

Cabinet

Tuesday 8 December 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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Contact

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

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 30 November 2015



Cabinet

Tuesday 8 December 2015

4.00 pm

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

Order of Business

Item No.	Title	Page No.
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PART A - OPEN BUSINESS

MOBILE PHONES

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

1. APOLOGIES

To receive any apologies for absence.

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

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

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

There are no closed items scheduled for consideration at this meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

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

5. PUBLIC QUESTION TIME (15 MINUTES)

To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. The deadline for public questions is midnight 2 December 2015.

Item No.	Title	Page No.
6.	MINUTES	1 - 8
	To approve as a correct record the minutes of the open section of the meeting held on 17 November 2015.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for deputation requests is midnight 2 December 2015.	
8.	PERSONALISATION AND PERSONAL BUDGETS: A REPORT FROM THE HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE	9 - 17
	To note the recommendations of the scrutiny sub-committee report and to request that the cabinet member report back to cabinet within eight weeks in order to respond to the overview and scrutiny committee.	
9.	ANNUAL HOME CARE CONTRACT PERFORMANCE REPORT 2014-15	18 - 31
	To note that the delivery of the contracts over the fourth year has met with the council's requirements.	
10.	AGREEMENT OF A NEW ALL AGE JOINT AUTISM STRATEGY	32 - 37
	To agree the draft all age joint autism strategy.	
11.	SOUTHWARK MENTAL HEALTH SOCIAL CARE REVIEW	38 - 42
	To note the findings of the Southwark mental health social care review report and approve the drafting, engagement and delivery of a joint Southwark mental health strategy.	
12.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: SOUTHWARK SEXUAL HEALTH TRANSFORMATION PROGRAMME - SEXUAL HEALTH SERVICES	43 - 64
	To approve the procurement strategy for a collaborative pan-London procurement of a contracted online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services with the London Borough of Camden as the lead contracting borough across 22 London Boroughs.	

Item No.	Title	Page No.
13.	HOUSING REVENUE ACCOUNT - INDICATIVE RENT SETTING AND BUDGET REPORT 2016/17	65 - 94
	To note issues associated with the housing revenue account.	
	To instruct officers to provide a final report to cabinet January 2016 on rent setting after consultation with residents.	
14.	LONDON COUNCILS GRANTS SCHEME 2016/17	95 - 102
	To approve Southwark Council's contribution to the London Councils Grants Scheme.	
15.	MY SOUTHWARK, HOMEOWNERS SERVICE	103 - 116
	To agree to the creation of a new My Southwark Homeowners service, dedicated to meeting the needs and aspirations of the council's homeowners.	
16.	FINANCIAL APPRAISAL PROCESS FOR HOME OWNERS AFFECTED BY REGENERATION SCHEMES	117 - 125
	To note the revised process of financial appraisal to determine the appropriate re-housing support options for individual leaseholders affected by regeneration schemes.	
17.	THE CHARTER SCHOOL EAST DULWICH DEVELOPMENT STRATEGY	126 - 136
	To approve the council entering into an agreement with the Education Funding Agency for the council to oversee and manage the procurement and construction delivery of the new Charter School, East Dulwich.	
	OTHER ITEMS	
	The following item is also scheduled for consideration at this meeting.	
18.	POLICY AND RESOURCES STRATEGY 2016/17 - 2018/19	
	DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING	
	EXCLUSION OF PRESS AND PUBLIC	
	The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as	

specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information.

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

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

PART B - CLOSED BUSINESS

19. MINUTES

To approve as a correct record the closed minutes of the meeting held on 17 November 2015.

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

Date: 30 November 2015



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 17 November 2015 at 4.00 pm at Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Stephanie Cryan
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Darren Merrill
Councillor Michael Situ
Councillor Mark Williams

1. APOLOGIES

Apologies for absence were received from Councillor Victoria Mills.

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

There were none.

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)

Public Question from Jeff Kelland

To Councillor Richard Livingstone, Cabinet Member for Housing

Flats 78, 79, 80, 81 and 82, Caroline Gardens, Asylum Road SE15, were completely rebuilt in 2013 at considerable cost to the taxpayer. Have any works been done or proposed to be done in these properties under the current contract with Keepmoat Regeneration Ltd?

Response

I would like to thank Mr Kelland for his question regarding the current major works being carried out at Caroline Gardens and whether this work will also take place at the recently refurbished homes at 78, 79, 80, 81 and 82 Caroline Gardens.

Work to refurbish the above five properties and make them safe and fit for occupation completed in June 2012, with the defects period concluding and final settlement taking place in May 2013. That work was carried out by Jerram Falkus, with Purcell acting as the English Heritage approved architects for the scheme.

As a consequence, these five properties are being omitted from the current programme of Warm, Dry and Safe works and of providing quality kitchens and bathrooms for homes on the estate, as the refurbishment work already brought numbers 78-82 to that standard.

However, the council will use the opportunity provided by the major works on the estate to survey the external condition of these five properties whilst contractors are on site and will address any issues identified as required. We would anticipate that any such work would be minimal, given the recent refurbishment.

Public Question from Sue Plain

To Councillor Richard Livingstone, Cabinet Member for Housing

Would the councillor confirm that none of the contractors (or their subsidiaries) put forward for the Housing Framework Contract have admitted involvement in scandalous and unlawful practice of 'blacklisting' Trades Union Members. Would he agree that Companies involved in this practice should not be invited to work within the Borough in any capacity?

Response

As part of the overall submission process applicants were asked to confirm whether their organisation currently is or has ever been in breach of Regulation 3(1) of the Blacklist Regulations. If a positive response to this question was received, applicants were asked to confirm the facts surrounding the breach, the steps taken to repair the harm and staffing measures put in places to avoid reoccurrence. For this framework all successful applicants confirmed that they had not been or were currently in breach, so all of the contractors recommended to be on the framework passed this section.

The council is able to exclude from a tender process applicants who have breached the blacklisting regulations, on the basis that this amounts to an act of grave misconduct and therefore could justify exclusion of that operator in accordance with the Public Contract Regulations. However any exclusion must be considered on a case by case basis, be proportionate and be justified on the evidence given. The council is required to allow an operator to 'self-clean', which enables an operator to show that it has or will take measures to put right its earlier wrongdoing and to prevent reoccurrence. Where an

operator has self-cleaned, exclusion would generally be disproportionate.

Supplemental question

Ms Plain asked a supplemental question about whether Councillor Williams would meet to discuss the matter further with her.

Councillor Williams agreed to the meeting.

Public question from Beverley Robinson

To Councillor Richard Livingstone, Cabinet Member for Housing

Re the policy on financial assessment of leaseholders facing loss of home through compulsory purchase, please could we be advised of the outcome of the briefing which, at a meeting with Councillor Williams on 20 October, we were told would take place on 9 November between Councillor Livingstone and officers?

