5,662	(1,388)
Bermondsey Spa refurbishment	788	0	788	0	0	0	0
East Dulwich Estate	4,228	828	3,293	(935)	0	935	935
Elmington Estate	2,656	250	2,843	187	323	136	(187)
Heygate Estate	6,895	319	2,915	(3,980)	1,000	4,981	3,981
Hidden Homes	449	0	449	0	0	0	0
Hostels new build	3,248	1,952	2,323	(925)	0	925	925
Local authority new build	243	9	243	0	0	0	0
Misc regen, acquisitions and home loss	230	9	230	0	0	0	0
Purchase of S106 Prop from Developers	16,825	0	13,729	(3,096)	0	3,096	3,096
Direct Delivery - New Council Homes	35,379	10,083	25,934	(9,445)	40,252	49,697	9,445
Adaptations	2,112	854	2,109	(3)	2,000	2,003	3
Affordable housing through commuted sums	0	0	0	0	0	0	0
Cash incentive & Home owner buy back sch	3,980	191	2,240	(1,740)	421	2,161	1,740
Digital switchover	148	0	0	(148)	0	148	148
Disposals costs	500	74	500	0	379	379	0
Energy	508	0	508	0	0	0	0
Installation of Sprinkler & Smoke detectors	10,762	165	10,746	(16)	11,665	11,680	15
Lakanal House	7,942	310	3,262	(4,680)	5,450	10,129	4,679
Fire damage reinstatement	778	0	0	(778)	0	778	778
Group repairs	272	0	272	0	0	0	0
Hostels accommodation	36	9	36	0	0	0	0
Leasehold / freehold acquisitions	897	5	510	(387)	300	687	387
Major voids	1,960	247	1,960	0	0	0	0
Office accommodation	0	0	0	0	0	0	0
Scheme management costs	0	0	0	0	0	0	0
Security	100	0	90	(10)	0	10	10
Sheltered accommodation	372	35	70	(302)	0	302	302
T&RA halls	3,561	335	1,720	(1,841)	1,500	3,341	1,841
Heating Energy Efficiency Measures	2,562	0	634	(1,928)	4,000	5,928	1,928
<b>TOTAL</b>	<b>352,615</b>	<b>72,970</b>	<b>303,909</b>	<b>(48,706)</b>	<b>157,937</b>	<b>254,986</b>	<b>97,049</b>
<b>FINANCED BY:</b>							
Capital Receipts b/fwd	6,578	0	6,578	0	0	0	0
Capital Receipts	24,027	0	24,027	0	36,565	36,565	0
RTB Receipts - Restricted to New Build	4,190	0	4,190	0	2,751	2,751	0
Depreciation charge (MRA)	48,900	0	48,900	0	48,900	48,900	0
Major Repairs Reserve (MRR)	39,540	0	39,540	0	0	0	0
Revenue Contribution	25,600	0	25,600	0	28,900	28,900	0
New Homes Bonus	0	0	0	0	0	0	0
Grants (DH backlog funding)	53,036	0	53,036	0	0	0	0
Section 106 Funds & Grants	21,036	0	21,036	0	10,169	10,169	0
External Contributions	0	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>222,907</b>	<b>0</b>	<b>222,907</b>	<b>0</b>	<b>127,285</b>	<b>127,285</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>129,708</b>		<b>81,002</b>	<b>(48,706)</b>	<b>30,652</b>	<b>127,701</b>	<b>97,049</b>

Project description	2017/18 - Future Years			Total Programme 2015/16-24/25		
	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	14	14	0
WDS 2-year programme	635	635	0	3,515	3,515	0
WDS 2012 major works	4,592	4,592	0	10,185	10,185	0
WDS 2013 major works	7,184	7,184	0	14,011	14,011	0
WDS 2014 major works	9,055	9,055	0	61,360	61,360	0
WDS 2015 major works	2,043	2,043	0	175,330	175,330	0
FRA works	0	0	0	2,127	2,127	0
M&E electrical	0	0	0	1,718	1,718	0
M&E heating	0	0	0	6,121	6,121	0
M&E lifts	0	0	0	832	832	0
WDS voids works	0	0	0	4,088	4,088	0
WDS Unallocated Budget	331	331	0	794	794	0
HINE WDS works	2,137	2,137	0	8,068	8,068	0
WDS Leathermarket JMB	0	0	0	371	371	0
Housing Stock - New Programme	765,329	716,986	(48,343)	795,329	795,329	0
Additional FRA Works	0	0	0	3,065	3,065	0
HINE additional works	10,753	10,753	0	32,041	32,041	0
Aylesbury Estate PPM works	0	0	0	1,659	1,659	0
Aylesbury Estate regeneration	46,699	46,699	0	63,961	63,961	0
Bermondsey Spa refurbishment	0	0	0	788	788	0
East Dulwich Estate	0	0	0	4,228	4,228	0
Elmington Estate	0	0	0	2,979	2,979	0
Heygate Estate	0	0	0	7,895	7,895	0
Hidden Homes	0	0	0	449	449	0
Hostels new build	0	0	0	3,248	3,248	0
Local authority new build	0	0	0	243	243	0
Misc regen, acquisitions and home loss	359	359	0	589	589	0
Purchase of S106 Prop from Developers	0	0	0	16,825	16,825	0
Direct Delivery - New Council Homes	0	0	0	75,631	75,631	0
Adaptations	10,000	10,000	0	14,112	14,112	0
Affordable housing through commuted sums	0	0	0	0	0	0
Cash incentive & Home owner buy back sch	0	0	0	4,401	4,401	0
Digital switchover	0	0	0	148	148	0
Disposals costs	0	0	0	879	879	0
Energy	0	0	0	508	508	0
Installation of Sprinkler & Smoke detectors	15,203	15,203	0	37,630	37,630	0
Lakanal House	3,036	3,036	0	16,428	16,428	0
Fire damage reinstatement	0	0	0	778	778	0
Group repairs	0	0	0	272	272	0
Hostels accommodation	0	0	0	36	36	0
Leasehold / freehold acquisitions	0	0	0	1,197	1,197	0
Major voids	0	0	0	1,960	1,960	0
Office accommodation	250	250	0	250	250	0
Scheme management costs	2,736	2,736	0	2,736	2,736	0
Security	300	300	0	400	400	0
Sheltered accommodation	0	0	0	372	372	0
T&RA halls	0	0	0	5,061	5,061	0
Heating Energy Efficiency Measures	0	0	0	6,562	6,562	0
<b>TOTAL</b>	<b>880,642</b>	<b>832,299</b>	<b>(48,343)</b>	<b>1,391,194</b>	<b>1,391,194</b>	<b>0</b>
<b>FINANCED BY:</b>						
Capital Receipts b/fwd	0	0	0	6,578	6,578	0
Capital Receipts	214,983	214,983	0	275,575	275,575	0
RTB Receipts - Restricted to New Build	29,269	29,269	0	36,210	36,210	0
Depreciation charge (MRA)	474,000	474,000	0	571,800	571,800	0
Major Repairs Reserve (MRR)	0	0	0	39,540	39,540	0
Revenue Contribution	179,200	179,200	0	233,700	233,700	0
New Homes Bonus	1,100	1,100	0	1,100	1,100	0
Grants (DH backlog funding)	0	0	0	53,036	53,036	0
Section 106 Funds & Grants	0	0	0	31,205	31,205	0
External Contributions	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>898,552</b>	<b>898,552</b>	<b>0</b>	<b>1,248,744</b>	<b>1,248,744</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>(17,910)</b>	<b>(66,253)</b>	<b>(48,343)</b>	<b>142,450</b>	<b>142,450</b>	<b>0</b>

2015/16 Quarter 2 Capital Monitor									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
<b>CURRENT PROGRAMME AS AT QTR1 2015</b>	<b>164,110,232</b>	<b>38,353,050</b>	<b>54,972,675</b>	<b>127,609,502</b>	<b>1,451,971</b>	<b>184,101,115</b>	<b>570,598,545</b>	<b>1,391,189,810</b>	<b>1,961,788,355</b>
<b>Quarter 2 - Virements to be approved</b>									
Estate Cycle Parking- tfr of 2014/15 residual TfL funding to 2015/16						(46,000)	(46,000)		(46,000)
Estate Cycle Parking tfr of 2014/15 residual TfL funding to 2015/16						46,000	46,000		46,000
Camberwell Green- TfL Grant Budget						80,000	80,000		80,000
Datchelor place- TfL Grant Budget Adjustment						(95,000)	(95,000)		(95,000)
Q1 Ext Grid Site G Webb St/Swan Mead- TfL Grant Bud Adj						(159,000)	(159,000)		(159,000)
Q1 Ext Grid Site E Willow Walk/Dunton- TfL Grant Bud Adj						159,000	159,000		159,000
Camberwell Library Plaza						(500,000)	(500,000)		(500,000)
Camberwell Library and Resource Centre						500,000	500,000		500,000
Upgrade to Carefirst (reserve) - Budget allocation and realignment			261,633				261,633		261,633
Upgrade of IT infrastructure and Core enabling projects (CRP)			(261,633)				(261,633)		(261,633)
Canada Water Public Art- Budget Virement between depts re TfL				15,000			15,000		15,000
St Michael's PFI- Budget tfr from unallocated to heating/vent Project		100,000					100,000		100,000
Unallocated Projects- Budget tfr see above		(100,000)					(100,000)		(100,000)
Notre Dame (VA)- Tfr to unallocated Projects		(6,288)					(6,288)		(6,288)
Unallocated Projects -see above		6,288					6,288		6,288
Sacred Heart PFI- Tfr between unallocated budgets		(3,834)					(3,834)		(3,834)
Unallocated Projects- see above		3,834					3,834		3,834
Bredinghurst- tfr between unallocated budgets		1,529					1,529		1,529
Unallocated Projects- see above		(1,529)					(1,529)		(1,529)
SSSO (VA) St Saviours and St Olaves- tfr between unallocated		5,041					5,041		5,041
Unallocated Projects- see above		(5,041)					(5,041)		(5,041)
Design and Feasibility Services- Swk Regen in Partnership Project							0	2,000,000	2,000,000
Wooddene - Acorn Plant Reprovision- Realignment of budgets							0	(2,000,000)	(2,000,000)
Energy- Budget to Fund Photo-voltaic panels							0	107,674	107,674
Four Squares HINE- see above							0	(107,674)	(107,674)
Troubled Families- Budg Tfr to SILS Portlock Hall	(60,000)						(60,000)		(60,000)
Southwark Inclusion- see above	60,000						60,000		60,000
John Ruskin walls -Tfr from unallocated to schools maintn Proj	237,776						237,776		237,776
Ilderton- Reallocation of budgets	(94,914)						(94,914)		(94,914)
Goodrich- Reallocation of budgets	(17,937)						(17,937)		(17,937)
Rotherhithe boilers- Tfr to unallocated budget to fund future exp wks	(248,012)						(248,012)		(248,012)
Friars- Tfr from unallocated to schools maint Project	553,342						553,342		553,342
Dulwich Wood roof- Tfr from unallocated to schools maintenance proj	1,650						1,650		1,650
Gloucester boiler asbestos- Budget tfr to unallocated	(11,368)						(11,368)		(11,368)
Grange boiler asbestos- Budget tfr to unallocated	(15,000)						(15,000)		(15,000)



2015/16 Quarter 2 Capital Monitor									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
St Francesca Cabrini boiler asbestos- Tfr to unallocated	(20,922)						(20,922)		(20,922)
Rotherhithe lighting asbestos- Tfr to unallocated	(17,619)						(17,619)		(17,619)
Ivydale phase 1- Tfr from unallocated to Schools maintenance Proj	493,627						493,627		493,627
Victory fabric- Tfr from unallocated to Schools maintenance Proj	441,066						441,066		441,066
Townsend -Tfr from unallocated to schools maintenance proj	437,410						437,410		437,410
Pilgrim's Way Tfr from unallocated to schools maintenance proj	28,361						28,361		28,361
Crampton Tfr from unallocated to Schools maintenance Proj	170,541						170,541		170,541
Brunswick Park Tfr from unallocated to Schools maintenance Proj	164,846						164,846		164,846
Victory M&E Tfr from unallocated to Schools maintenance Proj	105,518						105,518		105,518
Charlotte Sharman boiler replacement Tfr from unallocated to Proj	184,156						184,156		184,156
Haymerle Phase 3 and remedial works Tfr from unallocated to Proj	108,354						108,354		108,354
Grange Tfr from unallocated to Schools maintenance Proj	137,475						137,475		137,475
Charles Dickens - Tfr from unallocated to Schools maintenance Proj	114,207						114,207		114,207
Ivydale asbestos Tfr from unallocated to Schools maintenance Proj	30,000						30,000		30,000
St James temporary expansion- tfr from Unallocated to Projects	470,000						470,000		470,000
Dog Kennel Hill asbestos - tfr from Unallocated to Projects	20,000						20,000		20,000
Crawford bulge class - tfr from Unallocated to Projects	20,000						20,000		20,000
Rotherhithe Bulge class - tfr from Unallocated to Projects	44,139						44,139		44,139
Sumner reception - tfr from Unallocated to Projects	50,000						50,000		50,000
Unallocated- Net Movements on Unallocated Budget	(3,386,696)						(3,386,696)		(3,386,696)
Adult PSS Capital Allocations Tfr of Funds to Half moon lane Refurb	(1,800,000)						(1,800,000)		(1,800,000)
Half Moon Lane - see above	1,800,000						1,800,000		1,800,000
Transformation of LD care - Brandon Trust- Reallocation of Budgets	(332,306)						(332,306)		(332,306)
Crebor Street- Reallocation of LD Properties Grant	316,206						316,206		316,206
Mount Adon Park - Reallocation of LD Properties Grant	5,900						5,900		5,900
Therapia road - Reallocation of LD Properties Grant	2,700						2,700		2,700
Dover Lodge - Reallocation of LD Properties Grant	7,500						7,500		7,500
DfE Two-year-old grant 2012/13- Reallocation to Nursery Provision	(467,775)						(467,775)		(467,775)
Charles Dickens - contribution to nursery- see above	467,775						467,775		467,775
<b>Total virements to be approved at Qtr 2</b>	0	0	0	15,000	0	(15,000)	0	0	0
<b>Quarter 2 - Variations to be approved</b>									
St Olav's Square Redevelopment-Funding from Norw Churh & S106						583,036	583,036		583,036
Tate Modern Museum Extension- Council Contrbn agrred by cabinet						1,000,000	1,000,000		1,000,000
Quietway 7 Elephant and Castle to Crystal Palace- New TfL Funds						25,000	25,000		25,000
Camberwell Grove Bridge Strengthening-New TfL Funds						50,000	50,000		50,000
Trafalgar Road Bridge strenghtening- New TfL Funds						143,000	143,000		143,000

2015/16 Quarter 2 Capital Monitor									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
Camberwell Town Centre- TfL Grant						890,000	890,000		890,000
Bus stop accessibility- New TfL Funding						200,000	200,000		200,000
Bus Development Programme- New TfL Funding						50,000	50,000		50,000
Q3 Jubilee Cycle Route- New TfL Funding for Quietway Cycle Route						18,000	18,000		18,000
Dust suppressant trial E & C- New Funding for Air Quality Improvement						42,000	42,000		42,000
Quiet Ways 82- New Funding for Cycle Route						30,000	30,000		30,000
Quiet Ways 83- New Funding for Cycle Route						30,000	30,000		30,000
Quiet Ways 89- New Funding for Cycle Route						30,000	30,000		30,000
Camberwell Grove- TfL Grant Budg adj after final a/c						800	800		800
Q1 Ext Grid Site D (Chaucer Drive) TfL Grant Budg adj after final a/c						558	558		558
Bellenden Road- TfL Grant Budg adj after final a/c						(14)	(14)		(14)
Brayard Road -TfL Grant Budg adj after final a/c						(1,202)	(1,202)		(1,202)
Filtered Permeability-TfL Grant Budg adj after final a/c						(3,670)	(3,670)		(3,670)
Station Accesibility-TfL Grant Budg adj after final a/c						(6,062)	(6,062)		(6,062)
Lower Road-TfL Grant Budg adj after final a/c						(26,644)	(26,644)		(26,644)
Camberwell Town Centre-TfL Grant Budg adj after final a/c						(2,895)	(2,895)		(2,895)
Bus Stop Accessibility-TfL Grant Budg adj after final a/c						(675)	(675)		(675)
Discretionary Funding-TfL Grant Budg adj after final a/c						(76)	(76)		(76)
Cycle to School Partnerships-TfL Grant Budg adj after final a/c						(2,631)	(2,631)		(2,631)
Q1 Ext Grid Site A (Rossetti Road Stevenson Crescent)-as above						(959)	(959)		(959)
E&C Dust Suppressant at E&C-TfL Grant Budg adj after final a/c						(5,182)	(5,182)		(5,182)
Pocket Places Peckham-TfL Grant Budg adj after final a/c						(24,967)	(24,967)		(24,967)
Tower Bridge Anti -Idling-TfL Grant Budg adj after final a/c						(52,450)	(52,450)		(52,450)
Rotherhithe Library Demolition						98,610	98,610		98,610
CGS - Long Meadow - Ext Contribution				2,861			2,861		2,861
CGS Dulwich - Project 106283 Lamlash Community Garden-Ext Cont				8,000			8,000		8,000
Peckham Pulse Energy project- New Funding from Sport England				251,000			251,000		251,000
OLF Southwark Athletics Centre -Reduction in Grant				(1,000)			(1,000)		(1,000)
OLF SSG disability multi-sports court - New Grant from Sport Eng				1,950			1,950		1,950
DFG - Housing Renewal- Additional Grant				153,746			153,746		153,746
Old Jamaica Road- New S106 Funding				135,000			135,000		135,000
Astley & Coopers ball court- New S106 funding				31,330			31,330		31,330
Grange ward secure cycle storage- S106 Funding				25,000			25,000		25,000
CPZ for Rotherhithe and Surrey Quays.- S106 Funding				82,750			82,750		82,750
Haredale House ball court, Dickens Estate- S106 Funding				13,515			13,515		13,515
EHI - 91 Kennington Pk Rd - Funding from Reserves				436,475			436,475		436,475
Anchor Rose court- Funding from Reserves	423,429						423,429		423,429
Anchor Greenhive-Funding from Reserves	598,552						598,552		598,552
Anchor Waterside-Funding from Reserves	42,019						42,019		42,019
Anchor Blue Grove-Funding from Reserves	66,000						66,000		66,000

2015/16 Quarter 2 Capital Monitor									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
Total variations to be approved at Qtr 2	1,130,000	0	0	1,140,627	0	3,063,577	5,334,204	0	5,334,204
<b>TOTAL PROGRAMME BUDGET VIREMENTS &amp; VARIATIONS AT QUARTER 2 2015/16</b>	1,130,000	0	0	1,155,627	0	3,048,577	5,334,204	0	5,334,204
<b>REVISED BUDGETS</b>	<b>165,240,232</b>	<b>38,353,050</b>	<b>54,972,675</b>	<b>128,765,129</b>	<b>1,451,971</b>	<b>187,149,692</b>	<b>575,932,749</b>	<b>1,391,189,810</b>	<b>1,967,122,559</b>
<b>VIREMENTS &amp; VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:</b>									
Capital Receipts					0		0		0
Major Repairs Allowance					0		0		0
Reserves	1,130,000	0	0	436,475	0	1,098,610	2,665,085		2,665,085
Revenue					0		0		0
Capital Grant				420,696	0	1,366,931	1,787,627		1,787,627
Section 106 Funds				290,456	0	133,036	423,492		423,492
External Contribution				8,000	0	450,000	458,000		458,000
									0
<b>TOTAL RESOURCES</b>	<b>1,130,000</b>	<b>0</b>	<b>0</b>	<b>1,155,627</b>	<b>0</b>	<b>3,048,577</b>	<b>5,334,204</b>	<b>0</b>	<b>5,334,204</b>

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Environment</b>												
Kingswood House refurb	250	250	0	0	0	0	0	0	0	250	250	0
Seven Islands Leisure Centre Refurbishment	1,014	1,014	0	850	850	0	0	0	0	1,864	1,864	0
Other OLF Projects	3,149	1,918	(1,231)	927	2,158	1,231	0	0	0	4,076	4,076	0
RFID	146	124	(22)	0	22	22	0	0	0	146	146	0
Grove Vale Library	0	0	0	160	160	0	0	0	0	160	160	0
Canada Water Public Art	81	81	0	0	0	0	0	0	0	81	81	0
Thomas Calton Centre refurbishment	315	315	0	0	0	0	0	0	0	315	315	0
Peckham Pulse Option 1 & 2	970	970	0	626	626	0	0	0	0	1,596	1,596	0
Leisure centres Lifecycle maintenance	176	162	(14)	150	164	14	1,050	1,050	0	1,376	1,376	0
Further implementation of RFID in libraries	100	100	0	0		0	0	0	0	100	100	0
Refurbishment at Peckham Library	321	321	0	0		0	0	0	0	321	321	0
Temporary library at Elephant & Castle	201	170	(32)	0	32	32	0	0	0	201	201	0
Cuming Museum fit out of temporary premises	75	75	0	0		0	0	0	0	75	75	0
Olympic Legacy Phase 2	450	350	(100)	0	100	100	0	0	0	450	450	0
Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works	71	71	0	0	0	0	0	0	0	71	71	0
Castle Leisure Centre	1,100	1,100	0	0	0	0	0	0	0	1,100	1,100	0
Other Park Projects	84	84	0	0	0	0	0	0	0	84	84	0
Community Safety	17	17	0	0	0	0	0	0	0	17	17	0
SDM Essential H&S Project	676	676	0	500	500	0	0	0	0	1,176	1,176	0
Parking contract upfront capital costs	21	21	0	0	0	0	0	0	0	21	21	0
Walworth Road	38	38	0	0	0	0	0	0	0	38	38	0
Street Care Non Principal Roads Programme	5,029	5,029	0	6,200	6,200	0	25,400	25,400	0	36,629	36,629	0
Principal Road Programme	1,000	1,000	0	1,000	1,000	0	1,000	1,000	0	3,000	3,000	0
Flood Prevention ( Highways drainage gully replacement) Programme	316	316	0	245	245	0	1,715	1,715	0	2,276	2,276	0
Monuments & memorials in the Public Realm	500	175	(325)	50	375	325	350	350	0	900	900	0
Herne Hill Flood Prevention	72	72	0	0	0	0	0	0	0	72	72	0
Street Metal Works - Lamp Column Replacement	496	496	0	500	500	0	3,500	3,500	0	4,496	4,496	0
Other Park Projects	373	178	(195)	1,293	1,388	95	0	100	100	1,666	1,666	0
GMH Park accommodation refurbishment	109	25	(84)	0	84	84	0	0	0	109	109	0
Newington Ward Park Improvements	441	50	(391)	0	391	391	0	0	0	441	441	0
Cemetery Burial Strategy	878	1,405	528	2,888	2,360	(528)	1,098	1,098	0	4,863	4,863	0
Major Parks	1,293	952	(341)	3,274	3,615	341	1,300	1,300	0	5,867	5,867	0
Additional Replacement Tree Planting	112	112	0	50	50	0	350	350	0	512	512	0
Park Infrastructure & Investment Programme	1,210	850	(360)	1,500	1,860	360	5,490	5,490	0	8,200	8,200	0
Other Public Realm Projects Funded by S106	336	109	(227)	120	347	227	20	20	0	477	477	0
Russia Dock Woodland	30	30	0	0	0	0	0	0	0	30	30	0
Parking Design Projects	45	45	0	0	0	0	0	0	0	45	45	0
Southbank Accessibility Improvements	0	0	0	205	205	0	0	0	0	205	205	0
20mph Zone	100	186	86	444	358	(86)	562	562	0	1,106	1,106	0
Cycling Infrastructure Fund	250	100	(150)	681	830	150	1,000	1,000	0	1,931	1,931	0
Dr Salter Statue	4	4	0	0	0	0	0	0	0	4	4	0
Old Jamaica Road	135	50	(85)	0	85	85	0	0	0	135	135	0
Astley & Coopers ball court	31	4	(27)	0	27	27	0	0	0	31	31	0
Grange ward secure cycle storage	25	25	0	0	0	0	0	0	0	25	25	0
CPZ for Rotherhithe and Surrey Quays.	83	83	0	0	0	0	0	0	0	83	83	0
Cleaner Greener and Safer Programme	2,026	2,113	87	4,119	4,031	(87)	13,160	13,160	0	19,305	19,305	0

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Integrated Waste Solutions Programme	216	50	(166)	109	275	166	1,500	1,500	0	1,825	1,825	0
Carbon Reduction Investment	260	260	0	250	250	0	1,750	1,750	0	2,260	2,260	0
Solar Photovoltaic arrays	16	16	0	0	0	0	0	0	0	16	16	0
Housing Renewal	2,757	2,530	(227)	2,567	2,794	227	11,811	11,811	0	17,134	17,134	0
Brayards Improvement Zone	797	797	0	810	810	0	0	0	0	1,606	1,606	0
<b>Environment Total</b>	<b>28,193</b>	<b>24,917</b>	<b>(3,276)</b>	<b>29,517</b>	<b>32,693</b>	<b>3,176</b>	<b>71,055</b>	<b>71,155</b>	<b>100</b>	<b>128,765</b>	<b>128,765</b>	<b>0</b>
<b>Finance and Corporate Services</b>												
Information Service	409	264	(145)	0	0	0	795	795	0	1,204	1,059	(145)
Essential Upgrade of Carefirst System	1,727	988	(739)	0	0	0	0	0	0	1,727	988	(739)
IT Investment Schemes	2,554	2,554	0	1,600	1,600	0	7,167	7,167	0	11,322	11,322	0
Property Works Programme	462	0	(462)	300	300	0	1,200	1,200	0	1,962	1,500	(462)
Planned Preventative Maintenance (PPM) & Compliance	3,803	1,563	(2,241)	3,969	3,969	0	29,813	29,813	0	37,585	35,344	(2,241)
Walworth Road Fire	1,122	1,122	0	0	0	0	0	0	0	1,122	1,122	0
Municipal Agency Bond	50	50	0	0	0	0	0	0	0	50	50	0
<b>Finance and Corporate Services Total</b>	<b>10,129</b>	<b>6,541</b>	<b>(3,588)</b>	<b>5,869</b>	<b>5,869</b>	<b>0</b>	<b>38,975</b>	<b>38,975</b>	<b>0</b>	<b>54,973</b>	<b>51,385</b>	<b>(3,588)</b>
<b>Chief Executive</b>												
Public realm & Open Space Improvements	2,230	1,089	(1,140)	1,559	2,699	1,140	0	0	0	3,789	3,789	0
Borough & Bankside St.Scape Improvements	33	33	0	0	0	0	0	0	0	33	33	0
Bermondsey Streetscape Improvements	375	375	0	1,046	1,046	0	0	0	0	1,422	1,422	0
Improving Local Retail Environments	107	107	0	0	0	0	0	0	0	107	107	0
Borough & Bankside Tourism Infrastructure	75	25	(50)	159	209	50	0	0	0	234	234	0
Housing and Area Renewal	960	155	(805)	235	1,040	805	0	0	0	1,195	1,195	0
Hatfields Streetscape Improvements	99	99	0	100	100	0	0	0	0	199	199	0
ILRE Phase 2	552	252	(300)	700	1,000	300	800	800	0	2,052	2,052	0
Walworth Road South(Missing bit of the Jigsaw)	300	150	(150)	950	950	0	1,600	1,750	150	2,850	2,850	0
Roads & Traffic Mgt Improvements	4,415	3,985	(430)	1,971	2,401	430	0	0	0	6,387	6,387	0
Major Schemes(Lower Road)	265	265	0	0	0	0	0	0	0	265	265	0
Quietways (Cycle paths)	3,545	3,545	0	1,555	1,555	0	0	0	0	5,100	5,100	0
Mayor's Air Quality Fund	47	47	0	0	0	0	0	0	0	47	47	0
Bermondsey Spa Public Realm Improvements	498	28	(470)	0	470	470	0	0	0	498	498	0
Elephant & Castle Open Spaces	211	211	0	2,578	2,578	0	2,900	2,900	0	5,689	5,689	0
Walworth Town Hall	712	1,500	788	902	1,000	98	18,366	17,480	(886)	19,980	19,980	0
Rotherhithe Library (Albion Street) Demolition	433	433	0	0	0	0	0	0	0	433	433	0
Charlotte Sharman Lodge Reinstatement	131	131	0	0	0	0	0	0	0	131	131	0
Draper House/ Sherston Court Improvements	29	29	0	0	0	0	0	0	0	29	29	0
Eagle Wharf Development	1,200	311	(889)	15,500	4,751	(10,749)	1,300	12,938	11,638	18,000	18,000	0
St Olav's Square Redevelopment	85	85	0	498	498	0	0	0	0	583	583	0
Camberwell Green and Gateway to Peckham	1,929	1,929	0	4,540	4,540	0	11,076	11,076	0	17,544	17,544	0
Revitalise5 Camberwell	0	0	0	1,690	1,690	0	1,436	1,436	0	3,126	3,126	0
Camberwell Library	1,246	1,163	(83)	0	83	83	0	0	0	1,246	1,246	0
Camberwell Green and Gateway to Peckham	0	0	0	0	0	0	0	0	0	0	0	0
Canada Water Library	18	18	0	161	161	0	0	0	0	179	179	0
Construction of Community Centre	647	647	0	93	93	0	0	0	0	741	741	0
Revitalise Peckham Rye	450	50	(400)	2,313	2,313	0	371	771	400	3,134	3,134	0

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mint Street Adventure	0	0	0	1,100	1,100	0	900	900	0	2,000	2,000	0
Construction of Elephant & Castle Leisure Centre	5,899	5,899	0	189	189	0	0	0	0	6,088	6,088	0
Voluntary Sector Strategy	0	0	0	1,031	1,031	0	0	0	0	1,031	1,031	0
Property Acquisition for Properties	2,000	2,000	0	2,915	2,915	0	14,000	14,000	0	18,915	18,915	0
Pullens Yard Improvements	0	0	0	210	210	0	242	242	0	452	452	0
Void Shops & Council Owned Parade	0	0	0	725	725	0	1,275	1,275	0	2,000	2,000	0
Lease of New Office Accommodation	169	54	(116)		116	116	0	0	0	169	169	0
Assets	0	0	0	1,617	1,615	(2)	0	0	0	1,617	1,615	(2)
Acquisition of New Office Accommodation	79	14	(65)	144	211	67	0	0	0	223	225	2
Elephant & Castle Regeneration	4,676	4,676	0	5,465	5,465	0	48,419	48,419	0	58,560	58,560	0
Blackfriars Road Boulevard	0	0	0	100	100	0	0	0	0	100	100	0
Tate Modern Extension Project	0	0	0	1,000	1,000	0	0	0	0	1,000	1,000	0
<b>Chief Executive Total</b>	<b>33,418</b>	<b>29,307</b>	<b>(4,111)</b>	<b>51,047</b>	<b>43,856</b>	<b>(7,191)</b>	<b>102,685</b>	<b>113,987</b>	<b>11,302</b>	<b>187,150</b>	<b>187,150</b>	<b>(0)</b>
<b>Children and Adult Services</b>												
Other Grant Allocations	191	491	300	400	100	(300)	0	0	0	591	591	0
3 Primaries	248	248	0	476	476	0	0	0	0	724	724	0
Carbon Reduction in Schools	245	95	(150)		150	150	0	0	0	245	245	0
Other Primary Projects	5	5	0			0	0	0	0	5	5	0
Free School Meals	368	68	(300)		300	300	0	0	0	368	368	0
Bessemer	677	677	0			0	0	0	0	677	677	0
Dulwich Wood (Langbourne)	1,748	1,748	0			0	0	0	0	1,748	1,748	0
Lyndhurst Major Expansion & Refurb	1,098	1,098	0			0	0	0	0	1,098	1,098	0
Youth Services Projects	7	7	0			0	0	0	0	7	7	0
Troubled Families	173		(173)		133	133	0	0	0	173	133	(40)
Southwark Inclusion	253	293	40			0	0	0	0	253	293	40
Maintenance Programme for Schools	4,463	4,463	0	3,500	3,500	0	0	0	0	7,963	7,963	0
Permanent Expansion	33,729	18,108	(15,621)	66,736	72,838	6,103	30,364	39,882	9,518	130,829	130,829	0
Southwark Resource Centre	259	259	0	0	0	0	0	0	0	259	259	0
Adult PSS Capital Allocations	181	0	(181)	0	181	181	0	0	0	181	181	0
Half Moon Lane	1,800	100	(1,700)	0	1,700	1,700	0	0	0	1,800	1,800	0
Adult PSS Orient Street	1,161	85	(1,076)	150	1,040	890	0	0	0	1,311	1,125	(186)
Kimmins Court	0	186	186	0		0	0	0	0	0	186	186
Adult PSS Fred Francis	60	34	(26)	0	26	26	0	0	0	60	60	0
Adult PSS Southwark Park Road	35	33	(2)	0	2	2	0	0	0	35	35	0
Transformation of LD care - Brandon Trust	727		(727)	0	727	727	0	0	0	727	727	0
Crebor Street	316	316	0	0	0	0	0	0	0	316	316	0
Mount Adon Park	6	6	0	0	0	0	0	0	0	6	6	0
Therapia road	3	3	0	0	0	0	0	0	0	3	3	0
Dover Lodge	8	8	0	0	0	0	0	0	0	8	8	0
Telecare expansion	150	150	0	75	75	0	0	0	0	225	225	0
Centre of Excellence	50	50	0	2,450	1,500	(950)	0	950	950	2,500	2,500	0
Autism learning provision	50	50	0	11,950	1,500	(10,450)	0	10,450	10,450	12,000	12,000	0
Anchor Rose court	423	423	0	0		0	0	0	0	423	423	0
Anchor Greenhive	599	599	0	0		0	0	0	0	599	599	0

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anchor Waterside	42	42	0	0	0	0	0	0	0	42	42	0
Anchor Blue Grove	66	66	0	0	0	0	0	0	0	66	66	0
<b>Children and Adult Services Total</b>	<b>49,140</b>	<b>29,711</b>	<b>(19,429)</b>	<b>85,736</b>	<b>84,247</b>	<b>(1,489)</b>	<b>30,364</b>	<b>51,282</b>	<b>20,918</b>	<b>165,240</b>	<b>165,240</b>	<b>0</b>
<b>Southwark Schools for the Future</b>												
Walworth Academy	10	10	0	0	0	0	0	0	0	10	10	0
St Michael's PFI	100	100	0	0	0	0	0	0	0	100	100	0
SMAA	1,557	1,200	(357)	0	357	357	0	0	0	1,557	1,557	0
New School Aylesbury	147	147	0	0	0	0	0	0	0	147	147	0
Bredinghurst Secondary School	2	2	0	0	0	0	0	0	0	2	2	0
SSSO (VA) St Saviours and St Olaves	5	5	0	0	0	0	0	0	0	5	5	0
KS3/ KS4 SILS	50	50	0	2,526	5,000	2,474	1,731	2,950	1,219	4,307	8,000	3,693
ICT	776	620	(155)	311	70	(241)	0	396	396	1,086	1,086	(0)
Rotherhithe deferred	0	0	0	0	0	0	19,622	19,622	0	19,622	19,622	0
Phase 3 rescope	0	0	0	0	0	0	6,485	6,485	0	6,485	6,485	0
Contingency & retension Payments	33	0	(33)	0	33	33	5,000	1,307	(3,693)	5,033	1,340	(3,693)
<b>Southwark Schools for the Future Total</b>	<b>2,679</b>	<b>2,134</b>	<b>(545)</b>	<b>2,837</b>	<b>5,460</b>	<b>2,623</b>	<b>32,838</b>	<b>30,760</b>	<b>(2,078)</b>	<b>38,353</b>	<b>38,353</b>	<b>(0)</b>
<b>Housing General Fund</b>												
Springtide Close Travellers Site	112	112	0	0	0	0	0	0	0	112	112	0
Ilderton Travellers Site Wall	300	300	0	0	0	0	0	0	0	300	300	0
Wadding Street and Stead Street	1,040	1,040	0	0	0	0	0	0	0	1,040	1,040	0
<b>Housing General Fund Total</b>	<b>1,452</b>	<b>1,452</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,452</b>	<b>1,452</b>	<b>0</b>
<b>Capital Programme 2015/16 - 2024/25</b>	<b>Total General Fund Programme</b>											
	2015/16			2016/17			2017/18+			Total Programme '2015/16-24/25		
	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total Expenditure</b>	<b>125,011</b>	<b>94,062</b>	<b>(30,949)</b>	<b>175,006</b>	<b>172,125</b>	<b>(2,881)</b>	<b>275,917</b>	<b>306,160</b>	<b>30,243</b>	<b>575,934</b>	<b>572,347</b>	<b>(3,588)</b>
<b>Total Resources</b>	<b>125,011</b>	<b>99,865</b>	<b>(25,146)</b>	<b>175,006</b>	<b>71,022</b>	<b>(103,984)</b>	<b>275,917</b>	<b>320,698</b>	<b>44,781</b>	<b>575,934</b>	<b>491,585</b>	<b>(84,349)</b>
<b>Forecast variation (under)/over</b>	<b>(0)</b>	<b>(5,803)</b>	<b>(5,803)</b>	<b>(0)</b>	<b>101,103</b>	<b>101,103</b>	<b>(0)</b>	<b>(14,538)</b>	<b>(14,538)</b>	<b>(0)</b>	<b>80,762</b>	<b>80,761</b>
<b>Cumulative position</b>				<b>0</b>	<b>95,300</b>	<b>95,300</b>	<b>0</b>	<b>80,762</b>	<b>80,762</b>	<b>0</b>	<b>80,762</b>	<b>80,762</b>



<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revenue Monitoring Report for Quarter 2, 2015/16, including Treasury Management	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

The quarter 2 2015/16 revenue monitor report shows that six months into the year we are largely on track to deliver the balanced budget supported by the use of £6.2m of reserves and delivery of £30m of savings agreed by council assembly in February.

However, yet again our spending for the year on temporary accommodation for homeless residents is estimated to be more than £2m over budget and this may well need to be funded from contingencies and other reserves.

As I reported last quarter, the Chancellor of the Exchequer announced £200m of in-year cuts to the national public health budget. These cuts have now been confirmed and government has announced that Southwark's share of the cut will be £1.6m - 7% of our public health grant. Management action to reduce costs started in the summer, but further action will be needed to avoid overspending on this budget.

### **RECOMMENDATIONS**

1. That the cabinet notes:
  - the general fund outturn forecast for 2015/16 and forecast net movement in reserves by department;
  - the current adverse variation of £2.250m for temporary accommodation and the potential call on the corporate contingency budget and on other reserves;
  - the continuing action required to manage the Public Health budget as a consequence of the confirmed in year reduction in grant;
  - 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. The cabinet approves the general fund budget movements that exceed £250,000, as shown in Appendix A.

### **BACKGROUND INFORMATION**

3. The purpose of this report is to provide a forecast for the end of the financial year 2015/16, using predictions based on the experience to date and knowledge as at the end of quarter 2 (September 2015). Work continues throughout the council to ensure that a balanced position is achieved by the end of the year.

4. The council agreed a balanced general fund budget of £289.4m on 25 February 2015 based on a nil council tax increase, and £6.2m use of reserves, giving a budget of £283.2m. This budget was set in the context of further significant overall cuts in government funding.
5. The council also approved budget decisions including reductions of some £30m within general fund for 2015/16. Performance on achieving these savings is closely monitored and significant variances will be included in departmental narratives.

### Housing revenue account

6. Cabinet on 27 January 2015 approved an increase in tenants' rents and service charges of 2.2% in line with government guidance at CPI +1%. In addition, £5.4m of efficiency savings and £5.5m of income measures were required in order to set a balanced budget for 2015/16, enabling the HRA to meet unavoidable budgetary commitments and increase revenue support for the housing investment programme (HIP,) to meet the investment needs of the existing stock and delivery of 11,000 new council homes.

### KEY ISSUES FOR CONSIDERATION

#### General fund overall position

7. Table 1 below shows the current forecast outturn position for quarter 2 (as at 30 September 2015) by department. These estimates are based on three months' experience and action by all strategic directors will continue to ensure that they deliver their services within budget. Progress for each department is shown in paragraphs 10 to 39 below.

**Table 1: General fund outturn position for 2015/16**

General fund	Original budget	Budget movement	Revised budget	Forecast Spend in year	Variance before use of reserves	Forecast Net move in reserves	Total use of resources	Variance after use of reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults	183,602	(101)	183,501	183,501	0	0	183,501	0
Environment and Leisure	67,481	2,313	69,794	71,292	1,498	(1,498)	69,794	0
Housing and Community Services	36,604	2,242	38,846	44,861	6,015	(3,595)	41,266	2,420
Public Health	0	0	0	0	0	0	0	0
Chief Executive's Office	11,735	(2,760)	8,975	8,975	0	0	8,975	0
Finance and Corporate Services	32,474	(1,694)	30,780	26,120	(4,660)	4,660	30,780	0
Support cost recharges	(46,508)	0	(46,508)	(46,508)	0	0	(46,508)	0
Contingency	4,000	0	4,000	0	(4,000)	4,000	4,000	0
<b>Total general fund services</b>	<b>289,388</b>	<b>0</b>	<b>289,388</b>	<b>288,241</b>	<b>(1,147)</b>	<b>3,567</b>	<b>291,808</b>	<b>2,420</b>
Use of reserves to underwrite base budget	(6,163)	0	(6,163)	0	6,163	(6,163)	(6,163)	0
<b>Net revenue budget</b>	<b>283,225</b>	<b>0</b>	<b>283,225</b>	<b>288,241</b>	<b>5,016</b>	<b>(2,596)</b>	<b>285,645</b>	<b>2,420</b>

Note 1 – Public Health is shown separately. Children’s and Adults, Environment and Leisure and Chief Executive’s Departments exclude Public Health budgets and spend.

Note 2 - Explanations of the second quarter’s budget movements are provided in Appendix A.

8. As shown in Table 1, within services there is a forecast adverse variance of £2.420m based on the information available at the end of September after forecast movements in reserves.
9. Included in the table above are planned reserve movements totalling £4.846m, details of these reserve movements are contained in paragraphs 57 and 58

### **Children’s and adults services**

10. The department budget for 2015/16 is £183.5m. This budget does not include the budgets for services yet to be transferred across. Currently, all services are implementing saving plans to ensure spend at year end match financial resources available.

#### Children Services

11. The main budget pressure in children’s social care is the increase in the use of high cost residential placements for young people with complex needs. Management action has been taken to review all placements with a view to identifying those young people that are ready to move on into independence and those that can be supported in a family placement. A new placements strategy and action plan has been developed and all high cost placements are monitored by the department’s resources panel which is chaired by the Director of Children’s Social Care.

#### Education Services

12. The service forecast underspend is mainly due to vacant posts held in preparation of restructuring in Early Help and Youth Services. The pressure on budgets in home to school transport continues, bringing the total forecast underspend in the year to £0.6m.
13. Central services funded by DSG are forecast in an underspend of £0.28m due to vacant posts within admissions service and other areas.

#### Strategy and Commissioning

14. Restructuring of the back office function and the review of existing contracts have been underway in the Strategy & Commissioning unit, both for the delivery of current year and in preparation of savings to be delivered in the future years. The pressure in this area is mainly due to inherited Public Health contracts.

#### Adults

15. The projected outturn for Adults is a balanced position. The management team is reacting to service and cost pressures through the implementation of various service transformation programmes and these are projected to deliver cost reductions in a time of increasing demand. The continuing review of existing care packages is on going and these are delivering expected savings and are

under constant review. Employee related costs have been kept below budget through a managed resources process.

### **Environment and Leisure**

16. The department is currently forecasting a balanced budget position, after transferring a £450,000 surplus on the Parking account to the Highways reserve and using £1.948m of other reserves. The balanced budget position is as reported at the end of the first quarter.
17. The Highways reserve supports cycling safety works, highways related works, exceptional works to be carried out on the highway during severe weather conditions and any other schemes as permitted by traffic management legislation in relation to the use of parking surpluses.
18. The forecast release of £2.35m from reserves in 2015/16 (current best estimates) includes a release of £800,000 from the Waste PFI equalisation reserve. The remaining cover costs of settlement of legal action on land charges, costs relating to the Walworth Town Hall fire, costs relating to leisure management and net costs to the department from the Voluntary Enhanced Redundancy (VER) scheme.
19. The department also has a budget pressure of £710,000 arising from ill health/early retirements. This is not included in the projections and expected to be funded from departmental favourable variances in the first instance and if insufficient, request funding from corporate reserves.