Response

The cabinet member for housing was briefed on 16 November 2015 about a number of issues raised by home owners affected by regeneration on the Aylesbury Estate's first development site. Among the main issues discussed was one concerning the level of their own savings home owners are required to apply to their re-housing, and on-going concerns around valuations were also noted. Officers have been directed to liaise with other local authorities undertaking large-scale regeneration schemes and put together further proposals for Cabinet consideration early in the New Year.

Supplemental question

Ms Robinson asked a supplemental question relating to whether the council would consider changing the policy to help leaseholders.

Cabinet requested a report on the financial assessment of leaseholders to come to the cabinet meeting of 8 December 2015.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 20 October 2015 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

There were none.

8. 11,000 NEW COUNCIL HOMES - RESULTS OF CONSULTATION ON DESIGN, NEIGHBOURHOODS AND WHERE TO BUILD

RESOLVED:

1. That 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 be welcomed.
2. That it be noted that the consultation engaged around 2,500 people.
3. That 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 be acknowledged.
4. That it be noted 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. That officers be instructed 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. That officers be tasked 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.

9. 11,000 NEW COUNCIL HOMES - DESIGN VALUES AND STANDARDS

RESOLVED:

1. That the Southwark Design Values attached in Appendix 1 of the report which sets out the council's aspirations for design excellence and reflect the council's core values and commitment to residents be approved.
2. That the interim Design Standards attached in Appendix 2 of the report which set out the council's commitment to high quality and robust design be approved.
3. That it be noted that the two documents along with a third document, the Technical Specifications, will form the new Southwark Design Guide.
4. That Councillor Leo Pollak, deputy cabinet member for excellence in design, and the officers involved, be thanked for their work on the Southwark Design Guide.

10. QUARTER 2 CAPITAL MONITORING FOR 2015/16 AND CAPITAL PROGRAMME REFRESH FOR 2015/16-2024/25

RESOLVED:

5. That 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 of the report be noted.
6. That the housing investment programme for the period 2015/16 to 2024/25 as at Quarter 2 2015/16, as detailed in Appendix B of the report be noted.
7. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
8. That the projected expenditure and resources for 2015/16 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report as at Quarter 2 2015/16 be noted, and that it also be noted that 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.

11. REVENUE MONITORING REPORT FOR QUARTER 2, INCLUDING TREASURY MANAGEMENT

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2015/16 and forecast net movement in reserves by department;
 - the 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. That the general fund budget movements that exceed £250,000, as shown in Appendix A of the report be approved.

12. GATEWAY 1: PECKHAM RYE STATION REDEVELOPMENT PROCUREMENT STRATEGY

RESOLVED:

1. That the procurement strategy outlined in the report for the Peckham Rye Station Square redevelopment construction be approved. 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 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 be approved. 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.

13. 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)

RESOLVED:

1. That it be noted 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. That the Director of Regeneration be 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 of the report; or
 - e) either amend the boundaries of the Ordnance Survey plan LBS_3175(Layout3) at Appendix 2 of the report to include Area 2 edged black on plan LBS_3175(Layout4) at Appendix 3 of the report 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.

14. CANADA WATER REGENERATION

RESOLVED:

9. That the heads of terms document attached at Appendix 1 of the report be agreed as the basis for an agreement with British Land (BL) for the redevelopment of the land identified within the document.
10. That the Director for Regeneration be instructed to conclude negotiations and report back to cabinet in mid 2016 for authority to exchange contracts.
11. That the Director of Regeneration be instructed 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.
12. That the comments at paragraphs 21 – 26 of the report on the options for the form of agreement with BL be noted, and it also be noted that the recommendation is to enter into an agreement structured as a series of property transactions administered via an overarching agreement.
13. That 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 be noted.
14. That it be noted that any recommended deal that ultimately emerges from negotiation with BL will be subject to detailed financial modelling and analysis.

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.

15. MINUTES

The cabinet approved as a correct record the minutes of the closed meeting held on 20 October 2015.

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 cabinet considered the closed information relating to this item. Please see item 13 for decision.

17. CANADA WATER REGENERATION

The cabinet considered the closed information relating to this item. Please see item 14 for decision.

Meeting ended at 5.15 pm

CHAIR:

DATED:

Item No. 8.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Personalisation and Personal Budgets: A Report from the Healthy Communities Scrutiny Sub-Committee	
Ward(s) or groups affected:		All	
From:		Overview and Scrutiny Committee	

RECOMMENDATION

1. That the cabinet notes the recommendations of the report and that the relevant cabinet member brings back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review of personalisation and personal budgets.

HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE RECOMMENDATIONS

3. The sub-committee's recommendations for consideration by cabinet are set out within the body of the report attached as Appendix A.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview and Scrutiny Committee Agenda 20 October 2015	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=5106&Ver=4		

APPENDICES

No.	Title
Appendix A	Report of the Healthy Communities Scrutiny Sub-Committee

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview and Scrutiny	
Report Author	Shelley Burke, Head of Overview and Scrutiny	
Version	Final	
Dated	16 November 2015	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	N/a	N/a
Strategic Director of Finance and Governance	N/a	N/a
Chief Officers	N/a	N/a
Cabinet Member	N/a	N/a
Date final report sent to Constitutional Team	16 November 2015	

APPENDIX A

Healthy Communities Committee Personalisation and Personal Budgets

The Healthy Communities Scrutiny Sub-Committee looked closely at the delivery of personalisation and personal budgets by Southwark Council. This report provides an overview of the work carried out by the Committee and recommendations to support the delivery of the current programme.

The Committee would like to thank all of those who submitted written evidence and presented oral evidence to the Committee as part of this inquiry.

This inquiry considered the issues around the introduction of personalisation and personal budgets; the impact on residents, carers and providers.

It aimed to consider the current barriers faced by each set of stakeholders and make recommendations that can ensure a smooth and successful journey from assessment to final plan.

Summary of key recommendations

1. Service standards and timescales should be adopted in regards to carrying out an eligibility assessment, completing a support plan and the provision of services. This should be monitored and information made available on an annual basis.
2. Residents should be given a named case officer, who will work with them throughout the process, except in exceptional circumstances, and where the officer has to change, residents are kept informed.
3. That staff be encouraged, through training or protocol to include questions that encourage residents to express their needs, whatever these may be. Examples of such questions are: "what are the things that will make a difference in your life right now? What most bothers you on a daily basis? What do you think would help you now?"
4. It is recognised that residents may raise issues that are not directly addressed by services on offer. Staff should be trained and supported to react constructively to all responses.
5. Named council officers should be trained to provide support services to those accessing personal budgets. This should include training around support planning, brokerage, direct payment management support, managed account service, payroll service, personal assistant and employment support services.
6. Assessments should be carried out in an individual's home, and carers should be identified and offered their own assessment to be carried out at the same time, where appropriate.