### **Housing and community services**

20. The quarter 2 forecast shows an adverse variance of £2,420 (net) after the £3,595m planned drawdown of earmarked reserves, primarily to meet the unavoidable budget pressures arising from No Recourse to Public Funds (NRPF). These are exceptional items over which the council has only limited ability to manage demand and control costs. The forecast is based on best estimates and includes a number of assumptions in terms of volumes/activity and unit costs. It remains subject to change and should be viewed with caution at this point.
21. Temporary accommodation continues to present significant financial risk for the council, by virtue of homeless demand and volatility on the supply-side, necessitating the use of more expensive bed and breakfast accommodation. Whilst action is being taken to manage demand and minimise the cost through greater use of estate voids and hostels in the HRA, it remains a constant and enduring pressure over which the council has only limited control within the constraints of current legislation and council policy. Given the nature of the activity, the outturn forecast remains cautious at this stage at £2.25m (more than double the base budget); but does show some minor improvement over the quarter 1 position. Corporate reserves have again been earmarked as contingency against this pressure in the current year.
22. NRPF, like temporary accommodation, is demand driven and has in recent years become a significant pressure on council resources, which has required the drawdown of earmarked reserves. New strategic management arrangements are now in place designed to control/manage demand and reduce costs going forward, with the caveat that new demand remains broadly

static. Current estimated outturn is £3.158m above budget, against c.£6m in 2014/15, and similarly will be met from earmarked reserves.

23. There are a number of uncertainties with the outturn forecast for customer experience at this stage. Planned restructuring and reduction in staffing in the contact centre is running behind schedule, which is impacting on the achievement of savings predicated as part of budget setting. This has been compounded by increased call volumes which have necessitated additional temporary resources to cope with the peaks in demand. However, this should be seen in context, as £3.9m worth of savings have been made since 2013. Works of a development nature such as infrastructure upgrades and one-off modernisation projects designed to improve efficiency and reduce costs fall outside 'business as usual' and are funded on a one-off basis from the council's modernisation reserve (£288,000).
24. Stricter Home Office verification criteria/controls to prevent fraud have adversely impacted on the number of citizenship and marriage ceremonies being conducted resulting in a significant shortfall in income, and whilst this is mitigated to some extent through staff vacancies, the net position remains negative. This trend started in the second half of last year and requires adjustment to the base as part of budget planning for 2016/17.
25. The mobile alarm service (SMART) continues to develop and expand its client base in conjunction with adult social care, enabling vulnerable residents to be supported in their own homes for longer and thereby avoiding the high cost of residential provision for the council. The cost of this initiative is currently being managed entirely within the housing general fund and the forecast is predicated on receipt of full funding (c. £300-400,000) from the Better Care Fund.

### **Finance and Corporate Services**

26. The Finance and Corporate Services Department is forecasting a zero variance at quarter 2.
27. IDSD is forecasting an unfavourable variance due to additional computer maintenance costs and income targets which are unlikely to be met.
28. This is balanced by favourable variances in Professional Finance Services and Finance and Information Governance which are mainly due to vacancies in those service areas.
29. Benefits and Subsidy is a complex area which is difficult to predict accurately, and is therefore forecasting a zero variance. There has consistently been a favourable variance in this area in recent years but there is no guarantee that this will continue to be the case.
30. The forecasts assume that all severance and redundancy costs which cannot be covered by departmental underspends will be covered corporately.

### **Chief executive's department**

31. A zero variance is being forecast for the department at quarter 2.
32. There is a favourable variance of £89,000 in Regeneration due to reduced staffing levels in Regeneration North It is anticipated that this will be set aside

to cover anticipated future revenue-related costs of the Canada Water development project.

33. There is an unfavourable variance of £82,000 in Planning arising from costs associated with the Harmsworth Quays planning review, partly offset by excess income receipts from planning fees. There are ongoing discussions relating to identifying funding sources for the Harmsworth Quays review which would significantly reduce or eliminate this variance.
34. The Chief Executive's Office (CEO) was created following the senior management restructure and the abolition of the Corporate Strategy division. The total CEO budget is being finalised following the budget transfers to the appropriate departments and during this process a zero variance is being forecast. A detailed review of the remaining budgets has shown that it is highly unlikely that the CEO will report an unfavourable variance at the year end.
35. The forecasts assume that all severance and redundancy costs which cannot be covered by departmental underspends will be covered corporately.

### **Public health**

36. The outcome of the consultation on the methodology to reduce the 2015-16 Public Health Grant in year has been confirmed, and is expected to be an in year reduction of £1.6m. At present, there is a forecast net adverse variation for 2015/16 of around £1.6m arising directly as a result of this in year cut in grant.
37. Current sexual health spend is forecast to be less than previous years due to actions taken by the shared service to challenge prices, however, the expenditure still continues to exceed the resources originally transferred and presents a significant challenge.
38. The new integrated substance misuse contract will start in January 2016 and is forecast to deliver improved outcomes for reduced costs.
39. Immediate management action is being taken to mitigate the in year reduction in grant funding including: freeze of recruitment of staff, freeze on recruitment of consultants, no new contractual agreements to be entered into, cease all non essential spend. This will continue in order to bring the annual spend down to match ring fenced grant funding that is now available.

### **Contingency**

40. The 2015/16 budget includes £4m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At quarter 2 it has been identified that there remain significant pressures on the temporary accommodation budget as experienced through 2014/15. Corporate contingency will be required to offset this pressure in the event of current forecasts of an adverse variation of £2.250m
41. Any contingency budget remaining at the end of the year will be transferred to reserves to support the 2016/17 budget.

## Voluntary Severance

42. In order to mitigate the impact on staff of funding cutbacks and consequent budget reductions, in April 2015 the council announced an enhanced voluntary severance scheme. Applications were considered between April and June 2015. For successful applications, the last day of service for staff was 31 July 2015, unless approved otherwise. In total, 174 staff accepted the voluntary offer.
43. As for any restructuring or reorganisation of services, the costs of this scheme will be contained within departmental budgets and especially from those savings arising directly from staff that left under the voluntary severance scheme. Any balance of costs will be met separately from earmarked reserves for Modernisation. Work continues to assess the final costs of the enhanced scheme that are offset by cost savings across the General Fund and the HRA amounting to approximately £6m per annum. This saving will support significantly the changes necessary across the council to meet the budget challenges over future years. The costs of the scheme (including standard redundancy conditions) will achieve payback on the scheme by the end of 2016/17

## Capital

44. For accounting and control purposes, where it is proposed that reserves are released to meet capital expenditure, they are at first released into revenue and a direct contribution from revenue is then made to capital. When this occurs cabinet will be asked to approve or note these contributions in Appendix A. At quarter 2, one proposal has been made for a value of £131,000.

## Housing revenue account (HRA)

**Table 2: HRA forecast outturn position for 2015/16 as at Q2**

	Full Year Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Operations	(173,845)	(174,242)	(397)
Maintenance & Compliance	48,527	50,608	2,081
Major Works	2,430	2,566	136
Specialist Housing Services	(17,116)	(17,673)	(557)
Strategic & Corporate Services	121,880	122,781	902
Customer Experience	2,097	(602)	(2,699)
Community Engagement	(6,077)	(6,557)	(480)
Regeneration Initiatives	316	243	(72)
Direct Revenue Funding of Capital	20,352	20,352	0
Appropriations to /(from) Reserves	1,437	2,524	1,087
<b>Total HRA</b>	<b>0</b>	<b>0</b>	<b>0</b>

45. The HRA forecast should be viewed with a degree of caution at this juncture, given its size and complexity. Indications are that the outturn will be broadly positive based on known and anticipated budget variations, with higher than expected contributions to both the housing investment programme (HIP) and HRA reserves. In summary, the key budget headlines are outlined below.



46. Efficiency savings of £33m have been delivered over the last five years to meet new and emerging budget pressures, to resource new council priorities and to augment investment in the stock. There remains a requirement to review service provision and continue to deliver efficiency savings regardless of the underlying budget position to optimise service delivery. Landlord services, particularly maintaining and repairing the housing stock consume the greatest proportion of resources and budgets remain under constant pressure. Robust contract management and control of high volume, high value contracts continue to deliver greater value for money. However, Southwark Building Services (SBS) are currently forecasting a deficit of £1.1m, which falls as a cost to the HRA as their primary client. Management of this service transferred to Environment and Leisure with effect from 1 October 2015 as part of the corporate restructuring with the aim to improve the trading performance and financial return to the council, over the medium term.
47. Under self-financing, income has assumed paramount importance for the sustainability of the HRA and delivery of landlord services, particularly tenant rents and service charges. Mainstream residential rent debit over the first half is tracking to plan and rent collection performance has risen again to 99.22% at week 26, whilst former tenant arrears collection, albeit small by comparison, remains consistently above target. However, further welfare benefit changes announced in the summer budget (8 July 2015), and the commencement of the roll-out of universal credit direct payment (albeit in a limited pilot area initially), is likely to impact on collection performance and it is therefore necessary for the HRA to maintain adequate provisions to meet potential losses of this nature at all times.
48. Homeowner service charges represent the second largest income stream to the HRA and are fully recoverable under the terms of their lease in order to prevent cross-subsidy from tenants. The value of rechargeable capital works is intrinsically linked to the HIP, but is not linear. The scale of investment and delivery of the WDS, FRA and other works programmes have accelerated rapidly in recent years, which was reflected in higher billing in 2014/15 and will be carried through to the current year. Collection of £19.4m has been achieved to the end of September (including service charge loans), which would suggest the yearly target of £34.5m will be surpassed.
49. In addition, specialist housing services division comprises the commercial and garage portfolios, sheltered housing and temporary accommodation. Given the considerable budget pressure that homelessness presents for the council, hostels and estate voids are used as a cost efficient means (within the HRA) of mitigating the general fund. The availability of estate voids is increasing as further phases of Aylesbury progress and this boost in numbers above budget expectations gives rise to increased rental income which more than off-sets the additional costs and other budget variations within the division.
50. The strategic and corporate services activity accounts for over half of the gross HRA and comprises key budgets pertaining to departmental/ corporate overheads, financing, RCCO, depreciation, arrears write-offs/ provisions and major projects, such as Heygate, Aylesbury, etc., the revenue impact of which falls outside mainstream operational budgets due to their exceptional nature. There are a number of known pressures and commitments in the pipeline, the extent of which are not yet fully quantified, but are expected to be contained

without recourse to the use of reserves.

51. The ring-fenced nature of the HRA requires that deficits/ surpluses are carried forward between years. For 2014/15 a surplus of £2.5m was contributed to reserves, which boosted the total held at 31.3.15 to £25.9m. In line with the medium term resource strategy (MTRS), the level of reserves are kept under review and maintained at an appropriate level to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward. An estimated £2.5m (against a budget of £1.4m) will be contributed in the current year, based on the current outturn forecast.

## Reserves

52. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund.
- 'invest to save' opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings
  - investment in regeneration and development where spend may be subject to unpredictable market and other factors.
  - exceptional items/pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
53. As the year progresses, departments will naturally be better placed to more accurately forecast their outturn position. Any unfavourable variances will be offset by favourable ones at departmental level before the need to call on reserves.
54. Where a department identifies a need for additional funding there is a robust process for seeking support from reserves. The department must demonstrate that they are unable to contain the identified additional pressure within their existing budget, or provide evidence of prior agreement that the expenditure will be met from reserves.
55. As at Quarter 2, there has been a net £4.370m movement into reserves, these are included in Appendix A for approval and noting.
56. Forecast future calls on reserves of £803,000 included in Table 1 are shown below

Department	Reason for transfer	£'000	Ref para
Environment and Leisure	Parking account surplus	(450)	16
	PFI, Walworth fire and Leisure management costs.	1,807	18
Housing and Community Services	No recourse to public funds	3,158	22
	Customer experience modernisation costs.	288	23
Contingency	Unused contingency to support 2016/17 budget.	(4,000)	41
<b>Total</b>		<b>803</b>	

57. This gives a total forecast movement into reserves for 2015/16 of £3.567m.
58. The budget approved by council for 2015/16 included a planned release of reserve of £6.163m. This call on reserves provided some flexibility in terms of budget setting and the savings that the council identified in the Policy and Resources Strategy 2015/16 - 2017/18. It is currently assumed that this call on reserves will have to be made in full.

### **Treasury management**

59. The council's cash is invested prudently until it is needed in UK government bills and bond, supranational bonds (e.g. the European Investment Bank), quasi sovereigns (e.g. Export Development Bank of Canada), covered bonds issued by major banks, and banks own money market instruments. The cash is managed by an in-house operation and by two fund managers (Aberdeen Asset Managers and AllianceBernstein). The average cash balance held in investments over the first half of 2015/16 was £254m and at 30 September 2015 stood at £251m; see table below.

INVESTMENT COUNTERPARTY AND RATING AT 30 SEPTEMBER 2015							
TYPE	Country	Counterparty	Rating	Aberdeen	Alliance Bern	In-house	Total £m
GOV/SUPRA	CANADA	EXPORT DEVT CANADA	AAA	-	1.5	-	1.5
	GERMANY	FMS WERTMGT	AAA	-	3.8	-	3.8
		KFW	AAA	-	3.9	-	3.9
	NETHERLANDS	BNG-BANK NEDERLAND GEMENT	AA+	-	0.4	-	0.4
		NWB-NEDERLAND WATERBK	AAA	-	1.5	-	1.5
	SUPRANATIONAL	EUROPEAN INV BANK	AAA	7.0	5.0	-	12.0
		INT BANK RECONST DEVT	AAA	-	6.8	-	6.8
	UK	UK TREASURY	AA+	-	7.4	-	7.4
<b>GOV/SUPRA Total</b>				<b>7.0</b>	<b>30.3</b>	<b>-</b>	<b>37.3</b>
BANK COVRD	AUSTRALIA	ANZ BANKING CORP	AAA	-	2.3	-	2.3
		COMMONW BANK AUSTRALIA	AAA	-	1.5	-	1.5
		NATIONAL AUSTRALIA	AAA	3.5	1.0	-	4.5
	CANADA	BANK OF MONTREAL	AAA	-	1.5	-	1.5
		BANK OF NOVA SCOTIA	AAA	-	0.8	-	0.8
		CANADIAN IMP BK	AAA	-	1.5	-	1.5
		ROYAL BANK CANADA	AAA	3.5	2.3	-	5.8
		TORONTO DOMINION	AAA	-	1.5	-	1.5
	SWEDEN	SVENSKA STADSHY POTEK	AAA	-	2.3	-	2.3
		SWEDBANK	AAA	-	1.5	-	1.5
	UK	BARCLAYS BANK	AAA	-	0.8	-	0.8
		LLOYDS BANK	AAA	-	1.5	-	1.5
		SANTANDER UK	AAA	-	2.3	-	2.3
<b>BANK COVRD Total</b>				<b>7.0</b>	<b>20.8</b>	<b>-</b>	<b>27.8</b>
BANK	AUSTRALIA	COMMONW BANK AUSTRALIA	AA-	-	-	10.0	10.0
	CANADA	TORONTO DOMINION	AA-	5.0	-	-	5.0
	DENMARK	DANSKE BANK	A	-	1.5	-	1.5
	FINLAND	NORDEA BANK FINLAND	AA-	7.2	1.0	-	8.2
	FRANCE	BANQUE NATIONAL DE PARIS	A+	0.4	3.5	10.0	13.9
		CREDIT INDUST ET COMRCL	A+	3.5	-	-	3.5
		SOCGEN	A	5.0	2.3	-	7.3
	GERMANY	DZ BANK	AA-	3.0	-	-	3.0
	GLOBAL	BLACKROCK MMF	Money Fund	-	-	19.0	19.0
		GOLDMAN SACHS MMF	Money Fund	-	-	20.1	20.1
	NETHERLANDS	ABN AMRO BANK	A	5.0	-	-	5.0
		ING BANK	A	3.5	3.5	10.0	17.0
		RABOBANK	AA-	-	2.0	-	2.0
	SWEDEN	SKANDINAVISKA	A+	-	2.0	-	2.0
	SWITZERLAND	CREDIT SUISSE	A	6.2	2.0	-	8.2
		UBS	A	3.2	2.3	10.0	15.5
	UK	BARCLAYS BANK	A	3.5	2.0	-	5.5
		HSBC	AA-	-	1.3	-	1.3
		LLOYDS BANK	A+	7.0	-	10.0	17.0
		NATIONWIDE BSOC	A	-	1.5	10.0	11.5
		STANDARD CHARTERED	AA-	6.0	-	-	6.0
	US	BNY MELLON	AA-	-	0.1	-	0.1
		CITIBANK	A+	3.5	-	-	3.5
<b>BANK Total</b>				<b>62.0</b>	<b>25.0</b>	<b>99.1</b>	<b>186.1</b>
<b>Grand Total</b>				<b>76.0</b>	<b>76.1</b>	<b>99.1</b>	<b>251.2</b>

Rating	Definition
AAA	Highest credit quality
AA	Very high credit quality
A	High credit quality
Ratings issued by Fitch or equivalent (The UK government and its treasury bonds are rated AA+ by Fitch, Aa1 by Moody's and AAA by Standard & Poor's) Money market funds have a AAA rating based on liquidity and diversification	

60. In July 2015, the sum managed by the fund managers was increased by £50m to £152m. It ensures that the council maximises benefits from the full range on investments available under its investment strategy, which was approved by council assembly in February 2015. The half year return was 0.67%, reflecting

the monetary stimulus still in place to support financial markets. Base rates in the UK have stood at 0.50% since 2009 and the market currently expects no rise before the second quarter of 2016.

61. The council has loans it took to pay for capital expenditure in previous years. The loans are from the Public Works Loans Board (PWLB, part of HM Treasury) and the balance in PWLB loans at 2015/16 open was £469m (£371m HRA and £98m General Fund). Over the half-year to 30 September 2015, £3.2m PWLB loans have matured.
62. As well as PWLB loans, the council also has internal borrowing to support previous years' capital expenditure. The sum outstanding in internal borrowing at 1 April 2015/16 was £209m (£25m HRA and £184m General Fund). Internal borrowing is temporary drawing on internal balances pending replacement with loans. Both PWLB loans and internal borrowing are being paid off. The General Fund debt is being paid off by way of the minimum revenue provision (MRP) in accordance with the council's MRP policy as required by government guidance. The HRA is also paying off debt, lowering the interest draw and raising the headroom for new investment.
63. The HRA capital programme is expecting to draw on debt finance to secure investment in new housing, make existing properties warm dry and safe, and provide quality kitchens and bathrooms. Initially, up to £98m debt finance is being allocated to the programme. It would be available from 2015/16 onwards once the use of HRA reserves, capital receipts, grants and contributions is maximised. However it would not involve the council taking any new loans, but instead be advanced to the HRA by drawing on existing PWLB debt held by the General Fund at an average rate of 3.5%, close to historical lows and well below the 6.0% rate on existing HRA loans. This ensures the council, as a whole, does not suffer a significant financial loss by borrowing money before it is actually needed. Should the HRA draw on the whole £98m debt finance, its indebtedness would rise to £491m, which is well within the £577m indebtedness cap it is required to stay within.

### **Municipal Bond Agency**

64. The Local Government Association's municipal bond agency is continuing preparations to launch its first bond issue this year and is expecting to lend on funds to borrowers at a slightly lower rate than the PWLB. The terms will be fixed when the first bond is issued and potential borrowers will assess the benefits from any savings in the rate against any joint and several guarantee or other conditions the agency places. Any borrowing the council itself needs will be from whichever source is the cheapest having regard to any conditions.

### **Community impact statement**

65. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2015, and HRA budget agreed in January 2015. Although as a monitoring report, this report has been judged to have nil or a very small impact on local people and communities, the expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Policy and Resources 2015/16 to 2017/18: Cabinet 27/01/15 (Item 19)	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4</a>		
Housing Revenue Account budget: Cabinet 27/01/15 (Item 13)	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4866&amp;Ver=4</a>		
Revenue Monitoring Report for Quarter 12015/16, including Treasury Management (Item 15)	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5139&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5139&amp;Ver=4</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Budget movements to be approved, £250,000 and above and movements to be noted.

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Fiona Colley, Finance, Modernisation and Performance	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report author</b>	Jennifer Seeley, Director of Finance	
<b>Version</b>	Final	
<b>Dated</b>	6 November 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	n/a	n/a
Cabinet Member	No	No
<b>Date final report sent to constitutional team</b>		6 November 2015



## APPENDIX A

## Budget Movements

## Interdepartmental movements to be approved for Quarter Two

Department From	Amount £	Department to	Amount £	Description of the budget movement
Finance and Corporate Services	(277,661)	Children's and Adult Services	277,661	Transfer of charging and debt team to Children's and Adult Services
Finance and Corporate Services	(287,000)	Environment and Leisure	287,000	Making fly tipping pilot permanent , and LLW increase for cleaning contract
Children's and Adult Services	(1,842,259)	Housing and Community Services	1,842,259	Transfer of No recourse to public funds budgets to Housing and Community Services
Chief Executive's	(2,012,142)	Finance and Corporate Services	2,012,142	Transfer of constitutional and members support teams to Finance and Corporate Services
Finance and Corporate Services	(1,000,000)	Children's and Adult Services	1,000,000	Permanent transfer Youth Fund budget to Children's Services
Children's and Adult Services	(342,121)	Finance and Corporate Services	1,486,074	Centralise facilities management budgets held by departments into corporate facilities management
Housing and Community Services	(271,799)			
Environment and Leisure	(872,154)			
Chief Executive's	(984,897)	Housing and Community Services	635,872	Corporate strategy restructure - transfer services to Housing and Community Services
		Environment and Leisure	349,025	Corporate strategy restructure - transfer services to Environment and Leisure

**Interdepartmental movements to be noted for Quarter Two**

<b>Department From</b>	<b>Amount £</b>	<b>Department to</b>	<b>Amount £</b>	<b>Description of the budget movement</b>
Chief Executive's	(50,600)	Children's and Adult Services	50,600	Transfer of Schools HR Traded Services team to Children's and Adult Services
Chief Executive's	(81,040)	Housing and Community Services	81,040	Transfer of Strategy and Partnership budgets to Housing and Community Services
Chief Executive's	(22,851)	Environment and Leisure	14,697	Transfer of Community Council Budgets
		Finance and Corporate Services	8,154	
Finance and Corporate Services	(10,104)	Environment and Leisure	10,104	Camberwell Leisure Centre Fire
Chief Executive's	(226,752)	Housing and Community Services	226,752	Corporate Strategy restructure - transfer services to Housing and Community Services

**Movements in reserves to be approved for Quarter Two**

<b>Department From</b>	<b>Amount £</b>	<b>Department to</b>	<b>Amount £</b>	<b>Description of the budget movement</b>
Appropriations	(300,000)	Finance and Corporate Services	300,000	Contribution from Insurance Fund towards 2015/16 revenue budget. (Saving ref 113 P&R Strategy Report to cabinet, 10 February 2015)
Finance and Corporate Services	(1,283,177)	Appropriations	1,283,177	Use of unbudgeted Autumn Statement S31 grant to support 2017/18 general fund budget.
Finance and Corporate Services	(3,705,927)	Appropriations	3,705,927	Set up New Homes Bonus Funded LEP Programme Reserve

**Movements in reserves to be noted for Quarter Two**

<b>Department From</b>	<b>Amount £</b>	<b>Department to</b>	<b>Amount £</b>	<b>Description of the budget movement</b>
Appropriations	(140,763)	Environment and Leisure	140,763	Funding of Land Charges refunds following change in legislation
Finance and Corporate Services	(59,765)	Appropriations	59,765	Increase of reserve following receipt of Land Charges (Tinklers settlement) Grant
Appropriations	(88,000)	Housing and Community Services	88,000	Increase of 2015/16 Neighbourhood Fund from Community Engagement reserve. (Council Assembly Amendment B, 25 February 2015)
Appropriations	(149,259)	Housing and Community Services	149,259	Neighbourhoods Fund Release (CGS & CCF)

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Peckham Rye Station Redevelopment Procurement Strategy	
<b>Ward(s) or groups affected:</b>		The Lane	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

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

The continued regeneration of Peckham is a key priority for Southwark Council; the Gateway to Peckham project is a key part of this programme. By creating a new public square in the heart of the Town Centre, this project will act as a catalyst for future growth and investment in the area.