7. The Council should look to develop a preventative strategy that includes financial support for the maintenance of open door services for vulnerable and elderly residents, to help them remain healthy and active, and ensure that they are not isolated.
8. The Council should create a suite of materials with accessible information for carers, as well as providing this clearly on the Council website.
9. There should be a commitment for carers to have the same case workers throughout the process, except in exceptional circumstances.
10. The Clinical Commissioning Group should be encouraged to ensure that GP services are promoting carer assessments.
11. The Council should look to work in conjunction with Healthwatch to provide regular monitoring and feedback on the process for carers in receiving an assessment through to plan delivery.
12. All VCS organisations should be kept fully aware of where they stand with regards to contracts and transitions to personal budgets.
13. The Council should provide specific information about personal budgets, particularly focused on eligibility criteria to help residents understand what services they can access.
14. The Council should work with CAS on the creation of an e-marketplace which will collate all available services for personal budget holders.
15. The Council should look to support providers on how best they can market themselves – potentially linked to creation of the e-marketplace.
16. The Council should consider the potential of maintaining a reduced grant for service providers, particularly building-based services, to support the moves from block grants to personal budgets.

1. Personalisation

The Social Care Institute for Excellence (SCIE) describes personalisation as ‘recognising people as individuals who have strengths and preferences and putting them at the centre of their own care and support.’

Southwark Council recognises that a traditional service-led approach to support has often previously meant that people have not been able to shape the kind of support that they receive, and personalisation now allows for individuals to tailor their support to their requirements.

Following the Coalition Government of 2010-2015’s introduction of personalisation, Southwark has been working to implement and embed a personalised approach to adult social care. In 2011, the Council agreed a vision for adult social care, focused on maintaining the principles of independence, choice and control, while recognising that there were significant changes in the public sector and the need to increasingly operate with a reduced public purse.

Southwark has undertaken work to transform care and support to enable people to live independently and well for as long as possible. This includes:

- Developing and implementing a dedicated telephone response for all queries about care and support
- Funding a range of community support services in the voluntary sector
- Ongoing and increasing investment in short-term support through practical re-ablement and intermediate care support services
- Developing a re-ablement service in mental health
- Focusing the approach to assessment for ongoing care and support on outcomes for individuals and working with people to develop a support plan that shows how a personal budget will be used to meet someone’s identified social care outcomes
- Creating the Southwark Resource Centre
- Transforming day services, including developing a Centre of Excellence
- Creating an offer of free telecare

Residents and personal budgets

Southwark has made significant progress in providing local residents with personal budgets providing 68.66% of clients with personal budgets by 2013/14. Performance is in line with the London average of 67.5% and above the national average of 62.1% of people using community services with a personal budget. In 2013/14, 97% of community service users who were eligible for a personal budget accessed one.

There are four main stages to a personal budget:

1. **The assessment:** enabling the service user and staff to identify and understand the eligible needs that will need to be addressed in the support plan

2. **Support planning:** The support planner and the service user work together to identify the outcomes the service user wants to achieve, and the user decides how they would like their budget managed. A plan is developed from this.
3. **Agreement of support plan:** The Council agrees the support plan
4. **Implementation of the support plan:** If a direct payment is required, this is signed and the service user receives the schedule of monitoring, the personal budget is paid and the plan is actioned.

At present, there are no national requirements on timescales for the completion of the support planning process, and Southwark does not currently record the length of time the process takes for a person to have a complete and active support plan. The original estimate was that the process takes between 8 and 12 weeks.

At the July 2015 meeting of the Healthy Communities Committee, Jay Stickland, Director of Adult Social Care confirmed that there had been a long waiting list, with over 260 people in the process of assessment for personal budgets, but that this has now been reduced to 20 people with a two week timescale for beginning the process.

The Local Account 2012/13 included a number of case studies of individuals who accessed personal budgets through Southwark Council.

Isayas Solomon

Isayas Solomon used a self-managed personal budget which allowed him to directly employ two personal assistants, rather than previously having to use carers from an agency. It allowed him to feel in control of the support he received.

He also enjoys the flexibility of the budget which has helped to improve his quality of life.

Derek

Derek developed his plan so that he can employ a key worker from the day centre he attends as a personal assistant, so he is able to attend the day centre, but also have other ways to be sociable and feel part of the community.

Whilst there are positive stories about the personalisation journey, there does not seem to be regular surveying of those who complete the process to understand their thoughts.

Members of the Committee however raised numerous examples from their own casework where residents had experienced difficulty throughout the process of trying to obtain a personal budget.

This included the time taken to complete the process, and the difficulty in finding relevant information and resources.

The Committee received a number of materials from Richmond Council to assess the difference in approaches between other Boroughs across London.

Richmond Council has established an Adult Social Care Charter, which sets out their principles for supporting residents through the personalisation process. They have also developed standards of service, which sets clear timescales for the provision of support. This includes:

- Answering 80% of telephone calls to the Access Team within 20 seconds and resolving enquiries within one working day where they cannot be dealt with immediately
- Resolving 80% of enquiries to the Access Team with the first point of contact, with a named person so the resident can follow up if required.
- An appointment will be made within two working days if a resident is eligible for support, and the visit will take place within the next eight working days. Any equipment will then be provided within the next seven working days.
- The overall aim is for there to be a maximum wait of 20 days for an assessment
- A reablement service provided free of charge for six weeks
- For long term and self-directed support, a single point of contact will be assigned and any family carer who supports the resident will be offered their own assessment.
- A support plan will be completed within four weeks of the assessment

Whilst Richmond is a very different Borough from Southwark, members of the Committee felt that there were many approaches that we could benefit from exploring further in our own Borough.

Recommendations to support service users

- Service standards and timescales should be adopted in regards to carrying out an eligibility assessment, completing a support plan and the provision of services. This should be monitored and information made available on an annual basis.
- Residents should be given a named case officer, who will work with them throughout the process, except in exceptional circumstances, and where the officer has to change, residents are kept informed.
- That staff be encouraged, through training or protocol to include questions that encourage residents to express their needs, whatever these may be. Examples of such questions are: “what are the things that will make a difference in your life right now? What most bothers you on a daily basis? What do you think would help you now?”
- It is recognised that residents may raise issues that are not directly addressed by services on offer. Staff should be trained and supported to react constructively to all responses
- Named council officers should be trained to provide support services to those accessing personal budgets. This should include training around support planning, brokerage, direct payment management support, managed account service, payroll service, personal assistant and employment support services.

Carers and personal budgets

Healthwatch, the independent consumer champion for patients and the public, conducted a focus group in January 2015 with carers looking at the initial awareness, the process and its outcome on the carer.

Their key findings include:

- There is a lack of awareness and information surrounding a carer's assessment
- The process itself could be long and confusing, and eligibility criteria is unclear
- There was a lack of continuity with point-people in the Council which meant relationships were difficult to build

Recommendations for supporting carers

- Assessments should be carried out in an individual's home, and carers should be identified and offered their own assessment to be carried out at the same time.
- The Council should look to develop a preventative strategy that includes financial support for the maintenance of open door services for vulnerable and elderly residents, to help them remain healthy and active, and ensure that they are not isolated.
- The Council should create a suite of materials with accessible information for carers, as well as providing this clearly on the Council website.
- There should be a commitment for carers to have the same case workers throughout the process, except in exceptional circumstances.
- The Clinical Commissioning Group should be encouraged to ensure that GP services are promoting carer assessments
- The Council should look to work in conjunction with Healthwatch to provide regular monitoring and feedback on the process for carers in receiving an assessment through to plan delivery.