Architects Landolt + Brown were appointed in March 2015 and have carried out an intensive public consultation process called CoDesign. Through a series of workshops the CoDesign process has enabled local residents and businesses to collaborate in the design development of the scheme. The final result is a scheme that is reflective of the aspirations held by local people for Peckham’s future.

The final proposals have now been submitted for planning determination and a decision is due in early 2016. Construction works will commence in 2016. This report outlines the procurement approach for a construction contractor to deliver this strategic project to improve the town centre environment for residents and visitors to Peckham.

**RECOMMENDATIONS**

1. That Cabinet approve the procurement strategy outlined in this report for the Peckham Rye Station Square redevelopment construction. The procurement strategy will utilise the London Construction Programme framework at an estimated value of circa £6.2 million (based on the current cost plan) for the period of June 2016 to July 2018.
2. That Cabinet approve the use of single supplier negotiations for the retention of the feasibility design team (Landolt + Brown Architects, Sweett Group and Alan Baxter & Associates) through an extension to their existing contract. This will be up to the point at which the construction contract is signed and the design team is either novated or replaced by the main contractor’s design team. The value of this appointment will not exceed £250,000 and will be based on the terms and fees outlined and procured for their initial appointment.

## BACKGROUND INFORMATION

3. As one of Southwark's major town centres, Peckham provides a key role in supporting its local community with a range of shopping, leisure, culture and entertainment options. Peckham town centre has the most shopping floor space of all town centres in Southwark (around 75,000sqm). Peckham town centre is formed around Rye Lane, long, narrow high streets whose busy shop fronts create a vibrant atmosphere but also contribute to pedestrian congestion along its length.
4. The town centre has smaller shops along Rye Lane as well as the Aylesham shopping centre and is a strong destination for food shopping, offering a wide variety of specialist and ethnic food. There are many small businesses in and around the town centre including a large and growing number of creative industries.
5. Peckham Rye Station is located at the heart of the retail centre. Opened in 1865, the Grade II listed building is an impressive station and is one of only four suburban stations on the London, Brighton and South Coast Railway in London designed in the house style of the 1860s. The station has been substantially amended from the original design as the large forecourt fronting Rye Lane was transformed into an arcade in the 1930s. The station is one of the main arrival points into Peckham and is key to supporting a vibrant local economy. Despite the grandeur of the building the station environs suffer from significant existing problems including; low quality public spaces, poor visibility of the station from Rye Lane, no physical focus for the area and a perception of crime in the area.
6. A planning application has now been submitted for the improvement works which comprise the provision of a new public square between the existing Grade II Listed Peckham Rye Station building and Rye Lane, created by demolishing the arcade buildings currently located between the north and south railway viaducts. Refurbishment of the railway arches to provide commercial units facing into the new square. Refurbishment and erection of a two storey roof extension to the building at 2-10 Blenheim Grove / 82 Rye Lane, hard landscaping and other associated works. Please see diagram 00 for a proposed ground floor plan of the development.



Diagram 00 – Proposed site plan

7. There are number adjacent projects which might impact on the redevelopment of the station entrance, namely:
- **Network Rail access for all** - Designs to improve the accessibility of the station platforms are currently being finalised. These are to be delivered by Southern Railways / Network Rail. The current programme for the access for all project is such that it will run concurrently with our station square redevelopment. As a direct consequence the electrical sub-station capacity will need to be increased. Liaison with Southern Railways, Network Rail and the appointed team will be required early to agree a suitable relocation site for the sub-station. Improvements to the station fabric itself are also planned.
  - **Iceland Site** - the adjacent site is due to be redeveloped by the current leaseholder, subject to negotiation with Network Rail. The site has therefore been largely omitted from the scheme. However, the council may use Compulsory Purchase powers to acquire part of this site, hatched black on

diagram 01, if the leaseholder and Network Rail can not come to a development agreement.

- *Townscape Heritage Initiative* - The five year Peckham Townscape Heritage Initiative (THI) scheme will see 44 of the most important historic buildings on Peckham High Street and Rye Lane shortlisted for a grant to repair damaged facades, reinstate lost historic features and install high quality traditional windows and shop fronts. Owners will also be encouraged to bring vacant floor space in the upper floors back into use to support the local economy and provide much needed housing. The grant will also enable the Council and its partners in the community to put in place a programme of complementary initiatives centred on the better knowledge and enjoyment of this important historic town centre.
8. The majority of the site freehold is owned by Network Rail. The black line area, indicated in diagram 01, represents the extent of the proposed site.
  9. Within the proposed site area there are a number of formal and informal leasehold arrangements associated with the retail units. The London Borough of Southwark (the council) has begun the process of compulsorily purchasing the leases as part of the site assembly. Some of the retail and commercial units will be re-provided as part of the development. The Council have commissioned a feasibility study to assess the viability of providing alternative arrangement for a number of the hair and beauty retailers at the new Bournemouth Close development.



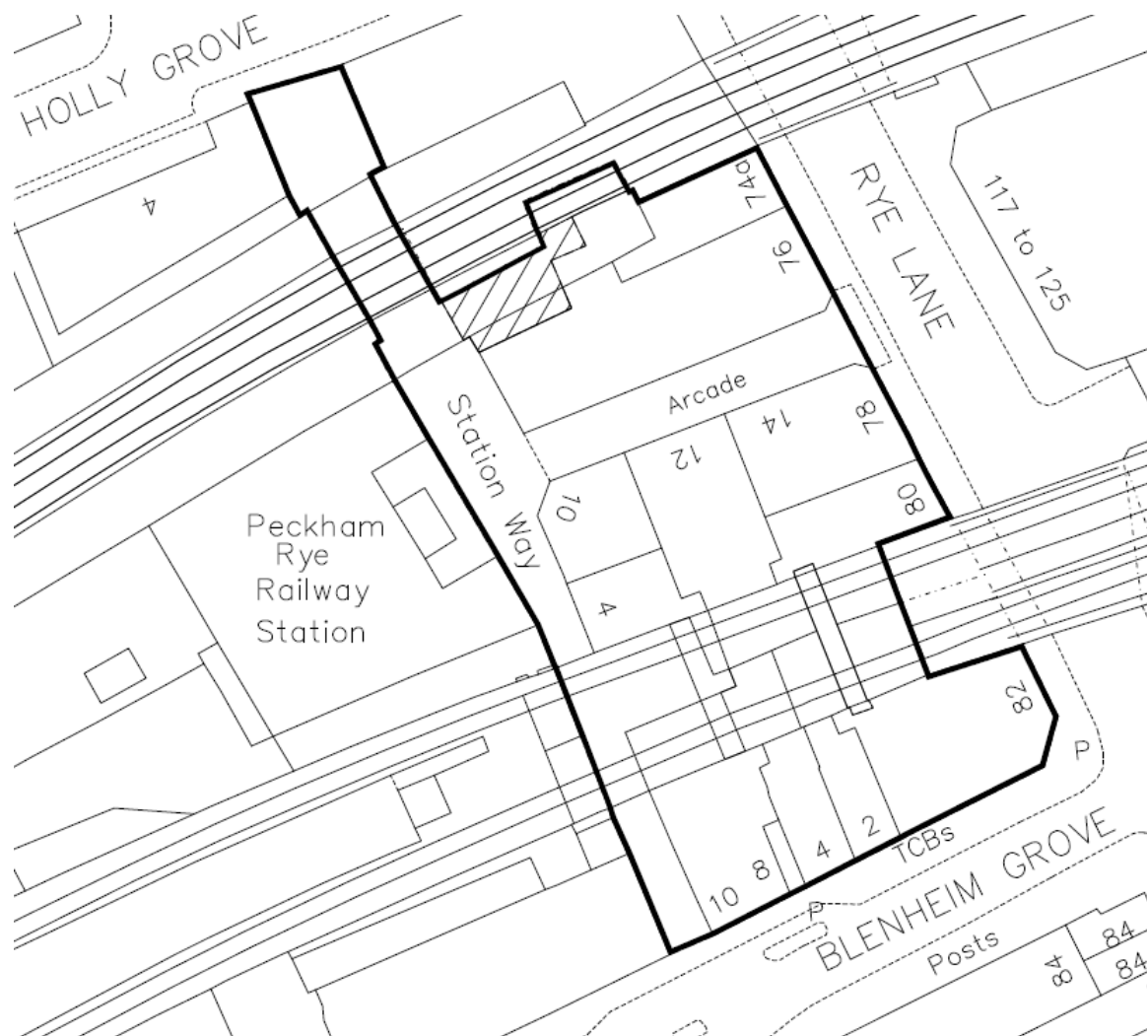


Diagram 01 – Existing site plan - Area outlined in black.

10. This project is made up of a number of interrelated elements, which include:
- *Site acquisition/consolidation* - resolution of the existing complex multi-tenant lease arrangement and compulsory purchase by the Council of a number of leases to facilitate the development.
  - *2-4 Blenheim Grove building* (Area indicated as A in diagram 02) - refurbishment and two storey extension to building which is located on the corner of Rye Lane and Blenheim Grove.
  - *Southern railway arches* (Area indicated as B in diagram 02) - refurbishment of the southern railway arches and better integration with Blenheim Grove building.
  - *New station square* (Area indicated as C in diagram 02) - demolition of the existing single storey 1930 building and the creation of a new open public square should reveal and celebrate the façade of the listed station building. The square will establish connectivity to the wider street network and allow for easy movement to and from the station. This includes the route directly to Rye Lane, but attention will also be given to enhancing the route to Blenheim

Grove and Holly Grove. The new public space will be a flexible space able to accommodate different uses.

- Northern railway arches (Area indicated as D in diagram 02) - linked to the demolition of the central single storey 1930s building. The initial preliminary investigation of the 1930 building indicates that structure which forms part of the retail units, and which includes back-of-house services within the Iceland unit, also forms part of structure which supports the railway platform above. Further investigations and intrusive surveys are required to fully understand how this structure works. However, these cannot be undertaken until parts of the Iceland development can be relocated.
11. Due to the interrelationship between structure of the 1930s building and the rail platform, the council has engaged with Network Rail's (NR) Asset Protection team and have entered into agreement to work with NR develop a scheme which is acceptable to NR Asset Protection team. This will require a significant level of detail design to satisfy NR and intrusive surveys will be required to facilitate the detailed design.

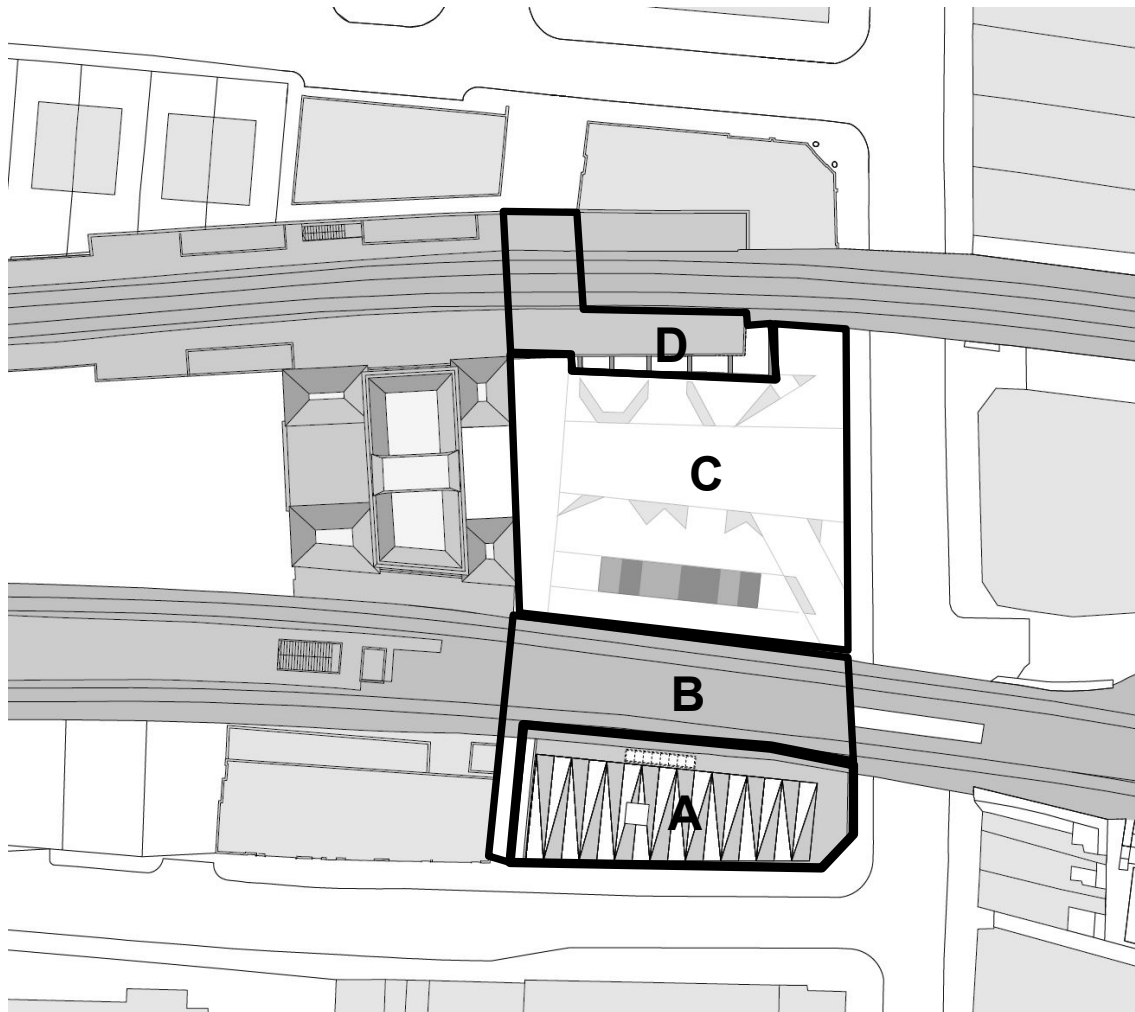


Diagram 02 – Proposed site plan indicating the main project elements.

12. In developing the programme, approach to construction and the sequencing of moving key retailers, the construction phasing approach has divide the site works into three phases:
- *Phase 1* - Enlargement and remodelling works to 2-4 Blenheim Grove building. The Blenheim Grove building is to have two additional light weight floors added onto the existing structural and the internal arrangement of the building to be substantially reorganised. Due to the constrained nature of the site it is likely that part of Blenheim Grove could be adapted by the contractor for use as their site accommodation.
  - *Phase 2* - Demolition of the buildings contained within the southern half of the square; creation of the southern half of the square; and repairs/remodelling of the southern arches. The ground level of Blenheim Grove will be tied into the retail units of the southern arches and at ground level these two elements will be integrated in order to maximise the let-able area.
  - *Phase 3* – Demolition of the buildings contained within the northern half of the square; creation of the northern half of the square; and repairs/remodelling of the northern arches, including any amendments to the structure supporting the station platform above the building.
13. It is likely that Phases 1 and 2 can run concurrently, however, Phase 3 will require further intrusive investigation which can only be done once the building is vacated and in some cases key tenants decanted to either Blenheim Grove or into the retail units within the southern arches.
14. The estimate value of the construction contract is circa £6.2 million. This is based on the current cost plan as estimated by the cost manager and includes a health contingency of 20%.
15. The project is programmed to be on site in June 2016 and completion is programmed for July 2018. There is potential for programme slippage due to delays in obtaining an Asset Protection Agreement from Network Rail to undertake platform affecting the platform or the discovery of asbestos within the Blenheim Grove building.

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

16. The business case for the Gateway to Peckham project, and therefore this procurement, can be found in schedule one of the grant agreement between The Mayor and Burgess of The London Borough of Southwark and the Greater London Authority (GLA).

In summary, the objectives for this project are as follows:

- Reinststate a high quality station square, increasing accessibility to the town centre by improving the entrance and arrival to Peckham Rye.
- Draw new visitors to the high street to deliver economic benefits to local business and creating new jobs in the town centre.
- Bring diverse communities together to enjoy and connect with their high street and town centre.

- Continue engagement with the local community and bringing out what is unique about Peckham.
  - Attract private sector investment to key development sites in Peckham's town centre and raise aspirations for design quality in the town centre
17. The procurement and undertaking of the works will achieve the council's strategic objectives for the regeneration of the Peckham Rye Station as outlined in the Peckham and Nunhead Area Action Plan and act as catalyst for a wider improvement of the local area.

### **Market considerations**

18. The construction delivery of the project is relatively conventional, with the principle areas of complexity being constrained nature of the site; the interface with Network Rail; the need to ensure that the station functions throughout the works; and the need to maintain the support of the diverse range of community groups who have expressed an interest in the project.
19. *Market interest* - Attracting suitable and sufficient contractors to procure the project and obtain value for money is a key market consideration. There are seven providers on the LCP framework. Preliminary soft market testing of contractors on the London Construction Programme (LCP) Framework suggests that there are at least three relevant contractors who would be interested in tendering for the project.
20. *Market Demand* - The programme is based on procuring the scheme in early 2016 and construction inflation is an important consideration. According to a recent report published by Barbour ABI, steady growth in London construction output during 2014 has continue into 2015 and is likely to continue into 2016. The report shows that there is an expected 5.3% growth forecast for the capital across 2015 due to a number of projects, including major schemes that are in the pipeline. London led the regional construction output figures during 2014/15 and accounted for just over 20%, of the whole of the UK construction output. During 2015 it was found that London also led the way in contracts awarded, as it had an increase of 10% on the year before.

### **KEY ISSUES FOR CONSIDERATION**

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

21. The project is being jointly funded by the council and the Greater London Authority (GLA). The council are undertaking the necessary compulsory purchases of the retail units as part of the site assembly and the GLA are providing £5.25 million of project funding, of which £2,454,847 is allocated against the construction budget. This funding is subject to a substantial part of the works being completed by April 2017. Due to the complexity of the interface with the Network Rail station platform, it is unlikely that the works to the Northern Arches (area D indicated on diagram 02) will be complete by April 2017. The GLA have been made aware of this programme constraint.
22. Due to the programme timescales the Council need to extend the existing design teams appointment so that the planning application can be progressed while the

procurement of the main contractor is on going. There is a project need to engage the main contractor as early as possible in the design process so that the project can have contractor input into the construction methodology, site logistics and to market test the key packages. The project team have identified a two stage design and build process as the most effective means of securing value for money and as part of the construction risk mitigation. The Council appointed design team will be either novated to main contractor at Stage 2 or be replaced by the main contractor.

23. The project programme and need to meet the GLA expenditure timescales have been the two key considerations when developing the procurement options for the project. As part of the programme development a number of procurement routes have been considered including both the use of an OJEU route and the use of a number of existing frameworks. Due to the project programme, the OJEU routes were not considered appropriate.
24. The existing frameworks which have been consider include (and reasons that they were not progressed noted):
  - a. **Scape** – only two contractors on this framework and the lack of competition and appropriate experience of the available contractors would be a concern.
  - b. **IESE** – the council have used this framework extensively on education projects. However, it is not considered to have the desired flexibility to ensure that suitable competition is obtained for this project due to the different approach being proposed.
  - c. **Southern Construction** – this framework had been put on hold and therefore is not accessible at this stage.
  - d. **London Construction Programme** - this is framework has the inbuilt flexibility required for this project, with a well-defined contract value bands and lots divided by all the London Councils. The contractors on this framework and its flexibility made this the preferred procurement route subject to the access agreement being approved and signed.
25. Due the need to work closely with Network Rail and Train Operating Company it is important that the project procures a contractor who has experience of working on and around live railway environments. In evaluating procurement options, due diligence around ensuring sufficient competition and the availability of contractors with relevant experience was part of the choice and recommendation of procurement route.
26. The most timely means of procuring a main contractor via a two stage design and build process is to make use of an existing framework of which there are number – Scape; IESE; Southern Construction; London Construction Programme etc.
27. Having reviewed a number of potential frameworks and the contractors on these frameworks, the London Construction Programme (LCP) Framework appears to offer the largest number of contractors with relevant experience in the following areas: Network Rail; remodelling existing building; urban regeneration; and working in inner London.
28. Management of the LCP W1 – MW14 Major Works 2014 Framework Agreement is carried out by Haringey Council.

29. The LCP framework is subdivided into a number of Lots and the Lot which is relevant to the project is LCP W1 – MW14 Major Works Contractors Framework, Lot 18 SEE3. The contractors which the council could access from within this Lot are:
- Geoffrey Osborne Ltd
  - Higgins Construction PLC
  - Keepmoat Regeneration Ltd
  - Kier Construction Ltd
  - Lakehouse Contracts Ltd
  - Mace Limited
  - Wates Construction Ltd
  - Willmott Dixon Holding Ltd
30. All these contractors are of significant size and scale, and a number of them have experience of working on a rail projects.
31. Preliminary discussions with the contractors on the LCP framework have been positive, and all of them are actively targeting the council, and are therefore interested in supporting and working with the Council on this project. While initial discussions are helpful the project is actively working to make the scheme more attractive to the market by undertaking the design work necessary to obtain planning and de-risking the scheme by ensuring that we have strong community support. The process we have proposed will also enable the contractors to develop robust site logistic strategies and test their supply chain on key packages in advance of entering into contract.
32. London Construction Programme Framework is structured as follows:
33. Access to the Major Works Framework Agreements is via an Access Agreement. The council are in the process of approving and signing the Access Agreement for the LCP framework. The Access Agreement addresses terms of service, commercial confidentiality and dispute and complaint resolution.
34. LCP partner buying organisations are public sector and thus “not for profit”; any income received is used to pay running costs for the benefit of public sector clients.
35. The procurement methods available are in accordance with the Government Construction Strategy for early contractor involvement e.g. Two Stage Open Book for works over £1,000,000.
36. A number of construction contracts (JCT, NEC) can be used, subject to the authority and project requirements.
37. Performance management helps measure that projects are delivered on time, on budget, right first time and safely. It drives continuous improvement to achieve year-on-year reductions in project costs and delivery schedules. Some of the KPIs are:
- Predictability of Time
  - Predictability of Cost
  - Client Satisfaction with the product
  - Client Satisfaction with Service

- Defects
- Waste to Landfill Percentage
- Project Health and Safety
- Apprenticeship
- Predictability of Local Labour
- SME Engagement
- SME Spend
- £/m2 Commit to Construct
- £/m2 Available to Use
- Considerate Constructors

38. These support the Framework's long term improvement goals for benchmarking construction procurement across London Management of the Framework Agreement.

### Proposed procurement route

39. The LCP Framework procurement route is structured as follows:

Stage	Process / action
Access to framework	The council to sign Framework Access Agreement.  LCP to provide detailed process documentation and relevant framework agreements
Notification of the project.	LCP to issue project number and notify contractors via forward look pipeline.
Stage 1 (a)	The council to issue Expression of Interest to all contractors on the Framework and reduce the number of contractors to a short list based on a price:quality assessment.  The council to appoint preferred contractor to stage 1(a) based on: Quality – relevant experience, and initial construction methodology and programme proposals and Cost - on preliminaries, overheads and profit, review of outline cost plan, and market testing of key packages.
Stage 1 (b)	The council to undertake further cost and quality refinements to the mini-competition submission with the identified preferred bidder, working with the design team to further develop the costs (via market testing of key packages on an open book basis) and the delivery methodology.  The council's cost managers will work with the contractor to ensure that the process of market testing the key construction packages is rigours and robust.
Stage 2	Subject to development of the scheme and cost plan the council will enter into contract with the successful contractor.  Design team will be either novated or replaced by the successful contractor.

### Identified risks for the procurement

40. The key risks are as follows:

Risk No.	Identified Risk	Likelihood	Risk Control
1.	Fewer than expected LCP members respond to the expression of interest.	Low	Carry out soft market testing prior to issuing expression of interest to ensure that there is sufficient market interest and capacity. Develop a procurement brief that is sufficiently detailed and clear, so that providers can make an informed choice as to whether they wish to pursue this opportunity.
2.	LCP Framework limits Council's control over procurement	Low	Council officers have discussed the requirements of the framework with officers overseeing the LCP framework and have confirmed that the Council will have sufficient control over the process of procurement.
3.	GLA funding is withdrawn or the project is unable to construction a sufficient part of the scheme in order to release the funding.	Medium	Council to enter into an agreement with the GLA based on a realistic programme of works. There are on-going discussions with the GLA in relation to the programme and delivery of the project.
4.	Unable to obtain planning approval for the scheme.	Medium	A competent design team has been engage and design solution has been taken to a number of design review panels, prior to the submission of the planning application.
5.	Concerns regarding the 'Iceland re-development' or the lack of any progress with the Iceland re-development lead to planning delays.	Medium	The project team is working closely with Network Rail to monitor any potential Iceland re-development and it will be made clear in the planning application that this section of the site is beyond the scope of the project.
6.	Stage 2 procurement delayed due to the project being unable to obtain Network Rail approval for the structural works required to the arches.	Medium	Project team are working closely with Network Rail and have entered into an Asset Protection Agreement so that Network Rail are engage to work with the team to review the technical aspects of the design as it develops.
7.	Viability of scheme. Tenders come back higher that anticipated and beyond the project budget.	Medium	Project scheme to be benched by cost manager at each stage of the design and these costs will be tested with potential LCP framework contractors prior to issuing the expression of interest.



<b>Risk No.</b>	<b>Identified Risk</b>	<b>Likelihood</b>	<b>Risk Control</b>
8.	Do not achieve competitiveness and value for money.	Medium	Tender is managed in a way that ensures a degree of competitiveness with the cost manager benchmarking all the tender responses. The tender will be assessed on a value for money and quality basis.
9.	Inadequate cost control.	Medium	Agree cost ceilings and contractor's preliminary, profit and overhead at stage 1 of the procurement. Establish monitoring approach that enables transparent cost management on stage by stage basis. Only enter into the construction contracted if the project is within budget.
10.	Market testing during stage 1(b) indicates that the project unable to progress due to the budget being insufficient given the supply chain conditions prevailing at the time.	Medium	The council's cost managers have developed a robust cost plan with a healthy client side contingency. The council's cost managers will work with the preferred contractor to ensure that that the process of market testing the key construction packages is rigours and robust.
11.	Construction market inflation.	Medium	Cost manager and contractor to work together at stage 1 (a/b) to mitigate and foresee construction market inflation risks. Council to ensure that they have an adequate project contingency.
12.	Vacant possession	High	Early consultation with lease holders has commenced and the Council have aligned the CPO process with the overall project programme.
13.	Deadlock – failure at stage 2 to agree a Guaranteed Maximum price with the preferred contractor.	Medium	Ensure there is suitable transparency and dialogue around costs at stage 1 (a/b) to enable the contractor to develop a suitably robust cost plan. Council to ensure that risk transfer profile is realistic and achievable.
14.	Extensive contamination/asbestos uncovered in the existing buildings leads to extensive programme delays and/or additional costs.	Medium	Detailed surveys to be undertaken by the successful contractor during stage 1(b) to ensure that any contamination and/or asbestos is identified prior to entering into contract.
15.	Slippage due to inadequate project control	Medium	Council to ensure that the internal and external resources are in place to deliver the project in a timely manner.
16.	Impact of Access for All and the station entrance redevelopment scheme	Medium	Project team are working closely with the Network Rail Access for All project to team to ensure that the

Risk No.	Identified Risk	Likelihood	Risk Control
	lead to concerns from the TOC as to their ability to manage the station i.e. movement of passengers is considered unsafe.		programmes are aligned. There will need to be agreement between the contractors working on site to coordinate the works and any passenger control/routing arrangements.
17.	Unable to access framework / framework does not provide the level of flexibility required.	Low	Detailed discussions have taken place with the framework manager to ensure the framework will meet requirements. Should the framework not be suitable following approval of the access agreement an alternative procurement route will be sought using an appropriate framework.

41. A Parent Company Guarantee will be required from the main contractor.

### Key /Non Key decisions

42. This procurement is considered to be strategic in accordance with the definition of a Strategic Procurement as outlined in the Contract Standing Orders of the Southwark Constitution 2015/16. The estimated value of the procurement is below the value of a strategic procurement. However, criteria five (political sensitivity) and six (contract carrying a high level of risk) are applicable to this procurement. It is therefore considered to be a key decision for Cabinet.

Political sensitivity – This is a high profile project with significant public interest and political pressure to deliver the scheme.

High level of risk – There is a significant risk associated with the works required to satisfy Network Rail's Asset Protection division in relation to supporting the overhead platform in the northern half of the square. This risk is yet to be fully understood until further intrusive investigations are carried out.

### Policy implications

43. This procurement exercise supports Fairer Futures Promise 1 – Value for money. The competitive tender process will ensure that the Council is receiving value for money when delivering this project.

44. This procurement exercise supports Fairer Futures Promise 9 – Revitalised Neighbourhoods. The project will provide a high quality station square which will increase accessibility to the town centre, draw new visitors to the high street to deliver economic benefits to local business, create jobs and catalyse future investment and regeneration in the area.

45. The Peckham and Nunhead Area Action Plan (PNAAP) was formally adopted in November 2014 and is pivotal in developing and implementing the Council's long term vision for Peckham town centre over the next 15 years.

46. The PNAAP sets out policies specific to Peckham and Nunhead, with much of the focus on Peckham town centre, as area has the greatest potential for change.

Maintaining and strengthening Peckham's role as a major town centre in Southwark is central to the vision of the PNAAP and Southwark's Core Strategy. The site forms part of the PNAAP 6 Proposal site which sets out the site specific guidance.

47. The site is in the Rye Lane Peckham Conservation Area and adjacent to the Holly Grove Conservation area. This has been carefully considered by the architect when developing the designs for this project.

#### Procurement Project Plan (Key Decisions)

Activity	Completed by
Enter Gateway 1 decision on the Forward Plan	23/09/15
DCRB Review Gateway 1	12/10/15
CCRB Review Gateway 1	22/10/15
Notification of forthcoming decision - Cabinet	03/11/15
Approval of Gateway 1: Procurement strategy report	17/11/15
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	01/12/15
Completion of tender documentation	18/11/15
Seek expression of interest	08/12/15
Closing date for receipt of expressions of interest	12/01/16
Completion of short-listing of applicants	22/01/16
Invitation to tender	17/02/16
Closing date for return of tenders	13/04/16
Completion of any clarification meetings/presentations/evaluation interviews	13/05/16
Completion of evaluation of tenders	08/06/16
Forward Plan (if Strategic Procurement) Gateway 2	03/06/15
DCRB Review Gateway 2	13/06/16
CCRB Review Gateway 2	23/06/16
Notification of forthcoming decision – despatch of Cabinet agenda papers	24/06/16
Approval of Gateway 2: Contract Award Report	07/16 cabinet – (date tbc)
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	2 weeks post cabinet
Alcatel Standstill Period (if applicable)	2 weeks post cabinet
Contract award	2 weeks post cabinet
Add to Contract Register	2 weeks post cabinet
Contract start	08/08/16

Activity	Completed by
Initial contract completion date	01/08/18

### **TUPE/Pensions implications**

48. There are no specific implications.

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

49. The Regeneration – Capital Works team will be responsible for developing the tender documentation 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.
50. A full design team (Landolt + Brown Architects, Sweett Group and Alan Baxter & Associates) has been appointed by the council to undertake the development of the design brief, via the Co-design workshops, commission surveys and to undertake the concept design up to RIBA Stage 2 – concept design and submission of a planning application.
51. It is proposed that there is a single supplier negotiation with the design team is extended to RIBA stage 4 – Technical Design on a single supplier basis. This will be for a fixed sum based on pre-tendered fees for the initial contract to RIBA stage 2. The value of this appointment will not exceed £250,000, excluding surveys, and will be based on the fees outlined and procured for their initial appointment.
52. Retaining the existing design team to RIBA stage 4 is considered to provide greater value for money than re-tendering for this work. The complexities of the relationship of the railway and the proposal have already been established by the existing design team. The work they have already undertaken to enter into an Asset Protection Agreement with Network Rail will be essential to progressing with the delivery of this scheme on time and to budget.

### **Advertising the contract**

53. Not applicable.

### **Evaluation**

54. As per LCP framework criteria with a split focus on value for money, appropriate experience and quality.
55. There will be one evaluation panel, with a minimum of three members.
56. Initial evaluation to shortlist LCP members will be completed following response generated from the issuing of the expression of interest. This will be based on completion of a project specific questionnaire consisting of a number of relevant questions and some relevant pass/fail criteria. Scored questions will be awarded a score out of a maximum of 10 marks. Selection will be determined by the 5 submissions gaining highest total marks.

57. The evaluation of the main tender returns will be based on a Price/Quality & Project Management/Relevant Experience/Design Approach matrix based on a 60:40 split price & quality/design. Stage 1(a) evaluation will be based on: cost - on preliminaries, overheads and profit, review of outline cost plan, and market testing of key packages; and quality – relevant rail experience and initial construction methodology and programme proposals.
58. Tenderers will be required to provide information to support their quality submission that demonstrates their ability to fulfil the requirements that were outlined in the Employers Requirements. The quality assessment will be weighted in relation to the level of importance put upon each criterion and will be set by the evaluation panel. A detailed evaluation methodology will be provided to the tenderers.
59. Initial assessment of price submitted will be examined to ensure that it forms the overall final bid. Financial evaluation will focus on submitted costs, values, overheads and profits that will be checked against Schedule of the Framework agreed rates. The method of scoring will be the contractor with the most competitive price receiving the maximum points. Each remaining contractor price will be awarded a score based on the percentage difference between their price and the most competitive price.
60. The overall score of price and quality added together will be used as the assessment to appoint the selected development partner.

### **Community impact statement**

61. The council also recognise the impact that this development will have on surrounding communities in Peckham. The council has committed to a CoDesign consultation approach to evolving the design of the development with local stakeholders.
62. Four public workshops have been held, residents and businesses have been invited to attend these workshops and outline their aspirations and expectations for the development. Over 600 people have been involved in the consultation process for this project to date.
63. It is anticipated that electronic communications are maintained with those engaged in the process to provide updates on the progress of the project.
64. The council commissioned an Equalities Impact Assessment (EqIA) in March 2015 that identified the risks and social considerations associated with this project. The recommendations have been implemented in response to this report. A link to the EqIA can be found in section 4 of this report.
65. 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.

66. The LCP framework includes a key performance indicator that relates to the number of apprenticeship weeks provided through the contract. Apprenticeships will be secured through the procurement process and implemented as part of the contract.

### **Environmental and sustainability considerations**

67. 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.
68. The council's approach to procurement of the design, development and construction processes will ensure a requirement to maintain and improve sustainability at each stage in the project.
69. At design stage, requirements were in place to meet sustainable specifications. The lead architect on the project is required to "advise on the creative application of sustainability standards and the practical application of renewable energy and alternative forms of energy production".
70. During construction the appointed contractor 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**

71. Whilst it's acknowledged there will be a loss in commercial floorspace as part of this development, the proposals will deliver significant benefits for the local area. The Council has implemented a number of measures recommended by the Equalities Impact Assessment (March 2015) to mitigate the risks to businesses and the local economy. These include:
- *Independent advisors* - The Council has commissioned an independent advisor to support affected tenants and leaseholders to understand and manage their legal rights and obligations through the process of securing vacant possession, including leasehold interest buy-back and relocation.
  - *Identification of relocation sites* - The Council has appointed Hindwoods Ltd. To provide fortnightly updates on commercial properties available to rent as suitable relocation sites for affected businesses.

- *Traders' day* - A traders' day was held in April 2015 to provide face to face assistance and advice to affected businesses. The purpose of this drop in day was to support businesses to understand their options, rights and obligations in regards to the planning application.
- *Meanwhile provision* - As a result of the Equalities Impact Assessment March 2015, the Council has identified that BME business owners are particularly vulnerable to potential loss of existing business premises. In response, the Council has commissioned a feasibility study to deliver temporary business accommodation approximately 270m from the Site. This will be aimed at relocating a number of the BME hair and beauty businesses.

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

72. The LCP provides tools for monitoring and managing contracts procured under their framework. More information on this can be found in paragraph 37.
73. A working group is already established for this project and meets on a 6 weekly basis with all external stakeholders, including Network Rail, the GLA and the design team. The contractor procured will be expected to attend these meetings so ensure transparency is maintained throughout project delivery.
74. The project manager will be required to submit monthly monitoring reports to the GLA. These reports will highlight any issues and risks and enable the project to be closely monitored and managed throughout the delivery period.
75. Paragraph 76 provides further detail on the responsibilities of the project manager in relation to ensuring the contract is delivered on time and to budget.

### **Staffing/procurement implications**

76. The project manager responsible for the delivery of the overall programme, under the management of the head of regeneration, capital works, 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.

### **Financial implications**

77. The total proposed commitments for the Gateway to Peckham project for required Compulsory Purchase Orders (CPO) and construction exceeds the current agreed budget by approximately £7m. Based on the current estimates, funding is sufficient for the CPO and works to proceed until the end of 2016/17. Therefore, at Gateway 2 stage, the additional funding for this programme will need to be identified before the construction contracts are awarded. This will be addressed through the quarter 3 capital budget monitoring report to cabinet.
78. Indicative spend profile for this procurement is set out below:

	16/17	17/18	18/19	Total
<b>Council capital</b>	£310,000	£3,125,153	£310,000	£3,745,153
<b>GLA capital</b>	£2,454,847	£0	£0	£2,454,847

	16/17	17/18	18/19	Total
<b>Total</b>	£2,764,847	£3,125,153	£310,000	£6,200,000

### **Investment implications**

79. The procurement of these works will create an asset for the council. The resultant commercial development is anticipated to have a market value in the region of £4.8m. This is an initial figure based on indicative floor areas achievable informed by initial capacity studies and is therefore liable to change as the scheme develops. It is intended to give Network Rail an option to buy the completed scheme should the council decide to sell the commercial units in the railway arches at the market value.

### **Legal implications**

80. Legal implications are noted in paragraphs 90 to 93 of this report.

### **Consultation**

81. The public consultation for this project is detailed in paragraphs 62 and 63.
82. Consultation specific for this procurement has conducted. Feedback has been sought from stakeholders including – Network Rail Asset Protection, Network Rail Asset Management, The Greater London Authority and internal officers at London Borough of Southwark.

### **Other implications or issues**

83. Not applicable

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

84. This report is seeking approval for the procurement strategy for the construction contract to deliver the Peckham Rye Station Square redevelopment project. The report confirms that the works contract has an estimated value of £6.2m and is timetabled to run from June 2016 until July 2018.
85. The report explains the details and complexity of the project, with key stakeholders and considerations around the requirements for National Rail. The funding arrangements for the project are also detailed, with funds being provided by the council and the Greater London Authority (GLA).
86. The report also seeks approval to retain the current design team to support with the delivery of the design of this project on the existing terms and fee structure. The value of the additional requirement will not exceed £250,000.
87. The report confirms that the London Construction Programme framework agreement is compliant with the Public Contract Regulations. The framework allows appropriate flexibility to structure the mini-competition process, detailed in paragraph 39, in order to identify contractors with appropriate experience to deliver the project, whilst ensuring competition in order to deliver the best value for the council.



88. The project timetable included within the report is achievable for the proposed procurement strategy, provided that appropriate resources are allocated to the project at the appropriate time.
89. Paragraphs 54 to 60 confirm the evaluation methodology for this procurement will be on the basis of the most economically advantageous tender and to determine this, a weighted evaluation model of 60/40% price/quality split will be applied. The report confirms that the operating rules of the framework allows for evaluation model to be adopted.

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

90. This report seeks approval to the procurement strategy for the construction and design team in relation to the Peckham Rye station redevelopment, as further detailed in paragraphs 1 and 2. As this is a strategic procurement, the decision to approve the procurement strategy is reserved to the cabinet.
91. The scope and value of the redevelopment construction at approximately £6.2m means that this procurement is subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR15). However the LCP framework (through which it is intended to undertake a further competition) was established following an EU compliant tendering process, and therefore competition through this framework will satisfy the EU tendering requirements. The LCP framework, procured by Haringey council, allows other London councils to utilise the framework, but this is subject to Southwark entering into an access agreement with Haringey. As noted in paragraph 39, this will be the first stage of the process upon the procurement strategy being approved.
92. Approval is also sought regarding retention of the existing feasibility design team until the point the construction contract is awarded. The value of the additional work for the design team will not exceed £250k, and the value of the individual retentions for each of the 3 organisations will not exceed the EU threshold for services. The justification for seeking approval to retain the design team is noted in paragraph 22.
93. 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 61 to 66 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 (FC15/030)**

94. The strategic director of finance and governance notes the proposals for Peckham Rye Station redevelopment procurement strategy. Further that additional capital budget will need to be agreed before awarding the construction contract at Gateway 2 stage of the procurement.

**BACKGROUND DOCUMENTS**

Background Documents	Held At	Contact
Gateway to Peckham: Equalities Impact Assessment	Regeneration South, Chief Executive's Department	0207 525 3348
<b>Link:</b> <a href="#">Gateway to Peckham: Equalities Assessment</a>		

**APPENDICES**

No.	Title
None	

**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>	Craig Akhurst / Lauren Sharkey, Development Project Officers		
<b>Version</b>	Final		
<b>Dated</b>	5 November 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>	5 November 2015		

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway to Peckham Project Update on Design Development, Leaseholder Negotiations and Informing Cabinet of Intention to Include all of Proposed Square in Compulsory Purchase Order (CPO)	
<b>Ward:</b>		The Lane	
<b>Cabinet member:</b>		Councillor, Mark Williams, Regeneration and New Homes	

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

The continued regeneration of Peckham is a key priority for Southwark Council; the Gateway to Peckham project is a key part of this programme. By creating a new public square in the heart of the Town Centre, this project will act as a catalyst for future growth and investment in the area.

Architects Landolt + Brown were appointed in March 2015 and have carried out an intensive public consultation process called CoDesign. Through a series of workshops the CoDesign process has enabled local residents and businesses to collaborate in the design development of the scheme. The final result is a scheme that is reflective of the aspirations held by local people for Peckham's future.

The final proposals have now been submitted for planning determination and a decision is due in early 2016. The council is progressing negotiations with leaseholders and tenants to acquire the property interests required to deliver this scheme. The council has already acquired the unit at 74a Rye Lane.

Although it is the council's intention to acquire as many property interests as possible by agreement, it was considered that a Compulsory Purchase Order (CPO) may be necessary. Approval to issue a CPO was granted by Cabinet in March 2015. The original CPO boundary excluded a section of the proposed square where the lease is currently held by Bywater Properties. It was anticipated that Bywater Properties would enter into an agreement with Network Rail to develop their part of the site and the council would come to an agreement to acquire this part of the proposed public square.

Bywater Properties and Network Rail have yet to come to an agreement. In order to ensure that the council is able to deliver a complete square, the Director of Regeneration is proposing to use the powers granted by cabinet in the March 2015 to revise the CPO boundary.

## **RECOMMENDATIONS**

1. That the cabinet notes that the council intends to make a Compulsory Purchase Order (CPO) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for

the acquisition of the additional land hatched black on amended Ordnance Survey plan LBS\_3175(Layout3) at Appendix 1 for the purpose of securing the creation of a new public square to the front of Peckham Rye Station as part of proposal site 6 in the Peckham & Nunhead Area Action Plan (PNNAP).

2. The Director of Regeneration is authorised to:
  - a) take all necessary steps to secure the making, confirmation and implementation of the CPO including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called;
  - b) acquire all interests in land within the CPO boundary either by agreement or compulsorily;
  - c) approve agreements with land owners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking exclusion from the CPO;
  - d) amend the boundaries of the area edged and hatched black on the Ordnance Survey plan LBS\_3175(Layout3) at Appendix 2; or
  - e) either amend the boundaries of the Ordnance Survey plan LBS\_3175(Layout3) at Appendix 2 to include Area 2 edged black on plan LBS\_3175(Layout4) at Appendix 3 or seek a separate compulsory purchase order, if negotiations are not concluded between Network Rail (the freeholder) and Bywater Properties (the tenant), should it be required.
  - f) Make arrangements for the presentation of the council's case for confirmation of the CPO at any public inquiry;
  - g) exercise the compulsory purchase powers authorised by the CPO by way of general vesting declaration and/or notice to treat;
  - h) To approve the acquisition of all interests, where possible, by negotiation pursuant to the CPO approving payments to interest holders in line with the statutory compensation provisions within the budget and limits per interest set out in the closed report.