Providers and personal budgets

Between 15th July and 29th August 2014, Community Action Southwark (CAS) ran a survey on organisations' experiences and expectations around personal budgets.

Key findings from that report include:

- Only 20% of respondents have half or more users paying via personal budgets.
- Organisations are providing information and advice to users, as well as providing support planning and budget management services.
- There is concern around eligibility for personal budgets and awareness of eligibility criteria.
- Nearly half of organisations expect to lose contract or grant money.
- The majority of organisations think personal budgets do not provide enough cash to cover prior levels of support.
- Marketing is seen as an issue for organisations.

Recommendations for changes to support providers

1. All VCS organisations should be kept fully aware of where they stand with regards to contracts and transitions to personal budgets.
2. The Council should provide specific information about personal budgets, particularly focused on eligibility criteria to help residents understand what services they can access
3. The Council should work with CAS on the creation of an e-marketplace which will collate all available services for personal budget holders.
4. The Council should look to support providers on how best they can market themselves – potentially linked to creation of the e-marketplace
5. The Council should consider the potential of maintaining a reduced grant for service providers, particularly building-based services, to support the moves from block grants to personal budgets.

Item No. 9.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title		Annual Home Care Contract Performance Report 2014-15	
Ward(s) or groups affected:		All	
From:		Councillor Stephanie Cryan, Adult Care and Financial Inclusion	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR ADULT CARE AND FINANCIAL INCLUSION

Home care provides essential and valuable support to vulnerable people with social care needs and helps them to live independently and safely in their own homes. We are committed to ensuring that our vulnerable residents receive high quality personalised services and care. Our Fairer Future Promise to deliver the Southwark Ethical Care Charter underpins this commitment. It recognises the hard work and dedication of the home care workforce in Southwark.

The council adopted the Southwark Ethical Care Charter (SECC) in late 2013. The full SECC was implemented for the two contracts with London Care and MiHomecare last year and this has resulted in a real change for the carers and the people they care for. Payment is now made for travel time and every home care worker has been given the opportunity to take up a guaranteed hours contract. The council have been closely monitoring the impacts of these positive changes on the quality of care being delivered as we strongly believe that staff who feel recognised and respected deliver better care.

Next year we will be re-commissioning home care services and as part of this process we will be introducing the SECC for all providers delivering this service. This is a very significant step in our on-going commitment to support both our residents whom rely on the care provided and our home care workers who provide the care, many of whom are Southwark residents.

This report details the delivery, quality and performance of the home care services provided by London Care and MiHomecare. Both contracts have met the quality and performance requirements of the council.

RECOMMENDATION

1. That cabinet note that the delivery of the contracts over the fourth year has met the council's requirements and that service users have expressed their satisfaction with the service, both via the provider feedback mechanisms and through one to one interviews conducted with council staff.

BACKGROUND INFORMATION

2. In January 2011 cabinet approved the award of contracts for two universal contracts to London Care and MiHomecare (at that time, Enara) to deliver home care services to people in the borough for three years with an option to extend for a further 2 one year periods (a total of 5 years).

3. In July 2014 the cabinet member for adult care, arts and culture agreed to extend the contracts with London Care and MiHomecare for a period of one year.
4. In June 2015 cabinet agreed to extend the contract for a period of one further year from 1 July 2015 to 30 June 2016.
5. In March 2015 cabinet agreed the Gateway 1 Home Care Procurement Strategy to undertake a competitive tender to re-commission home care services.
6. Extensive consultations with service users, care workers, providers and council staff has been undertaken to help shape services to people in their own homes in the future and the Southwark Ethical Care Charter will be a key feature of the new tender.

KEY ISSUES FOR CONSIDERATION

7. In Southwark 1,247 adults received some form of home care service from London Care and MiHomecare during the period 1 July 2014 to 30 June 2015. Between them these two providers delivered 518,550 hours of home care to people in Southwark at a cost of £8.4m. Ensuring each visit meets our expectations of high quality home care is a priority for the council.
8. Recognising that the workforce is a key factor in delivering high quality care, Southwark has signed up to the Southwark Ethical Home Care Charter (SECC) which sets out some minimum requirements to be offered to care workers. This has now been implemented for both these contracts and new quality measures agreed with these providers which are reported on in this document.
9. From August 2013, payment of the London Living Wage (LLW) to care staff employed by both agencies was agreed. In October 2014 a further change was agreed to include other elements of the SECC; the offer of guaranteed hours contracts, an allowance for travel between service users, and related quality requirements.
10. The council is working with both agencies to measure improvements in quality related to the changes made under the SECC and the following indicators are being assessed:
 - Staff recruitment to provide sufficient capacity for both agencies to take on care packages offered to them.
 - Turnover of care staff since continuity and familiarity are key concerns for people in receipt of home care services
 - Percentage of care staff with vocational qualifications (NVQs/QCFs)
 - Service user-reported experience
 - Offers and acceptance of Guaranteed Hours Contracts by care staff.
11. Intelligence that has emerged from data collection on all the above activity has been incorporated in assessing the impact of the SECC changes on quality of service provision.
12. The council and providers are committed to working together to continually improve the quality and consistency of home care delivery. In addition to monitoring the key areas noted above, other mechanisms used to manage and monitor the contracts include regular contact between quality and performance

staff and the branches (including site visits), interviews with a random selection of service users, and oversight through the Senior Monthly Quality and Safeguarding Management (SMQSM) meetings.

13. This report provides a summary of performance for these contracts in their fourth year of operation using key performance indicators for the contracts as well as the additional quality measures agreed with the providers related to the SECC.
14. Overall, the delivery of home care services under the two generic home care contracts has met the quality and performance standards over the fourth year of operation.

CONTRACT ACTIVITY FOR 2014/2015

Contract usage

15. Summary of the usage of the contracts based on commissioned care packages from July 2014 to June 2015:

Provider	Number of hours commissioned	Number of service users
London Care	173,000	518
MiHomecare	346,000	729
Total	519,000	1,247

Contract Performance

16. A number of key measures are used by the council when assessing the performance and quality of home care services. The following paragraphs provide a brief explanation of each measure followed by a full analysis of the delivery against each measure.

Southwark Ethical Care Charter (SECC) performance indicators

17. SECC performance indicators have been agreed with both providers and are reported by them to the council on a quarterly basis

Service Quality Alerts

18. Service quality alerts are raised when someone is concerned about the way service is delivered to individual clients. Examples include care workers' punctuality for visits, and poor communication between agency (branch and field staff) with individual service users and/or the council and similar issues that impact negatively on service provision and the service user experience.

Safeguarding

19. A Safeguarding Alert is raised and investigated where there is an allegation that a service user has been subject to abuse. The abuse can be physical abuse, psychological abuse, financial abuse, neglect, among others. The allegation of abuse may be related to a care worker or a third party.

Complaints and Compliments

20. Both providers have mechanisms in place to record compliments received from service users and/or their family/friends/informal carers. Equally, both providers have mechanisms in place (formal complaints policies) to deal with service user concerns and complaints about service received. Both providers notify the council of the number of compliments and complaints they have received on a monthly basis.

Regulatory Compliance

21. In line with all care providers, London Care South London and MiHomecare Brockley (the branches from which home care services for Southwark residents are co-ordinated and delivered) are regulated by the Care Quality Commission (CQC) who inspects them and publishes findings of inspections on their website.

Service User and Carer Views

22. Most importantly, in order to provide a rounded view of quality and performance, the council actively seeks to understand the views of people who use the services, using a variety of mechanisms. Additionally, both MiHomecare and London Care are required to seek out service user views on the home care services delivered by them and there are a number agreed mechanisms by which they do so and report their findings to the council.
23. A summary of performance of both providers against each of the measures follows.

Southwark Ethical Home Care Charter Indicators

24. Key performance indicators for assessing implementation of the Ethical Home Care Charter in Southwark were agreed with both providers:
- Staff Recruitment
 - Staff Turnover
 - Staff Qualifications (NVQs/QCFs)
 - Service User Experience; and
 - Offer of and acceptance of Guaranteed Hours Contracts by staff.
25. For each indicator the council established used a baseline to provide a benchmark against which improvements could be measured.
26. The table below shows the baseline measure for each indicator (taken from the quarter ending 31 December 2014) and how each agency is performing against these baseline measures for the last quarter of the period under review (quarter ending 30 June 2015).

We do not have a full year's data on each measure yet but will have this for the next contract period.

Comparison of performance

	Recruitment	Turnover	Qualifications	Service User Experience	Guaranteed Hour Contracts
London Care					
Baseline: Third quarter 2014-15 (Oct – Dec 2014)	15	11%	20%	52.8% very satisfied/ satisfied 0.6% dissatisfied/very dissatisfied	0
Fourth quarter 2014-15 (Jan – Mar 2015)	22 (47% increase over preceding quarter)	8%	24%	84% very satisfied/ satisfied 3% dissatisfied/ very dissatisfied	
First quarter 2015-16 (Apr – Jun 2015)	33 (50% % increase over preceding quarter)	5%	34%	97% very satisfied/ satisfied 3% dissatisfied/ very dissatisfied	17% (43 care workers)
Met standard?	Yes	Yes	Yes	Yes	Yes
MiHomecare					
Baseline: Third quarter 2014-15 (Oct-Dec 2014)	32	18%	20%	Not made available (Telephone monitoring not carried out by MHC Oct-Dec 2014)	0
Fourth quarter 2014-15 (Jan – Mar 2015)	32 (No increase over preceding quarter)	24% (NB: MHC carried out data cleanse of care worker database Jan-Mar 2015 which resulted in exaggerated turnover)	22%	82% very satisfied/ satisfied 11% dissatisfied/very dissatisfied	0

	Recruitment	Turnover	Qualifications	Service User Experience	Guaranteed Hour Contracts
First quarter 2015-16 (Jan – Mar 2015)	33 (3% increase over preceding quarter)	11%	27%	87.5% very satisfied/satisfied 12.5% dissatisfied/very dissatisfied	28% (86 care workers)
Met standard?	Yes	Yes	Yes	Yes	Yes

A summary of each indicator follows.

Care worker recruitment

27. This has been a key consideration for providers to be able to meet increased need from the council:
- In terms of recruitment both providers have improved recruitment, with London Care having a more pronounced increase.
 - This is because of concerted efforts by London Care to recruit care workers from January 2015 onwards to significantly increase the agency's capacity to take on care packages.
 - At end-December 2014 MiHomecare had 302 care workers in total, whilst London Care had 211. There was a need for London Care to scale up its workforce to establish parity between both agencies' ability to take on care packages.

Care Worker Turnover

28. Staff consultation sessions carried out with care workers in both organisations revealed a generally happy, motivated staff body who feel supported by management. In addition staff groups consulted within both organisations expressed satisfaction and reported feeling more valued and their work recognised by being in receipt of the London Living Wage, an allowance for travel between care visits, and being given the opportunity to take up guaranteed hours contracts if they wished to do so.
29. As part of the pre-tender engagement for the forthcoming home care procurement, the council co facilitated a forum for care workers from both London Care and MiHomecare as well as home care providers, to seek their views on how contracts can be set in place moving forward. This group was addressed by the Director of Adult Social Care, and representatives reported an improvement in morale and retention for those staff who now benefit from the SECC, as well as providing insight into how training, joint working and supervisions can be improved.

Vocational Qualifications

30. During consultation with staff they expressed satisfaction with opportunities offered by both agencies for training and professional development, including vocational qualifications.

31. London Care's has entered a partnership with Lifetime Training to provide care workers the opportunity to study for vocational qualifications.

Service User Experience

32. Service user experience (as reported above) is based on telephone checks carried out by both agencies with service users.
33. Initiatives introduced by the new Branch Manager of London Care have had a positive contribution to improved motivation for staff, which in turn links to user satisfaction.

Guaranteed Hours Contracts

34. Both agencies have offered Guaranteed House Contracts (GHCs) to all existing care workers and continue to offer this to new staff (who have completed their probationary period). Existing staff are able to change their decision if their needs change. The extent to which each agency has implemented guaranteed hours contracts with their workers varies and details are given below.

MiHomecare:

35. MiHomecare GHCs assure workers of a minimum of 10hrs/week or 20hrs/week of work based on the individual worker's choice.
36. In practice all care workers on GHCs workers do in excess of these minimum hours every week.

London Care:

37. London Care has set itself a target of 75 care workers in total or 30% of that workforce (whichever is larger) on GHCs by end November 2015.
38. With respect to both MiHomecare and London Care, the following has been observed / evidenced by the contract monitoring officer.
39. Recruitment literature for both agencies clearly states that GHCs are on offer.
40. All new recruits are offered GHCs after successfully completing their probationary periods with each agency.
41. The offer of GHCs is reinforced at staff meetings and during supervision / appraisals.
42. Based on the care worker consultation sessions, whilst the majority want the security of guaranteed hours contracts, at the same time they wish to retain the flexibility that zero-hour contracts offer them and the facility to decline shifts if it doesn't suit their personal circumstances at any particular time. This is because many care workers have childcare responsibilities or are students for whom flexible working is a necessity.
43. Both providers are working with care workers on an ongoing basis to implement GHCs in a way that allows for some flexibility.