#### **BACKGROUND INFORMATION**

3. The council have now submitted an application for full planning permission for the provision of a new public square between the existing Grade II Listed Peckham Rye Station building and Rye Lane, created by removing the arcade buildings currently located between the north and south railway viaducts. Refurbishment of the railway arches to provide commercial units facing into the new square. Refurbishment and erection of a two storey roof extension to the building at 2-10 Blenheim Grove / 82 Rye Lane, hard landscaping and other associated works.
4. The council and Network Rail are finalising heads of terms for an agreement to allow the council the ability to redevelop the land acquired, of which Network Rail is and will remain the freeholder. This agreement will be in place before the compulsory purchase order is made.

5. Network Rail and Bywater Property have not negotiated a development agreement for the site which includes the area hatched black on amended Ordnance Survey plan LBS\_3175(Layout3) at Appendix 1. Without the extension to the CPO boundary, the council can not guarantee that a full square will be delivered.
6. The council are of the view that the proposal to revise the existing CPO boundary to include the entirety of the proposed square will not affect the ability of Iceland, the tenant of the proposed extension, to trade.
7. The council will enter into negotiations with Bywater Properties to acquire this land by agreement and offer to replace similar accommodation above their unit at 74 Rye Lane.
8. Officers acknowledge that compulsory purchase powers should only be exercised if there is a compelling case in the public interest. Members should be sure that the purpose for which CPO powers are sought sufficiently justify interfering with the human rights of those with an interest in the land affected.
9. The background to this project has already been set out above. Since the original resolution in April 2013, officers have worked with Network Rail, engaged with members of the local community and leaseholders and occupiers with an interest in the site, with a view to obtaining interests by private treaty and securing a scheme which has the support of the local community. Consultation on the scheme is an on-going process and officers will continue to liaise with those with interests in the site to secure as many interests by agreement both up until the making of the CPO (if needed) and after the CPO has been made.
10. It is proposed that the CPO be made pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended). This power enables local authorities with planning powers to exercise their compulsory purchase powers if they think that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement on, or in relation to the land being acquired.
11. Circular 06/2004 titled "Compulsory Purchase and the Crichel Down Rules" provides guidance on the use of compulsory purchase powers. The Circular acknowledges that for the purpose of exercising S226(1)(a) it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained before proceeding with the order.
12. The use of Section 226(1)(a) is subject to subsection (1A) which provides that a local authority should not exercise the power to compulsorily acquire unless they think the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion, or improvement of the economic, social or environmental well-being of the area - the benefit in this instance not being necessarily restricted solely to Peckham but also to the Council's wider administrative area.
13. Officers are satisfied that the scheme underlying the CPO (as currently enshrined in the AAP) will contribute to the well-being of both the local area and deliver wider benefits for the Borough of Southwark. The first phase of redevelopment will secure significant economic investment in the Borough; it will facilitate investment by Network Rail to improve the station facilities and will

create secure and attractive premises around the station forecourt, which in turn creates new employment and investment opportunities.

14. The first phase of redevelopment will significantly contribute to and promote the overall social and environmental well-being of the area through the creation of a new public square; a new public realm asset. The environmental enhancement delivered by the new public square and the opening up of the station frontage should contribute to a reduction/perception of crime, creating a safe and attractive environment and increasing footfall to the station. Further it is considered this first phase of redevelopment will act as a catalyst to the other 3 phases coming forward for redevelopment, encouraging further investment which in turn will bring new economic opportunities with the environmental and social benefits that regeneration of the wider area will inevitably bring about.
15. As a result of identifying the separate stages/phases of development , it is proposed that the CPO boundary now only comprises the first stage of development (also being the area for which a planning application is currently being prepared) namely the area in front of the station (Area 1) edged black at Appendix 1 (amended Ordnance Survey LBS\_3175(Layout3)).
16. Negotiations with Leaseholders and businesses has commenced with the first financial offers made by the Council to the Head Lessees in December 2014. The council have already acquired 74a Rye Lane.

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

17. LBS property and legal teams, supported by Carter Jonas Chartered Surveyors and Dentons' legal team, has undertaken an initial referencing exercise to establish the number and nature of the legal interests and registered occupiers within the CPO boundary.
18. The revised CPO boundary, Area 1 edged black on the plan LBS 3175 (layout 3) at Appendix 1; is understood to consist of approximately 11 registered long leasehold interests and approximately 35 leaseholders/occupiers, and in excess of 30 chair renters.
19. Negotiations to acquire the long leasehold interests by agreement have been taking place in earnest since December 2014 as discussions had stalled in the past over the approach to the site acquisition. The Council's aspiration is to deliver and complete the regeneration of this area without recourse to a CPO. However due to the complex legal arrangements within the CPO boundary it is highly likely that an Order will be required in any event to acquire any residual interests that are not registered, where the registered proprietor is absent / untraceable or any interests where agreement cannot be reached. Negotiation will continue with leaseholders on a voluntary basis whilst the order is made.
20. The area hatched black on amended Ordnance Survey plan LBS\_3175(Layout3) at Appendix 1 will be acquired by way of a CPO should negotiations not reach a conclusion which will enable the council to deliver a full square as detailed in the planning application.

21. The making, confirmation and implementation of a compulsory purchase order is therefore recommended to achieve certainty of acquiring all the interests and other property within the envisaged timescale and to mitigate risk to the project.

### **Community impact statement**

22. Gateway to Peckham forms a key component in delivering the aspirations and visions of the Peckham Nunhead Area Action Plan. It is envisaged that investment and improvements to Peckham Rye Station and surrounds will have a positive long term impact.
23. The council also recognise the impact that this development will have on surrounding communities in Peckham. The council has committed to a CoDesign consultation approach to evolving the design of the development with local stakeholders.
24. Four public workshops have been held, residents and businesses have been invited to attend these workshops and outline their aspirations and expectations for the development. Over 600 people have been involved in the consultation process for this project to date.
25. It is anticipated that electronic communications are maintained with those engaged in the process to provide updates on the progress of the project.
26. The council commissioned an Equalities Impact Assessment (EQIA) in December 2013 with an updated assessment completed in March 2015 that identified the risks and social considerations associated with this project. The recommendations have been implemented in response to this report.
27. The redevelopment of the area and the compulsory purchase order will dispossess some persons of their rights in land. This is a necessary process to ensure that redevelopment can proceed. The proposed new scheme has significant social economic and environmental benefits and accordingly, it is considered acceptable to use compulsory purchase powers. Essentially where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.
28. All leaseholders and occupiers that are dispossessed regardless of age, disability, faith/religion, gender, race, and ethnicity or sexual orientation have been and will continue to be treated fairly and equally throughout negotiations, and where appropriate, offered financial and relocation assistance as well as being advised of their legal rights in accordance with statutory principles and council policy.
29. The regeneration of the area including the creation of a public square is considered to have benefits to not only the immediate community but also the borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The individual rights under the Human Rights Act 1998 and Equalities Act 2010 have accordingly been considered and commented further upon in the EqIA, a link to which can be found in the Background Papers section of this report.

30. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities Policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Equalities Analysis**

31. In January 2014 and February 2015, an Equalities Impact Assessment (EQIA) was undertaken by URS Global / AECOM to establish the composition of leaseholders / occupiers / businesses, how they might be affected by the regeneration project and how any adverse effects might be mitigated.
32. The attention of cabinet members is specifically drawn to the potential impacts (positive and negative) outlined in the EQIA at chapter 7 and 8. The updated Equalities Analysis is annexed to this report at (please refer to the link provided in in the Background Papers section of this report) to make the cabinet aware of the issues which need to be considered in this particular case.
33. The Public Sector Equalities Duty brings together former race, disability and gender duties, and extends coverage to include age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment. These are the grounds upon which discrimination is unlawful and are referred to as 'protected characteristics'.
34. The Duty requires public bodies to take proactive measures to address inequality. The purpose of these duties is to ensure that public bodies contribute to a wider government commitment to tackle persistent and long-standing issues of disadvantage and discrimination in society. It requires that in the exercise of all their functions, public bodies consider the need to eliminate discrimination, advance equality of opportunity and foster good relations.
35. The conclusions from the EqIA are outlined below at 36 - 41.
36. The redevelopment proposal is identified as giving rise to a number of positive equality impacts in relation to: an improved and more accessible public realm and streetscape; improved public safety; and potential new business opportunities, which could generate new employment opportunities for local people. People sharing protected characteristics are likely to be able to share in these benefits. Southwark Council, as a public body, can maximise this sharing of benefits, through explicit measures in their approach to future letting of premises and overall site management to encourage equal opportunities.
37. It is considered that the redevelopment proposals do have the potential to give rise to negative equality impacts in terms of potential loss of existing employment and business opportunities, and, to some degree, access to culturally-specific goods and services. BME-owned businesses and employees (particularly amongst people of Black African and Black Caribbean origin) are identified as particularly vulnerable to potential negative effects of the redevelopment and associated loss of existing business premises.
38. The new development will have a reduced amount of floor space available for businesses and there remains uncertainty regarding what proportion of existing businesses can expect to relocate into the new development. The potential implications of this may involve the closure of a number of BME owned businesses, which could result in job losses among people in BME groups.



39. Southwark Council has stated its commitment to enable businesses to remain local, unless they want to move elsewhere. Where businesses are able to relocate within the redevelopment or the local Rye Lane area, this would reduce the significance of negative effects for businesses and for customers from African, Afro-Caribbean and Asian backgrounds.
40. It is therefore crucial that the Council and Network Rail give consideration to appropriate mitigation measures in relation to these potential negative equality impacts in progressing the design proposals and, in the case of Southwark Council in their role as planning authority, in its overall consideration of the scheme.
41. The EqIA recommendations for mitigation have formed part of the possession strategy currently being pursued by officers working to acquire the interests within the proposed CPO boundary. It should be noted by cabinet that whilst the newly created space will provide new community and co-working space on the upper floors, there will be significantly less ground floor retail than accommodated within the existing. However, occupiers will, where possible, be relocated within the newly developed units or locally. The council have appointed Hindwoods Estate Agents to assist in locating suitable premises. The council have also commissioned a feasibility study to establish the potential to re-provide commercial accommodation on an alternative site at Bournemouth Close for hair and beauty businesses.
42. Equalities issues have been kept under review, and will continue to be kept under review throughout the life of the project.

### **Human Rights**

43. The Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The Council is therefore required to consider whether its actions would infringe the human rights of anyone affected by the making of the CPO. While certain Convention rights may be relevant to the CPO (such as the “right to peaceful enjoyment of possessions”) interference with such rights by public authorities will be justified where the public interest outweighs the interest of the private individual. It is considered that any interference with the Convention rights caused by the CPO will be justified and proportionate in the wider public interest in order to secure the economic, social, physical and environmental regeneration of the Peckham Rye Station area.

### **Financial implications**

44. All interests within the CPO boundary are commercial.
45. Leaseholders with an interest of over one year are entitled to the market value of their interest, a basic loss payment and other reasonable disturbance payments for being dispossessed as a natural and direct consequence of the CPO and redevelopment.
46. Tenants/licensees with less than a year may be entitled to disturbance compensation.
47. Investment Leaseholders are also entitled to their reinvestment costs, being the costs towards acquiring replacement premises including stamp duty and

acquisition fees.

48. Relocation vs Extinguishment: Relocation costs are the reasonable costs in relocating the business to an alternative location and include removal costs and temporary loss of profits. Where a business is unable to relocate they may be able to claim for extinguishment of the business. This is normally calculated based on a multiplier of adjusted net profits.
49. Where possible the existing business tenants will be relocated within the new scheme or elsewhere.
50. The assessment of compensation is pursuant to, or undertaken in accordance with the Compensation Code which is a collection of statutes and case law, the principal legislation being the Land Compensation Act 1961 (as amended).
51. The current estimates of the likely compensation categories and values are as set out in the closed report.
52. Each item of a leaseholder's compensation schedule is validated on its relevance to the claim. The costs set out in the closed report are the best estimates that can be obtained using publically available information and that supplied by the main head leaseholders. The legal situation is complex with multiple layers of interests and ownerships.
53. The acquisition price may vary due to market conditions but the professional fees to acquire all remaining leaseholder units is agreed advance of an acquisition to enable a degree in certainty for this cost.
54. A change in market values may see a corresponding change in basic loss payments to the leaseholder. A change in variables or input assumptions such as market value are a key determinant in assessment of overall compensation and to quantify incidental costs for purchasing a replacement property / relocation is very difficult without further financial information at this stage but these are kept constantly under review.
55. £10 million from the council's capital programme is committed to the scheme together with the GLA grant funding of £5.25 million; a combined total of £15.25 million.
56. The resultant commercial development will create an asset for the council and is estimated to have the market value set out in the closed report.
57. There is therefore sufficient funding already budgeted and allocated to finance the acquisition of the leasehold interests, associated disturbance costs and any third party interests and implement the scheme within the allocated budget. The budget also includes a sum for procedural and legal matters to enable the making, confirmation and implementation of the compulsory purchase order.
58. As the scheme progresses through the design stage and interests are acquired costs will be become fixed and the budget will be reviewed.
59. There will be staff resource costs in taking the Order[s] and project to completion, relocating tenants, and acquiring the leasehold interests; there is also provision for them in the overall project programme.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

60. The authority to make a compulsory purchase order was granted by Cabinet in March 2015. This report is therefore concerned with the proposed acquisition of additional land and at paragraph 10, the report refers to the appropriate power under section 226(1), Town and Country Planning Act 1990 under which the Council can seek to secure the compulsory purchase of land. It is considered that the redevelopment of land and rights in the surrounding area to Peckham Rye station to allow the provision of a new square will assist the council in promoting and improving the economic, social and environmental well being of the area and therefore there are adequate powers available to the council to acquire all the land and property interests within the area shown hatched black on the plan annexed either compulsorily or by agreement.
61. The council also has the power under section 227, Town and Country Planning Act or section 120(1), Local Government Act 1972 to acquire interests in this site by agreement with owners.
62. In the original report, it was explained that the area proposed for redevelopment would be smaller than originally envisaged. The area at that stage did not include the Iceland site but otherwise negotiations with the relevant leaseholders and businesses have commenced and offers have been made. Reference is made in paragraph 19 of the report to the continuing negotiations. However, since the negotiations for this part of the site have not been concluded as explained in paragraphs 5 – 7 of the report, it is now considered to be more appropriate to include this additional land (as hatched black at Appendix 1) with a view to ensuring that a full new public square could be delivered
63. Paragraph 15, Part 3C of the council's constitution reserves the right to cabinet to make decisions on the acquisition of land and property which involves the use of compulsory purchase orders. However, this requirement does not apply where there is a scheme for acquisition which has already been agreed by members.
64. The financial implications of making the compulsory purchase order are set out in the closed section to the report By agreeing to make a CPO, it is arguable that the council is becoming liable to claims from leaseholders and businesses to claims for blight under the Town and Country Planning Act which would mean the Council becoming liable at an earlier date than might have been anticipated for payments of compensation to leaseholders
65. Since the funding for the acquisition of leases and compensation, payments have already been committed for this redevelopment, it is therefore considered that a "scheme" within the meaning of paragraph 15, Part 3C of the Constitution has already been agreed and that officers have authority to negotiate and complete the acquisition of interests up to the budget levels already identified.
66. Since the original resolution in April 2015 authorising the making of the CPO, the Government has published new guidance titled "Guidance on Compulsory purchase process and the Crichel Down rules for the disposal of surplus land acquired by, or under the threat of, compulsion". This guidance cancels and replaces the Circular 06/04. Whilst it is not considered that the Guidance materially alters the basis on which the April 2015 resolution was authorised, it is

considered prudent to update Members on what the revised guidance advises.

67. The guidance confirms (paragraph 2) that when making and confirming an order, the acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected. The officer's report seeking authorisation should address human rights issues; this is dealt with in detail above.
68. The acquiring authority must also, when exercising CPO powers have regard to its public sector equality duty as set out in Section 149 of the Equality Act 2010 and have regard to the effect of any differential impacts on groups with protected characteristics. Whilst reference is made to the equalities considerations at paragraphs 31-42 above (and in the earlier report, March 2015), it is emphasised that the equalities duty is a duty for the decision maker to discharge and accordingly Cabinet Members in making their decision have regard to (i) the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010; (ii) the need to advance equality of opportunity between persons sharing a relevant protected characteristic and persons who do not share it; and (iii) the need to foster good relations between persons who share a relevant protected characteristic and those who do not share it
69. In particular, the attention of Members is drawn to paragraphs 36 to 39 of the equalities impact assessment report and the potential for negative equality impacts arising from the proposed redevelopment. It may be possible to mitigate some of these impacts as identified at paragraphs 39 to 41 of the report and it is emphasised at paragraph 42 that the impacts will continued to be reviewed throughout the project.
70. Paragraph 13 of the guidance states that, when a minister is considering whether to confirm a CPO the acquiring authority must be able to demonstrate that there are sufficiently compelling reasons for the powers to be sought at that time.
71. In preparing its justification for the scheme the acquiring authority will need to address (a) the sources of funding and (b) the timing of that funding
72. It has already been addressed above that funding is readily available, now, to acquire the land required pursuant to the CPO and that funding is in place to construct the new square.
73. The acquiring authority will also need to be able to show that the scheme is unlikely to be blocked by any physical or legal impediment to implementation, of relevance here is the need for any planning permission. As mentioned, a planning application has recently been submitted. Whilst the guidance acknowledges that a CPO can be made absent a planning permission, it is not anticipated that the Council will proceed to make the CPO until, at the very least, a resolution to grant planning permission for the proposed scheme has been obtained. Thereby confirming, at the point the CPO is made, that there are no planning impediments to the proposed scheme.
74. Section 1 of the Guidance provides advice on the use of S226 of the Town and Country Planning Act 1990. Paragraph 76 identifies the factors which the Secretary of State will take into account in deciding whether to confirm an order

under S226(1)(a), this includes:

- a) whether the purpose for which the land is being acquired fits with the relevant planning policies for the area;
- b) the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area;
- c) whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means.

75. It is considered that these issues have already been examined in the report, and in the previous report which was considered by Cabinet in March 2015. Officers are satisfied that the Council's Core Strategy and Peckham and Nunhead Area Action Plan supports the redevelopment of this area for the purpose which the CPO is sought and that the scheme will contribute to the improvement of the economic, social and environmental wellbeing of the area.

**Strategic Director of Finance and Governance (FC15/029)**

- 76. This report is requesting cabinet to note the update on the Peckham Gateway Project and also seeking authority to start a compulsory purchase order (CPO) process. Full details are provided in the open version of the report.
- 77. The closed report provides details of the estimated costs and it is noted that this can be contained within current available capital budget. The strategic director of finance and corporate services notes that the current estimated costs will be closely monitored and any request for additional resources will be subject to further reports to cabinet for formal approval.
- 78. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets. The costs associated with building ownership, such as NNDR, will be funded from within the existing revenue budgets.

**BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Gateway to Peckham - Public square and station regeneration Cabinet report.	Regeneration, Southwark Council 160 Tooley Street London SE1 2QH	Lauren Sharkey, 020 7525 3348
<a href="http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?IId=50001766">http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?IId=50001766</a>		
Gateway to Peckham Project Update and Approval of the making of an application to the Secretary of State for a compulsory purchase order to acquire the property interests within the revised project boundary.	Regeneration, Southwark Council 160 Tooley Street London SE1 2QH	Lauren Sharkey, 020 7525 3348
<a href="#">Gateway to Peckham Project Update</a>		
Gateway to Peckham Equalities Impact Assessment	Regeneration, Southwark Council 160 Tooley Street London SE1 2QH	Lauren Sharkey, 020 7525 3348
<a href="#">Gateway to Peckham Equalities Impact Assessment</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	AMENDED LBS_3175(Layout3)
Appendix 2	LBS_3175(Layout3)
Appendix 3	LBS_3175(Layout4)

**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>	Neil Kirby, Head of Regeneration / Lauren Sharkey, Development Project Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 November 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>	5 November 2015	

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TITLE.

**APPENDIX 1**  
Peckham Rye Station.

**AREA 1. APPENDIX 1.**



DRAWING No. LBS\_3175(Layout3)

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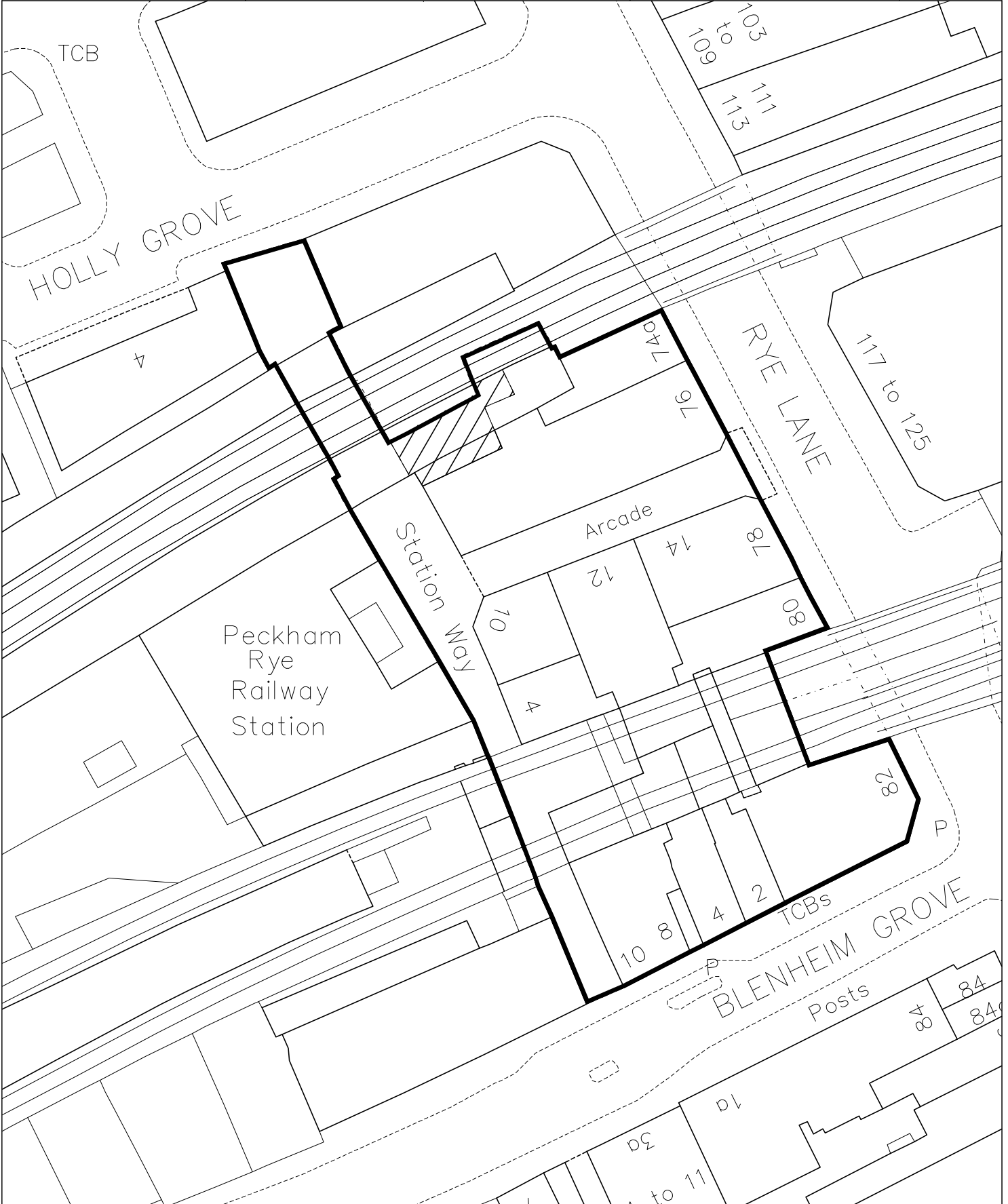
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TITLE.