44. Contract management are satisfied with the agencies' efforts to implement GHCs amongst care workers.

Service Quality and Safeguarding Alerts

45. Raising service quality alerts is encouraged by both the council and providers as a mechanism to inform and support continuous improvement as this can pick up issues at an early stage. All alerts are logged and followed up by contract monitoring officers in conjunction with social workers and other relevant stakeholders and the information is used by both providers and the council to ensure that service is improved.
46. For the period July 2014 to June 2015 there have been a total of 82 upheld alerts received with 38 relating to London Care and 45 relating to MiHomecare.
47. From July 2014 to June 2015 there have been a total of 22 safeguarding alerts with 8 relating to London Care and 14 relating to MiHomecare.
48. Of the 24 safeguarding allegations received, 7 have been found to be unsubstantiated, 4 were not determined / inconclusive, 6 have been substantiated, 4 partly substantiated, and the remaining 1 has not yet had an outcome recorded.
49. All safeguarding and quality alerts are fully investigated and the quality and performance team monitor any provider action points arising from these. The safeguarding allegations are reviewed monthly by the senior managers safeguarding and quality meeting and each individual case is followed up to ensure that the issues are dealt with and the person concerned is safeguarded.

Complaints and compliments

50. During the period covered by this report (July 2014 to June 2015) a total of 40 compliments were received by the two providers. Of these 17 compliments were received by London Care and 23 compliments by MiHomecare.
51. During the same period a total of 16 complaints were received by the providers and dealt with using each provider's Complaints Policy. Of these, 9 complaints were received by London Care, of which 7 were upheld; and 7 complaints were received by MiHomecare, of which 4 were upheld.
52. Occasionally, service users will address their complaint directly to the council. During the period covered by this report there were 3 complaints raised with the council's Complaints Team: 1 related to MiHomecare and 2 related to London Care.
53. The council expects providers to use complaints and compliments to help understand where things are going well and where changes need to be made. Some of the changes made by providers as a result of complaints and compliments received include:
54. Using team meetings to highlight compliments received to illustrate what service users' see as good care.
55. Incorporating actual compliments received (if appropriate and relevant) in customer service training to encourage and embed good practice.

56. In response to a request by the Contract Monitoring Officer for home care, collating compliments received in a file to be able to evidence compliments during the council's monitoring visits and for CQC inspections.
57. Similarly, with complaints, providers have used the real-life scenarios depicted in them at team meetings to highlight errors and poor practice from the service users' perspectives.
58. Complaints scenarios (along with examples from Quality Alerts and Safeguarding cases) are also used in induction and refresher training where appropriate to underline the importance of person-centred care and seeing things from a service user's point of view.
59. Where possible they are also used in supervision with individual care workers involved in them to view complaints as positive learning tools to improve the service they provide as well as to identify training and development needs.

Regulatory Compliance

60. The Care Quality Commission (CQC) undertakes regulatory inspections of registered services and home care is a registered service. The CQC's approach results in services being rated as:
 - Outstanding
 - Good
 - Requires improvement
 - Inadequate
61. The ratings relate to the service's assessment against the following questions:
 - Are the services safe?
 - Are they effective?
 - Are they caring?
 - Are they responsive to people's needs?
 - Are they well-led?
62. MiHomecare Brockley is being inspected by CQC at the time of writing this report but the CQC report has not yet been published. The branch was fully compliant at the time of their previous inspection in 2013.
63. London Care (South London) is also being inspected by CQC at the time of writing this report but the CQC report has not yet been published. This branch has not been inspected since it was opened so this is the first inspection report that will be available to the council.

Service user views

64. In addition to provider-led systems for service user feedback, the council continuously reviews its own monitoring processes to see how we can better capture good information on the impact the home care service has on people's lives and their experience of the service.
65. As part of this the council's Quality and Performance team have conducted a series of interviews with people who receive home care services. These interviews are conducted by the Contract Monitoring Officer for home care with

individual service users in the privacy of their homes to enable them to speak candidly about the services they receive in a safe and confidential space.

66. The outcomes from interviews carried out during the period under review were generally positive and consistent with previous such interviews with service users:
- Service users reported they felt the care workers attending them treated them with respect, took account of their preferences, sought their consent and respected their dignity when providing care.
 - They felt safe with the care workers who provide them with care, and where other services were involved (e.g. district nurses) felt that care workers worked harmoniously with the other professionals involved in delivering care.
 - Where the use of hoists or other equipment was used with service users, they reported feeling safe and confident in their care workers' knowledge, skills and experience in using this equipment.
 - Service users interviewed felt confident about making their views known to carers and were aware of and confident about complaining about any aspect of the service they were not satisfied with aspects of the service they were not satisfied with.
67. The interviews also revealed that for some service users there were aspects of service provision that they felt less satisfied with:
- Continuity of care: some service users reported not having the same care workers attending them on a regular basis; on occasion they had not been notified by the agency who would be coming to care for them on visits which their regular carers couldn't cover, for example when they were sick or needed to cancel attendance for valid personal reasons.
 - Involvement: some service users felt they could have been more involved in discussions about their care and enabled to influence the outcomes of such discussions.
 - Branch-based staff activity: A few service users also felt that branch staff could better coordinate care to ensure continuity and timely provision, and be more responsive to requests/instructions about their care which they had communicated to them.
68. Providers have responded to this feedback by making the following changes/improvements to their service:
- Branch-based staff have been prompted about the importance of calling service users and notifying them of changes to carer(s) attending them. When visits are running late, Coordinators must call service users affected by the delay and inform them, including offering them the alternative of another carer attending them.
 - Weekly rotas are sent to all service users as standard by one of the two providers, informing them of carers scheduled to cover their visits the following week. The other provider sends such weekly rotas to service users wishing to receive one. This provider has been encouraged to change practice and also provide weekly rotas to all service users as standard. Whilst the provision of rotas cannot guarantee that carers will attend all visits as scheduled in them (sickness or other unpredictable

absences on carers' parts cannot be eliminated) it provides reassurance to service users and their informal carers and family.

- Staff carrying out risk assessments and developing care plans for service users have been reminded of the need for an increased emphasis on involving service users in these discussions and their outcomes. Where service users cannot communicate for any reason, staff have been instructed to meet with service users' families and informal carers to better understand their history and personal preferences. If appropriate, staff are to consult professionals to understand service users' needs.
 - Branch-based staff have been reminded of the need to be aware of their telephone manner with service users and adopt a professional and understanding approach with them at all times. Service users are being asked about branch-based staff's manner as part of the quality assurance checks regularly carried out with them.
69. The council continually reviews the approach to assess the effectiveness of this and to ensure that service users are able to contribute their experience to help improve the quality of service received. We have reviewed the approach to gathering service user views due to some similarity in the responses received over the last two periods. The council is also currently working with service users and community organisations such as Healthwatch and Age UK to ensure that new home care contracts that will shortly be procured will be truly person centred.

Provider quality assurance and user experience

70. The council requires providers to have extensive quality assurance systems which capture information in a variety of ways. Their systems need to enable them to continuously monitor and improve the quality and safety of their services and ensure that they maintain high standards.
71. In addition to the telephone reviews both MiHomecare Brockley and London Care South London conduct annual surveys for their service users, and the results are summarised below.

MiHomecare Annual Survey 2015

72. MiHomecare undertook a short focused survey of Southwark service users in August 2015 to understand their experience of service provision, with questions focused on quality, responsiveness, care and compassion of care and support provided by MiHomecare.
73. Care workers were encouraged to support service users in completing the survey and a prepaid envelope was provided for its return.
74. The survey consisted of 10 statements with respondents given the following choices:
- Strongly Agree
 - Agree
 - Neither Agree nor Disagree (Neutral)
 - Disagree
 - Strongly Disagree.

Outcomes from the survey are set out below:

- i. 78% of respondents strongly agreed or agreed with the statement “My care workers are friendly, polite and positive”
 - ii. 77% of respondents strongly agreed or agreed with the statement “I am treated with respect by my care workers”
 - iii. 74% of respondents strongly agreed or agreed with the statement “I have a regular team of care workers who understand my needs”.
 - iv. 60% of respondents strongly agreed or agreed with the statement “If I contact the office, staff are polite and listen to me”.
 - v. 75% of respondents strongly agreed or agreed with the statement “I am aware of how to make a complaint
 - vi. 75% of respondents strongly agreed or agreed with the statement “Receiving support has made a positive contribution to my life”
 - vii. 64% of respondents strongly agreed or agreed with the statement “I have choice and control over my care”
 - viii. 78% of respondents strongly agreed or agreed with the statement “I am able to speak freely with my care workers if I have any concerns”
 - ix. 72% of respondents strongly agreed or agreed with the statement “My care workers help me remain safe in my own home”; and
 - x. 74% of respondents strongly agreed or agreed with the statement “My care workers deliver my care to my satisfaction.
75. The response rate for the survey was low, at 15%.
76. MiHomecare have reflected on the low return rate and identified measures to achieve a higher response rate. These measures have been applied to MiHomecare’s national survey which is presently underway and includes all Southwark service users, with results and analysis to be made available to the council in December.
77. MiHomecare have also taken steps to address concerns raised in the survey by raising the issue of appropriate and patient behaviour with office staff when dealing with service users; and by providing weekly rotas to all service users in advance, for them to be able to see who is meant to attend to them at visits the following week.

London Care Annual Survey 2015

78. London Care’s survey of Southwark service users achieved a return rate of 30%.
79. Whilst the London Care survey had six more questions than the MiHomecare survey, the domains covered by both surveys were very similar, as the responses below illustrate:
- i. 89% of respondents felt involved (totally or somewhat) in planning their care
 - ii. 86% felt they had control (a lot or some) over how their services are provided
 - iii. 93% felt that carers (always or usually) respected their privacy, upheld their dignity and treated them with courtesy and respect
 - iv. 91% felt that carers (always or usually) ensured their physical comfort, worked at a pace that was comfortable for them, were competent and made them feel safe whilst providing services, treated their possessions with care and were trustworthy.

- v. 77% reported being informed in advance (always or usually) of which care worker(s) were scheduled to attend them, and an equal proportion reported (always or usually) being informed if the care worker(s) attending them were running late
 - vi. As with MiHomecare, when it came to dealings with office staff, 30% were neutral, 70% reported feeling (very or quite) happy, and 10% were unhappy with their dealings with office staff
 - vii. 75% were aware of how to complain if they were not happy with the service.
 - viii. A lower proportion, 71%, reported feeling comfortable with complaining about the service, with 14% reporting they would not feel comfortable complaining, and 15% didn't know whether they would feel comfortable complaining.
 - ix. Overall, 87% reported being "very satisfied" or "satisfied" with the service, with 4% reporting they were "dissatisfied", and the balance of 9% remaining neutral ("neither satisfied nor dissatisfied")
80. London Care have identified continued work in the following areas:
- Ensure service user involvement in care planning, including involvement of informal carers and family;
 - Investment in staff training and development, directing carers to put service user confidentiality and respect for privacy at the forefront of all they do, and to similarly uphold service user dignity at all times;
 - Encourage an enabling approach in care with service user to maximise independence and confidence in self;
 - Monitor carers' standards through regular quality assurance calls with service users and spot-checks on care staff;
 - Office staff have been directed to be mindful of their interaction with service users and ensure appropriate professional standards when dealing with them at all times. Quality assurance checks with service users will be used to monitor office staff's dealings with them.

Community impact statement

- 81. These services are provided to people affected by all six strands of the council's equality agenda as the diverse nature of Southwark's population is reflected in those people needing care and receiving home care services.
- 82. Under CQC registration all Home Care providers are required to proactively demonstrate their commitment to equal opportunities and have been assessed to ensure that they have a satisfactory record in relation to diversity.
- 83. The universal services are able to meet a wide range of needs sensitivity.

Resources implications

- 84. There are no financial implications for this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

- 85. There are no specific legal implications regarding this report. Cabinet are advised that contracts for these services were awarded to London Care and MiHomecare and subsequently extended in line with the council's express

contractual powers, and this report sets out an analysis of the performance of the contracts.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Care Quality Commission – Compliance standards	http://www.cqc.org.uk/	Rochelle Jamieson 020 7525 4720
Home Care Contract Monitoring Report	Children’s and Adults’ Services, 160 Tooley Street, London SE1 2QH	Rochelle Jamieson 020 7525 4720
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3062		
Home Care Annual Performance Report	As above	Rochelle Jamieson 020 7525 4720
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3404		
Home Care Annual Contract Performance Report	As above	Rochelle Jamieson 020 7525 4720
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4550&Ver=4		
See item 10.		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Adult Care and Financial Inclusion	
Lead Officer	David Quirke-Thornton, Strategic Director of Children’s and Adults’ Services	
Report Author	Rochelle Jamieson, Quality and Performance Manager	
Version	Final	
Dated	27 November 2015	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	No	No
Director of Adult Social Care	Yes	No comments
Date final report sent to Constitutional Team		27 November 2015

Item No. 10.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Agreement of a New All Age Joint Autism Strategy	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Adult Care and Financial Inclusion	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR ADULT CARE AND FINANCIAL INCLUSION

Autism is a condition that can have a huge impact on a person’s life, not necessarily because it inherently limits their options, but rather that the society we live in does not always respond to the needs of people with autism to provide them with an enabling environment to help support their needs and opportunities.

One of our five Fairer Future principles is working for everyone to realise their own potential and this new strategy will help to remove some of the barriers that prevent people with autism achieving this.

The strategy will also focus on achieving the core priorities that were identified from the consultation responses around education, employment and training which will link in with our Fairer Future promise and commitment to support 5,000 local people into jobs and create 2,000 new apprenticeships.