**APPENDIX 2**  
Peckham Rye Station.

**AREA 1. APPENDIX 1.**



DRAWING No. LBS\_3175(Layout3)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 23/2/2015

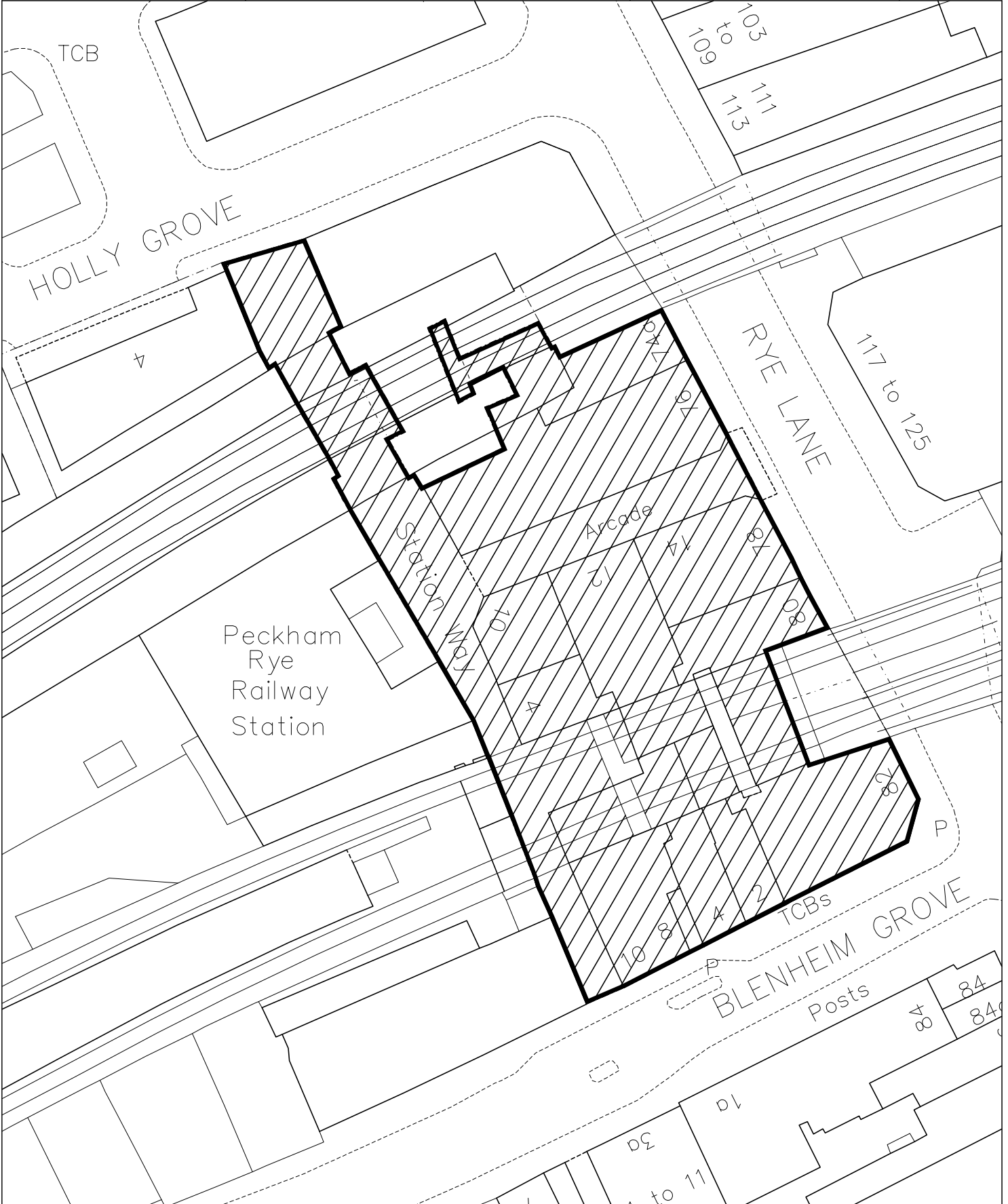
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TITLE.

APPENDIX 3

AREA 2. APPENDIX 1.

Peckham Rye Station.



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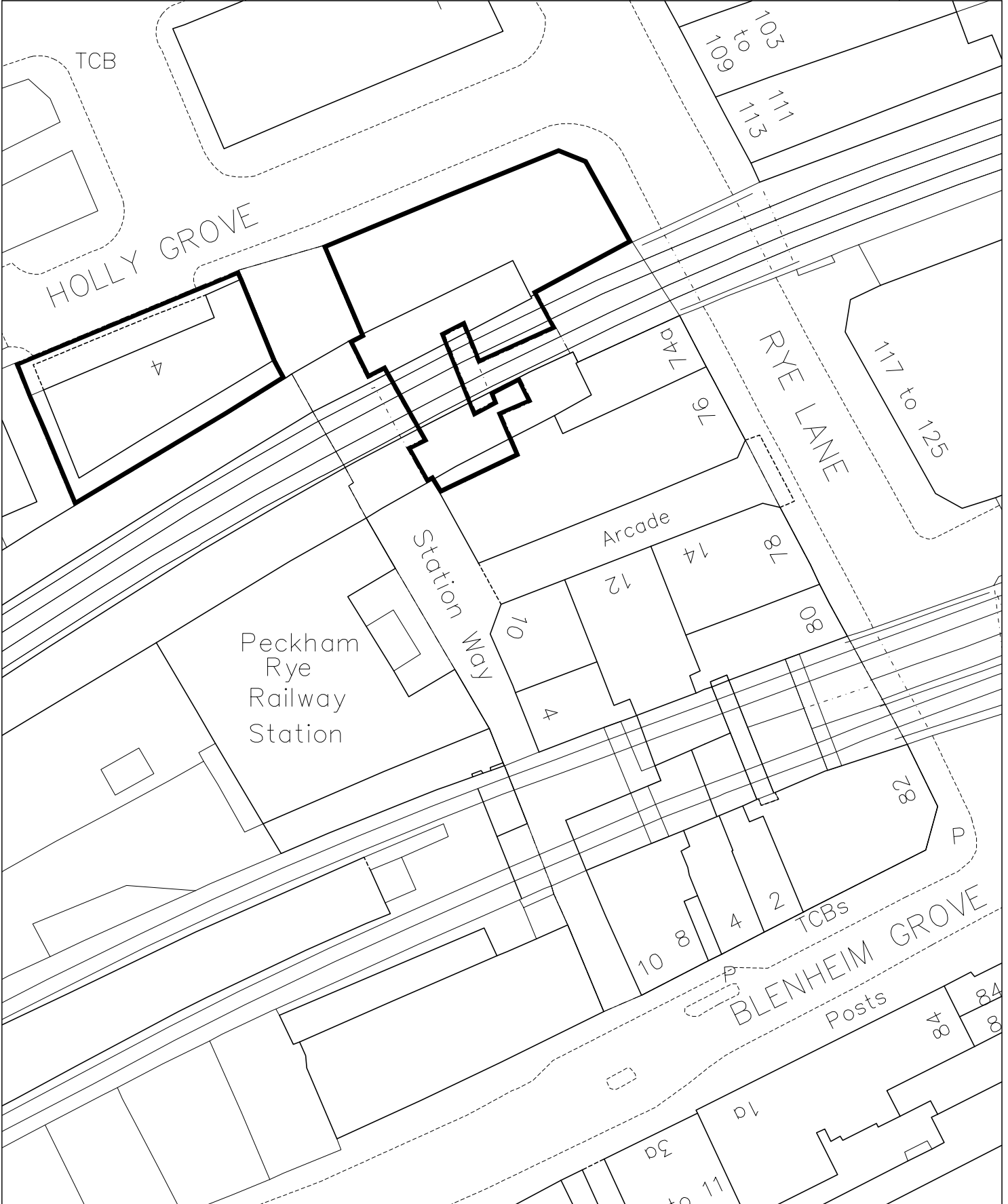
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<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 17 November 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Canada Water Regeneration	
<b>Wards or groups affected:</b>		Rotherhithe and Surrey Quays	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

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

Canada Water represents an enormous opportunity for the local community and Southwark as a whole. This report sets out the approach we will take to achieve the requirements we set out last year. These include a mechanism to achieve 35% affordable homes irrespective of viability under the statutory planning system. We will also secure a new leisure centre to replace the sub standard facility at Seven Islands.

The council is also committed to retaining a long term interest in the town centre and the key to this will be retaining the freehold interest and maximising returns from the development for the benefit of Southwark's residents. It is important to recognise that this will be a truly mixed use scheme with significant jobs generated for local people not only during the construction phase but also in the long term. As part of the mix of uses we welcome the opportunity to bring a world class higher education offer and the opportunities this will bring in relation to business development, training and economic activity.

The scheme provides an opportunity to be at the vanguard of our plans for sustainable transport including cycling and pedestrian links to the rest of Southwark and beyond and a reduction in a reliance on cars. The highest quality architecture, urban realm and energy efficiency will be at the heart of the scheme creating a world class town centre to meet the needs of our residents. We will also explore how to set up a London Living Wage Zone at Canada Water; where everyone working in the masterplan area is paid at least the LLW. Details for how this might be achieved will be included in the final agreement.

The heads of terms sets out how the council will achieve all of these aims, and subject to further negotiation a further report that will authorise exchange of contracts will be brought to cabinet in 2016 for final approval. It should also be noted that consultation continues with our residents on the site for the new leisure centre that will replace Seven Islands, and that the final decision on its location will be included in the 2016 report as it forms part of the overall negotiation with British Land.

### **RECOMMENDATIONS**

Cabinet is requested to:

1. Agree the heads of terms document attached at appendix 1 as the basis for an agreement with British Land (BL) for the redevelopment of the land identified within the document.

2. Instruct the director for regeneration to conclude negotiations and report back to cabinet in mid 2016 for authority to exchange contracts.
3. Instruct the director of regeneration to investigate, for incorporation into the deal with BL, alternative housing delivery models that will offer different groups of local people access to a wider range of truly affordable homes.
4. Note the comments at paragraphs 21 – 26 on the options for the form of agreement with BL and that the recommendation is to enter into an agreement structured as a series of property transactions administered via an overarching agreement.
5. Note the legally privileged advice, that is the entirety of the report on the closed agenda, that there are grounds for the council to enter into an off market agreement with BL.
6. Note that any recommended deal that ultimately emerges from negotiation with BL will be subject to detailed financial modelling and analysis.

#### **BACKGROUND INFORMATION**

7. This report follows on from a cabinet decision on 18 November 2014 that set out the parameters for an agreement with BL for the redevelopment of land at Canada Water to create a new town centre. Since then officers have been in negotiation with BL and attached at appendix 1 is the provisionally agreed heads of terms document for a development agreement. Attached at appendix 2 is a table showing how the heads of terms deliver the priorities identified in the November 2014 report.
8. In summary, the agreement covers three main sites; the former Print Works (PW), the Surrey Quays Shopping Centre (SQSC) and the Mast Leisure Centre (MLC) as shown on the plan within appendix 1. All of this land is owned freehold either by the council or BL; all of the council freehold land (other than some small miscellaneous sections of amenity land) is occupied by BL under a number of leases. The agreement will see the surrender of BL's current leases over PW and SQSC and the grant of two new long head leases. From these, individual plots will be the subject of sub-leases and will be developed in phases over several years in accordance with a masterplan for the entire area. There will also be a co-operation agreement between the council and BL to manage the development interface between MLC and the rest of the development area.
9. The council currently receives rent on SQSC equal to 5% of the income collected by BL. Under the heads of terms this will increase to 10%. The agreement protects the council during the construction phase by providing a rental guarantee for both SQSC and PW.
10. The agreement includes a commitment to deliver 35% affordable housing and the council will have an option to buy the social rented homes. The council also has the option to invest in the development to ensure the local community has the chance to benefit fully from the scheme. The masterplan includes a site for a new leisure centre to replace Seven Islands.
11. If cabinet agrees the recommendations the heads of terms will create a work programme for officers and BL that will, if appropriate, take us to a completed

agreement. The programme to move forward is as follows:

- Mid 2016; cabinet will be asked to endorse the final terms for the development agreement. This will be based on the heads of terms and include a full suite of documents setting out in detail the operation of the agreement. Negotiations for the final terms will be informed by detailed financial modelling and analysis, which will be summarised in the report.
- Summer/autumn 2016; the council and BL will exchange contracts on the development agreement, which will come into full operation once a number of preconditions are met. The preconditions include completion of a satisfactory financial viability assessment and the grant of planning consent for the masterplan.
- Late 2016 is the anticipated date for a planning decision on the masterplan.

### **KEY ISSUES FOR CONSIDERATION**

12. To get to this point officers, supported by a team of external specialists, have been in detailed negotiation with BL on a range of points. The matters which for the purpose of this report are considered key, are discussed below.

#### Affordable housing

13. The development agreement will include a mechanism to deliver the council's target of 35% affordable housing.
14. Following the election in May 2015 of the new government there have been a number of changes to the regulations around the ownership and financing of council housing; and further change is considered likely. The net effect is that the council is operating in a significantly changed environment with uncertainty about the future regulatory framework.
15. Officers are still working through the implications of these changes and how best to respond to them in the development agreement. In the meantime, it is confirmed the agreement with BL will include a mechanism to deliver 35% affordable housing and the details of exactly how this will be done will be reported in 2016 as part of the final agreement.
16. As background to this, cabinet is aware of the debate about what constitutes truly affordable housing. Linked to this is the growing understanding of the housing challenges being faced by the 'squeezed middle': people whose income is too high, so as to disqualify them from social housing, but who nevertheless find private provision unaffordable.
17. It is considered that the constructive working relationship the council has with BL, and the flexible terms of the agreement we are negotiating with them, could form the basis for a vehicle to better assist these groups. It is therefore recommended that as part of our negotiations, the Director of Regeneration be instructed to explore alternative housing models that offer different groups of local people access to a wider range of truly affordable homes.

#### Site boundary

18. Towards the end of 2014 Aviva Insurance put up for sale the freehold of the MLC, which BL bought. This means we now have the opportunity to plan the comprehensive redevelopment of an even bigger site, approximately 19.25 ha.
19. This is a unique and exciting opportunity to comprehensively plan the creation of a new town centre. The scale of the opportunity was recognised at regional level when in March 2015 the London Plan designated Canada Water an opportunity area.
20. In order to deliver a top quality development it has been provisionally agreed to include areas of council owned public realm in an estate management arrangement. Subject to negotiation of final terms, it is envisaged this land will be laid out and managed as a part of the scheme, but will remain fully accessible to the public. There are two plans within appendix 1: the first shows the extent of the land that forms the agreement; and, the second shows additional land that will form part of an estate management arrangement.

#### Deal structure

21. Two general approaches to the structure of the deal have been considered: a corporate type arrangement e.g. creating a special purpose vehicle; and, a property transaction approach. These approaches are probably best thought of as end points on a continuum with a wide range of options between them.
22. The pure corporate approach would typically be a special purpose vehicle. This involves setting up a new company jointly owned and controlled by the council and BL, into which the partners would transfer their property interests. The company would have its own legal identity, governance arrangements and reporting requirements. The council has limited experience of operating this type of arrangement.
23. In practice a corporate structure commits the council to two levels of management. Management of the substantive purpose of the agreement; delivery of the development, and management of the special purpose vehicle itself. This additional level of management has a resource requirement.
24. As the name suggests, at the other end of the spectrum a property transaction approach is based on delivering development through long ground leases and land sales. The principles behind this approach are long established and well understood. The council has extensive experience of delivery development projects through property transactions.
25. In this case cabinet is asked to endorse the principle of structuring the development agreement with BL as a series of property transactions administered through an overarching agreement. This is very much towards the property transaction end of the deal structure spectrum but with additional controls for the council added through the overarching agreement.
26. This structure is recommended to cabinet on the grounds that: it gives the council an appropriate level of control over delivery of key priorities; minimises the management burden of administering the agreement; and, it is an approach well known and understood by the council.

### Off market agreement

27. The agreement has come about following a direct approach to the council by BL and has not involved the council advertising to find a regeneration partner. This is not how the council normally operates and cabinet needs to be satisfied it is reasonable to proceed on this basis.
28. The council has a statutory duty to achieve best consideration for any land it disposes of: granting long leases under a development agreement falls under this duty. Best consideration is usually demonstrated by offering the asset for sale on the open market and accepting the highest offer.
29. In this case there are considered to be sound practical reasons why it is appropriate to proceed with BL. All of the land within the agreement is owned freehold by either the council or by BL and all of the council freehold land (other than some small miscellaneous sections of amenity land) is occupied by BL under a number of long leases. This means that from a practical point of view it would be very difficult, if not impossible, for the council to redevelop the area without the agreement of BL.
30. The report on the closed agenda sets out the privileged legal advice confirming the council's ability to enter into negotiation with BL.
31. In terms of best consideration, as part of its negotiating team the council has retained GVA, a highly respected international firm of property consultants. Part of their role will be to sign off any agreement to ensure it satisfies the council's best consideration obligations.

### Policy implications

32. This report deals with a key step in delivering the council's aspirations for the regeneration of Canada Water. The main policy statement on this is the Canada Water Area Action Plan (AAP), and the revised AAP will be reported to council assembly for adoption in November 2015. The heads of terms are consistent with the council's ambitions for the area.
33. In November 2014 cabinet endorsed the parameters for an agreement with BL. The document at appendix 2 shows how the provisional agreement delivers cabinet's priorities for the regeneration.

### Community impact statement

34. The public sector equality duty, at section 149 of the Equality Act, requires public bodies to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and to advance equality of opportunity, and foster good relations between different people when carrying out their activities.
35. The heads of terms is a technical matter that of itself gives rise to no particular equality implications.

### Resource implications

36. The resource implications arising from this decision will be officer time to conclude negotiation of the development agreement and funding for external specialists to support the process. The officer commitment is considered to be

part of the normal workload for staff within the regeneration department and will be contained within existing budgets. External specialist support has been procured and reported through the standard gateway process and a budget is in place for the task. There is therefore no specific new resource requirement arising from this decision.

37. If ultimately the council enters into a development agreement with BL this is likely to have significant resource requirements around the purchase of affordably housing and the procurement of a new leisure centre. If appropriate these matters will be the subject of separate reporting and business planning.

### **Legal implications**

38. Please refer to the comments of the director of law and democracy in paragraphs 40 to 43 below.

### **Consultation**

39. There has been extensive internal consultation between officers in Regeneration, Legal Services and Finance. It is not considered appropriate or necessary to carryout public consultation on the heads of terms.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

40. 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 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the Council's power to dispose of land.
41. The report refers at paragraphs 28 to the Council's obligation, set out in Section 123 of the Local Government Act 1972, not to dispose of land for a consideration less than the best that can reasonably be obtained. The report explains how independent expert advice will be taken to ensure that the Council is obtaining best consideration for its land under the terms of the proposed transaction.
42. Advice has been sought which confirmed the council's ability to enter into negotiations with BL in respect of this development, details of which are given in the closed report. This advice will be kept under review as the negotiations develop, and further advice sought before contracts are exchanged and reported to cabinet when this matter is brought back in 2016.
43. The cabinet will note the public sector equality duty (PSED) considerations detailed in paragraphs 34 and 35 above, and to have regard to the PSED consideration when making decisions.

### **Strategic Director of Finance and Governance (FC 15/031)**

44. The strategic director of finance and governance notes the proposals regarding the heads of terms with British Land regarding the regeneration of Canada Water and that the financial implications will be considered through future reports.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Revised Canada Water Area Action Plan 2013	Regeneration North, Southwark Council 160 Tooley Street, London SE1 2QH	James Oates 7525 5633
<a href="http://www.southwark.gov.uk/info/200314/canada_water/2854/revised_canada_water_aap_2013">http://www.southwark.gov.uk/info/200314/canada_water/2854/revised_canada_water_aap_2013</a>		
Canada Water Regeneration	Regeneration North, Southwark Council 160 Tooley Street, London SE1 2QH	James Oates 7525 5633
<a href="http://moderngov.southwark.gov.uk/documents/s49978/Report%20Regeneration%20at%20Canada%20Water.pdf">http://moderngov.southwark.gov.uk/documents/s49978/Report%20Regeneration%20at%20Canada%20Water.pdf</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Heads of terms document
Appendix 2	Priorities for heads of terms
Appendix 3	Maps

**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>	James Oates, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	6 November 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Law and Democracy	Yes
	Strategic Director of Finance and Governance	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	6 November 2015



**APPENDIX 1****CANADA WATER****HEADS OF TERMS**

**Subject to:**

- 1. BL board approval**
- 2. Formal approval by the Council**

## CANADA WATER – HEADS OF TERMS

**1. PARTIES**

- 1.1 London Borough of Southwark of 160 Tooley Street, London SE1P 5LX (the "Council")
- 1.2 British Land ("BL") A wholly owned subsidiary of British Land Plc. The development obligations of any BL subsidiary will be guaranteed by British Land Plc subject to release on completion of defects and subject to an appropriate liability cap, or such obligations will be subject to alternative guarantees or security as the Council shall approve.

**2. SITE**

The masterplan area known as Canada Water, Southwark ("Site") shown edged red on the attached plan (Appendix 1). The Site is broadly divided into the following components, each demarcated as such on the attached plan:-

- 2.1 Surrey Quays shopping centre ("SQSC"):-
- 2.1.1 The vast majority of this site is currently held by BL on a lease with an unexpired term of 173 years where the Council is the freeholder.
- 2.1.2 Miscellaneous plots in the vicinity of the Shopping Centre owned by the Council.
- 2.2 Print Works ("PW") :-
- 2.2.1 The vast majority of the site is held by BL on a leasehold basis and the Council owns the freehold interest.
- 2.2.2 Roberts Close freehold owned by BL.
- 2.2.3 Car Park freehold owned by BL.
- 2.2.4 Miscellaneous plots in the vicinity of the Print Works owned by the Council.
- 2.3 Mast Leisure Centre ("MLC"):-
- The freehold interest is owned by BL and includes access rights across the orange land shown on the plan at Appendix 1.
- 2.4 The attached plan at Appendix 2 edged in blue ("The Estate Management Area") identifies land owned by the Council which will be subject to the estate management arrangements in accordance with the estate management agreement.

**3. OVERVIEW OF TRANSACTION STRUCTURE**

- 3.1 It is intended that BL will surrender its existing long leasehold interests and transfer its freehold interest in some or all of the sites referred to at paragraphs 2.2.2, 2.2.3 and 2.2.4 above to the Council and that the Council will grant two new long leases, broadly of (1) SQSC and (2) PW, although the exact extent will be worked up and agreed between the parties before the agreement is exchanged.

## CANADA WATER – HEADS OF TERMS

3.2 BL is in discussions in relation to the leasing of part of the Site for the creation of a new educational campus. It is an objective of the parties that educational use is brought into the Site through a transaction with a high quality educational establishment such as Kings College London or a similar higher educational organisation. If it is not possible to conclude such a transaction prior to the collapse of the existing leases, the parties will continue to seek to reach agreement with a higher educational establishment. The parties' intention is to create a campus educational environment and not one dominated by student accommodation.

3.3 The Council and BL will enter into

3.3.1 an overarching agreement regulating the relationship between them in relation to the Shopping Centre and the Print Works prior to the grant of the new headleases. This agreement will serve the same purpose as an agreement for lease(s) and will "fall away" once the two new headleases are completed.

3.3.2 BL and the Council will remain bound by the terms of the existing leases until their surrender.

3.3.3 an agreement ("**Collaboration Agreement**") in relation to MLC which will deliver a scheme consistent with the master plan and will cover:

- (a) planning - the need for a unified approach across the Site.
- (b) treatment of planning conditions and S106 provisions which jointly relate to MLC and the other components of the Site, how the cost/burden is to be shared, the equalisation of any costs/benefits between other components of the Site and MLC.
- (c) infrastructure costs that will be shared between MLC, SQSC and PW including, the delivery of the works, how the costs are to be apportioned and the recovery of the costs.

3.4 Proceeds from the scheme will be generated as a mix of capital receipts and rent as appropriate for the uses. On completion of each plot the proceeds (both capital and rent) will be apportioned between the landowners and the developer (BL is both a landowner and the developer)

3.4.1 The initial landowners' share is in accordance with the following percentages.

(Subject to valuation and agreement on value and cost equalisation)

**SQSC**

BL 90%

The Council 10%

**PW**

BL 50%

The Council 50%

3.5 The Council shall have an option to contribute towards total development cost up to these initial percentages. If the Council do not contribute fully to development cost the percentages will be recalculated on completion of each plot. The landowners share is an appropriate amount of total receipts having regard to the initial valuation.

## CANADA WATER – HEADS OF TERMS

- 3.6 The developer's share (which the Council will participate in when contributing to development costs) is an appropriate amount of total receipts having regard to the total development cost excluding the land element.

#### 4. KEY ISSUES TO BE RESOLVED BEFORE EXCHANGE

The following matters need to be agreed between the parties prior to exchange of the overarching agreement so that they can be included in or appended to the agreement as appropriate:-

- 4.1 Masterplan including phases and plots within the masterplan.
- 4.2 Historic costs (to exclude costs specifically associated with MLC) – are to be agreed and apportioned over the Site excluding MLC and injected into individual plot development accounts.
- 4.3 Build and development costs – agreed approach to demonstrating these costs. Treatment of cost overruns and costs arising from the developer's default. The Council to provide confirmation of its acceptance of the external consultants and the form of appointments and duties of care. The parties will rely on the advice provided by the professional team.
- 4.4 Finance – including agreed principles as to calculation of finance costs and allowable interest and the treatment of the development management account. Interest is to be rolled up on development costs at LIBOR + 3% subject to a minimum rate of 5.75% (compounded quarterly) on all expenditure which is not match funded (requirement for arrangements to vary the interest charge over time so that it remains appropriate).
- 4.5 Strategic financial model demonstrating deliverable and viable Masterplan and the projected returns to the Council (assuming various levels of the Council's financial contribution). The Council will require the model to be developed on the basis of (1) no contribution and (2) various levels of financial contribution, so that it can make an informed decision on investing.
- 4.6 Profit and fees – agreed principles as to calculation. BL to receive a 15% profit on all expenditure which is not match funded (in the relevant leasehold percentages). BL to provide a schedule of Development Management, Project Management and Property Management fees. The Council to receive an annual fee (to be agreed) to cover the time commitment of the Regeneration team (this is separate from the PPA fees).
- 4.7 Business plan and its role within the overarching agreement.
- 4.8 Council contribution of equity – the Council is to have the ability to contribute equity.
- 4.9 Timetables and milestones for delivery of new scheme in phases.
- 4.10 Pro-forma appraisal for plot developments based on a template for Phase 1.
- 4.11 BL to deliver affordable housing in accordance with the Council's planning policy.
- 4.11.1 The Council will have the first option to buy the social rented units. If the Council do not exercise this option BL will have the second option to acquire the units. BL will have the first option to acquire the intermediate rental units.
- 4.11.2 The Council will (on land owned freehold) have the option to acquire additional units which can be made available for social renting to take the scheme to an equivalent 35%. BL will have the first option to acquire the additional intermediate rented units.

## CANADA WATER – HEADS OF TERMS

- 4.12 The parties agree to explore a range of options for securing and managing the affordable homes for incorporation into the final agreement as an alternative delivery route to the one set out in 4.11.
- 4.13 Community facilities strategy including funding and phasing.
- 4.14 New leisure centre – basis for funding, delivery and treatment of the land interest of the site. Procurement issues to be discussed and agreed.
- 4.15 Site wide infrastructure costs – a strategy including principles and methodology for assessing the Site wide costs and repayment of these for all phases/plots.
- 4.16 Approach to identifying and securing an appropriate higher educational occupier on the Site.
- 4.17 Robust mechanism and formula for objectively settling PW rent review. The rent review will need to be settled before exchange of contracts.
- 4.18 The treatment of any remaining land that needs to be secured for the development to take place to include the use by the Council of its statutory powers.

## 5. OVERARCHING AGREEMENT

The following matters will be covered in the overarching agreement (this list is not exhaustive, but sets out some of the key points):-

- 5.1 The parties' agreed objectives for the scheme being:-
  - 5.1.1 creating a high quality mixed use development including uses such as retail leisure, offices, residential, cultural and public realm.
  - 5.1.2 the delivery of affordable housing in accordance with the Council's planning policy.
  - 5.1.3 the creation of an appropriate higher educational establishment.
  - 5.1.4 the delivery of the new Council leisure facility in phase 1.
  - 5.1.5 to make sure local people have the chance to directly benefit from the development by creating training and employment opportunities during the construction phase and exploring the viability of including business start up space and other support for small businesses as part of the finished scheme. BL's Corporate Policy is to pay the Living Wage (and therefore also the National Living Wage) to all staff directly employed by both British Land and Broadgate Estates, their wholly owned property management subsidiary. BL are already and will continue to explore ways in which they can promote the Living Wage amongst companies that they contract with as well as those companies further down the supply chain.
- 5.2 Agreement for:-
  - 5.2.1 surrender of existing leases.
  - 5.2.2 grant of two new 500 year headleases in the form attached to the overarching agreement.
  - 5.2.3 preconditions to the surrender and grant of the headleases.
- 5.3 Preconditions to the grant of plot subleases by BL.

## CANADA WATER – HEADS OF TERMS

- 5.4 On-going cooperation obligations between the parties.
- 5.5 Financial principles and methodologies including:-
- 5.5.1 mechanisms for calculating land value, lease premium or geared rents.
  - 5.5.2 apportionment of land value.
  - 5.5.3 demonstration of overall masterplan viability. It is accepted that it may be necessary to develop some initial phases which generate profits below the target rate of return to establish Canada Water as a destination.
  - 5.5.4 principles for extraction of profit from scheme.
  - 5.5.5 Overage.
  - 5.5.6 viability target/hurdle rates for development plots etc.
  - 5.5.7 BL development return and management costs.
  - 5.5.8 BL provided finance rates. LIBOR + 3% subject to a minimum 5.75%. Provision for a periodic review of the finance rate.
- For the avoidance of doubt a number of the above items will be included in the development agreement annexed to the new headleases.
- 5.6 Delivery of the proposed new leisure centre for the Council including the financial and funding arrangements and ownership.
- 5.7 Provisions on development including:-
- 5.7.1 assurance for the Council on works to be carried out
  - 5.7.2 reporting on the carrying out of works including:-
    - (a) process for tendering of the works.
    - (b) ensuring that the works are carried out in a responsible manner.
    - (c) input into the construction documents and warranties including step in rights.
- 5.8 Planning strategy and obligations– timing for submission of planning application(s) and the process of approvals of applications.
- 5.9 A framework for decision making between the parties on an ongoing basis including:-
- 5.9.1 procedure for obtaining Council approval/sign off.
  - 5.9.2 dispute resolution as follows:-
    - (a) escalation to senior officers/representatives.
    - (b) third party dispute resolution where possible.
    - (c) process to be followed where there is a deadlock.
- 5.10 Provisions for remedying breaches.

## CANADA WATER – HEADS OF TERMS

- 5.11 Provisions that bind the agreement to each of the headleases such that breach of agreement will constitute a breach of the headleases, and vice versa but in a manner which means that an undertenant does not require sight of the agreement.
- 5.12 A prohibition on assignment or novation separately from the parties' respective legal interests in the Site. Upon any disposal of such legal interest the purchaser must enter into a deed of adherence in relation to the collaboration agreement.
- 5.13 A confidentiality provision and, for so long as this is applicable, an obligation on BL to co-operate at its own cost with any FOI request made of the Council.
- 5.14 Appropriate change of control provisions.
- 5.15 Treatment of copyright and intellectual property including designs and the business plan.

## 6. ARRANGEMENTS FOR GRANT OF NEW HEADLEASES

- 6.1 There will be two headleases (as identified on the plan at Appendix 1) as follows:-
  - 6.1.1 "SQSC".
  - 6.1.2 "PW".
- 6.2 The agreement will set out the following preconditions:-
  - 6.2.1 Masterplan and demonstration of masterplan viability/deliverability.
  - 6.2.2 Indicative infrastructure cost plan for whole scheme.
  - 6.2.3 Agreed programme for calculation of profit payments on extended schemes – staged distribution.
  - 6.2.4 Agreement as to the rent including the retention and distribution by the parties if income is unaffected by the development of individual plots. BL will fund a rental shortfall account of £3m. This is in relation to both SQSC and PW and will be put in place at the time of the grant of the new headlease of either SQSC or PW. This sum will be available for the Council to draw down once the existing lease or leases are collapsed up to a maximum total rent and rental shortfall equating to £1.3m pa.
  - 6.2.5 Business plan for whole scheme (including targeted revenue / capital split)
  - 6.2.6 Should the Council require additional income this can be drawn down from the development account subject to an interest charge which is to be rolled up at LIBOR + 3% subject to a minimum rate of 5.75% (compounded quarterly). This additional income is to be capped at £1.3m per annum across both SQSC and PW less the passing rents payable under the headleases. This additional income and rolled up interest will be included as a development cost within the relevant phases but will not attract a 15% priority return before the overage calculation.

## CANADA WATER – HEADS OF TERMS

- 6.2.7 Marketing strategy for the scheme to contain:-
- (a) controls on the marketing of residential units which will balance the need for local marketing and achieving an acceptable rate of sales.
  - (b) marketing strategy for any land disposals.
  - (c) marketing strategy for the higher educational facility.
- 6.2.8 Estate management strategy for whole scheme.
- 6.2.9 A reasonable level of certainty of delivery on the whole of phase 1 including agreements with a reasonable percentage of occupiers (or an agreed percentage of floorspace) and construction contract in place.
- 6.3 The agreement will set out the following SQSC Phase 1 conditions:-
- 6.3.1 Financial model for the phase 1 SQSC identifying departures to the model produced before exchange; the model to also show the cash cascade in terms of the priority of each item.
  - 6.3.2 Delivery of a substantive and material element of phase 1, including the new Council leisure centre.
  - 6.3.3 Receipt of satisfactory planning permission (outline for the Masterplan area and detailed for phase 1).
- 6.4 The agreement will set out the following "PW Phase 1 Conditions":-
- 6.4.1 BL will need to demonstrate that they have sought to reach an agreement with a higher educational establishment for the creation of an educational campus. If it has not been possible to conclude terms by the time of the grant of the new headlease BL will continue to endeavour to reach such an agreement until the Council and BL conclude that it is not possible to do so.
  - 6.4.2 The delivery of the first phase of PW to be a substantive and material element of the proposals for the whole of PW. The minimum phase which will trigger a collapse of the existing headlease is one which produces no less than £500,000 of head rent or combination of rent and decapitalised sales values. Additionally the first phase of PW cannot consist of wholly social rented accommodation.
  - 6.4.3 Receipt of satisfactory planning permission (outline for the Masterplan area and detailed for the first phase of PW)
  - 6.4.4 Certainty of likely delivery on the first phase of PW including a reasonable number of agreements with occupiers (or an agreed percentage) and construction contract in place

## 7. ARRANGEMENTS FOR GRANT OF INDIVIDUAL PLOT SUBLEASES

The agreement will set out the following preconditions for the grant of individual plot subleases and relate to the first development of the plots:-

- 7.1.1 Individual plot appraisal which must achieve an agreed minimum viability i.e. surplus hurdle.
- 7.1.2 Detailed planning permission.



## CANADA WATER – HEADS OF TERMS

7.1.3 Appropriate confidence that a buyer/investor/tenant can be secured in line with the appraisal assumptions.

7.1.4 Detail of land payments, profit split, fees etc. on individual plot.

## 8. KEY HEADLEASE TERMS

8.1 **Landlord:** the Council.

8.2 **Tenant:** BL plus guarantor where provided under the agreement.

8.3 **Term:** 500 years from the date of grant of the lease.

8.4 **Premium:** there will be no premium paid for initial grant of the lease but monies payable in accordance with the head lease.

8.5 **Initial rent and capital receipts:** in accordance with the following and subject to agreement and equalisation of base values:-

### **SQSC**

BL: 90%

The Council: 10%

### **PW**

BL: 50%

The council 50%

8.6 Tenant's covenants:-

8.6.1 obligation to pay rent.

8.6.2 restrictions on alienation:-

(a) no assignment of whole without assignee entering into deed of adherence to the "annexed" agreements and alongside an assignment of the other lease.

(b) no underletting of whole.

(c) no underlettings of part unless the tenant obtains either the Council's consent or a certificate from the Council to confirm that the underletting is in accordance with the terms of the agreement.

8.6.3 other links to the agreement, e.g. reporting on works to be carried out and payment of the monies due under the agreement/mechanism for rent increase.

8.7 Provisions for remedying breaches.

8.7.1 No cross default between the two headleases. Arrangements to be agreed to ensure that BL may not landbank and will proceed with development unless it is judged reasonable not to do so (force majeure, adverse market conditions etc).

8.8 BL to have pre-emption rights over the sale of the freehold or grant of overriding leases.

9. **TESCO**

The Council and BL acknowledge that Tesco retain the right to contribute 50% of BL's equity requirement on the Shopping Centre.

**Appendices**

1. Site plan.
2. Estate Management Area plan identifying the Council owned land which will be subject to the management arrangements.

## APPENDIX 2

### Council negotiating priorities

Below are the council's negotiating priorities, as agreed by cabinet at its meeting on 18 November 2014, with an explanation of how these are dealt with in the heads of terms document.

1. Maintain freehold ownership of both the print works and shopping centre sites.

*The heads of terms leaves ownership of the freehold of the print works and the shopping centre with the council and transfers the freehold of additional land to the council.*

2. Put in place a commercial structure which will ensure that the council receives a long term income stream and enables it to benefit from increased land and property prices in the area and profit generated through development.

*The council will receive a share of the development proceeds on a pro rata basis derived from the value of its land. In addition, the council will have an option to invest directly in the scheme with a return based on its contribution toward development costs. There is flexibility to take the return as either capital receipts or as rent. The heads of terms also include a mechanism to protect the council's current income during the construction phase.*

3. A scheme which will deliver 35% affordable housing [as a percentage of general needs housing] split 70/30 rent/shared ownership. The council is to have an option to retain the rented element as council housing.

*The development will deliver a policy compliant affordable housing offer with the council having an option to acquire the social rented units.*

4. The council will require a site in its ownership for a new public leisure centre. The specification for the facility is to include a 6/8 lane swimming pool, 4 court sports hall, crèche, gym and cycle spinning room.

*The heads of terms include a commitment to deliver a new leisure centre within the first phase of development, that will include an eight lane pool, a learner pool, 3 studios, a four court sports hall and a gym with 150 work stations..*

5. The mix of uses developed across the combined holdings should include an education hub providing significant new space for teaching, academic and research facilities. In this respect the council reconfirms its decision of November 2013 to the objective of KCL establishing a new major campus at Harmsworth Quay's to include significant elements of teaching, research and administrative facilities.

*One of the primary objectives for the scheme is that it includes the creation of an appropriate higher education establishment, such as Kings College London or a similar organisation.*

6. Subject to school pupil projections space may also be required for new schools.

*School place planning anticipates an increase in pupil numbers in Rotherhithe and there is already in place a significant investment programme that will meet fully identified demand. The situation will be kept under review and if necessary the phased delivery of the scheme allows for changes to the masterplan to address any emerging shortfall.*

7. The mix of uses should be capable of supporting significant new jobs, training and business start up opportunities.

*The heads of terms facilitate a mixed use scheme with significant new jobs, training and business start up opportunities within the leisure, retail, educational, office and cultural sectors.*

8. Reconsider the impact of the proposed development on Lower Road by updating the multi module transport model.

*Although this is not a matter specifically dealt with in the heads of terms this issue is being progressed as part of the transport assessment for the planning application.*

9. Support the potential for a pedestrian/cycling link to Canary Wharf and a link west to integrate with Southwark's wider cycling network.

*Although this is not a matter specifically dealt with in the heads of terms it is being progressed with colleagues from transport. Additionally, increased activity at Canada Water will support the business case for the new bridge.*

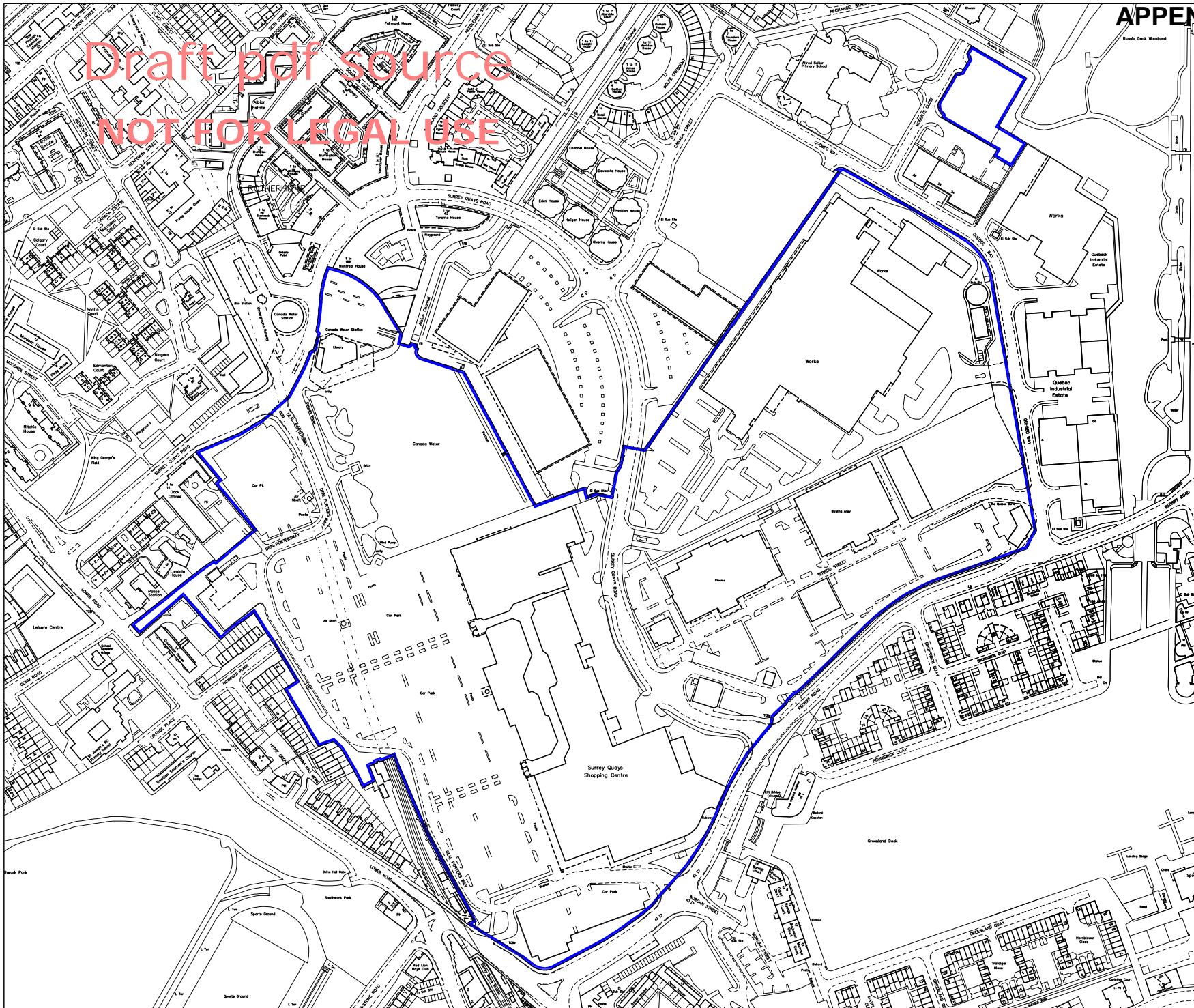
10. The development must maximise training and employment opportunities for local people.

*One of the primary objectives for the agreement is that local people should have the chance to benefit directly from the development via training and employment opportunities during the construction phase. BL has also agreed to explore the viability of including business start up space and other support for small businesses as part of the finished scheme and to look at the practical implications of making the development a living wage zone.*





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