This strategy also sets out how Southwark can provide a more enabling environment for people with autism and also addresses some of the key concerns people with autism, their families, careers and professionals have raised about the current systems and the changes that need to be made to deliver better outcomes for people with autism.

The strategy focuses on five key priorities - lifelong care and support, choice and control, education, employment and training and living in the community. We will be developing an implementation programme to achieve the aims of the strategy which will be closely monitored by the Learning Disability Partnership Board and I look forward to receiving and sharing regular updates on how this is progressing.

I am pleased to be able to recommend this strategy to cabinet and would like to thank everyone who contributed to the consultation.

RECOMMENDATIONS

1. That the draft Southwark All Age Joint Autism Strategy as set out in Appendix 1 be agreed.
2. That cabinet note the actions from the strategy will be implemented through the new 0-25 years disabilities care pathway.
3. That cabinet note that for those over 25 years, development work will follow on from the changes implemented through the 0-25 years care pathway, to ensure

consistent and cohesive transition and support to Adults.

BACKGROUND INFORMATION

4. The council and Southwark NHS Clinical Commissioning Group (CCG) have committed to ensuring that local people with Autism Spectrum Disorder (autism) of all ages are able to fulfil their potential, with the information, support and care they need to lead safe, healthy, independent lives in their local communities.
5. Five strategic priorities were identified through the consultation process as being core to achieving this:
 - Lifelong Care and Support;
 - Choice and Control (including Health and Wellbeing);
 - Education;
 - Employment and Training;
 - Living in the Community.
6. These priorities have formulated the structure of an all age joint Autism Strategy, capturing the local level of need/demand; understanding where the gaps in support are now and likely to be in the future and incorporating what parents and young people have said works for them.
7. The strategy aims to deliver better outcomes for local people with autism through their life course. The success of the implementation of the strategy will be measured against nationally set quality outcomes, ensuring that people with autism:
 - Have better health outcomes;
 - Are included and economically active;
 - Live in accommodation which meets their needs;
 - Benefit from the personalisation agenda in health and social care and can access personal budgets;
 - Are satisfied with local services - as are their families and carers;
 - Are involved in the planning of services.
8. An initial draft strategy was developed, followed by a formal consultation held between 31 July 2015 and 23 October 2015. 56 individual responses were received, plus three summary responses from teams who support around 25 people with autism, and 14 participants at consultation events. These responses were reviewed and the strategy updated to respond to the key issues raised.

KEY ISSUES FOR CONSIDERATION

Policy implications

9. The development of this strategy has been shaped by the National Autism Strategy for Adults: *Fulfilling and Rewarding Lives*¹ which identifies five key areas:

¹ Adult Autism Strategy (2014). Available at: <https://www.gov.uk/government/publications/think-autism-an-update-to-the-government-adult-autism-strategy>

- Increasing general awareness as well as public and professional understanding of Autism;
 - Developing pathways for diagnosis and personalised needs assessment;
 - Improving access to support services in the local community;
 - Helping people with autism into work;
 - Enabling local partners to plan and develop appropriate services.
10. The refreshed National Strategy *Think Autism* (2014) clarifies further the responsibilities of the council and NHS to:
- Provide autism awareness training for all staff and specialist training for key staff;
 - Provide a community care assessment (these cannot be declined based on IQ);
 - Have an autism lead;
 - Have a clear pathway to diagnosis and assessment;
 - Commissioning services based on adequate population data.
11. The statutory guidance² requires implementation of the adult autism strategy and provides clear requirements for local authorities, NHS bodies and NHS Foundation Trusts on what they need to do to meet the needs of people with autism living in their area. The Care Act (2014)³ confirms the need to put people and their carers in control of their own care and support, which is further supported by the National Institute for Clinical Excellence (NICE) Guidelines⁴.
12. Current information suggests that there are roughly 1,100 children and approximately 3,229 people (or 1.1% of the population) in Southwark who are living with autism. However, this data is based on best analysis of current populations and national comparators. One of the primary aims of the strategy is to develop a much greater understanding of the prevalence of autism in both children's and adults in Southwark. This will enable services to be commissioned appropriately.
13. This all age Joint Autism Strategy sets out the full aims for working with people with autism and it is intended both to enable the council to meet its statutory obligations, and also provide clear, useful and accessible information and support to people with autism and to their family carers.

Approach

14. The development of the all age Joint Autism Strategy is the first step in setting out a comprehensive approach to how people with autism are supported in Southwark. It will need to be implemented so people with autism and their family carers are fully involved and experience a difference in their lives. During the consultation, people with autism, their family carers and professionals all expressed the view that they wanted to see a real change of approach and not only a change in paperwork.

² Adult Autism Strategy Statutory Guidance (2015). Available at:

<https://www.gov.uk/government/publications/adult-autism-strategy-statutory-guidance>

³ Care Act (2014). Available at: <https://www.gov.uk/government/publications/care-act-2014-statutory-guidance-for-implementation>

⁴ NICE Guidelines (2011-2014). Available at: <http://www.nice.org.uk/guidance/conditions-and-diseases/mental-health-and-behavioural-conditions/autism>

15. The change of approach will need to be made and perceived at all levels, as part of the day-to-day work, and that initiatives designed to offer further care and support are developed within the context of existing pathways. It is therefore proposed that implementation sits within the 0-25 years disabilities care pathway programme.
16. For those over 25 years, development work will follow on from the 0-25 years care pathway programme, to provide a better experience of transition for people with autism, their family carers and provide clear, accessible and practical pathways for practitioners to support them.
17. To ensure there is oversight of the delivery on the short and long-term goals, targets will be set from January 2016 and these will be monitored by the Learning Disability Partnership Board at their quarterly meetings.
18. Feedback will be sought from people with autism and their families through the 0-25 years care pathway to understand whether or not there is a perception that there is progress against the Strategy and their needs are being met. The Strategy will be formally updated twice by 2021 and incorporate these views and any required changes to the programme.

Community impact statement

19. The strategy and action plan will affect people across the borough from all equality groups, with a particular focus on disability, gender and age. However, the aim of the strategy is to improve access to diagnosis and support. The intention is to improve the life outcomes achieved by residents with autism, thereby increasing the independence, inclusion and wellbeing of these equality groups.

Resource implications

20. There are likely to be resource implications that arise from this strategy, particularly relating to awareness training and development for staff across the council and CCG.
21. Recommendations that arise from the implementation of the strategy will be submitted in accordance with decision-making requirements. It is understood that these must be considered within the context of Southwark's budget challenge across council and NHS, but also take into account a full understanding of the expected benefits and the potential impact any changes will have on future use of services.

Consultation

22. Consultation on this strategy sought feedback from local people with autism, parent carers and professionals.
23. The full strategy and a summary document were circulated with a link to an online survey. Hard copies of the survey were also made available. Email comments were encouraged.
24. In addition, four consultation meetings were held on 16 September 2015. One meeting was specifically for professionals; one for parent carers and people with autism; and two other open access meetings.

25. 70 people responded to the consultation. There were 14 attendees at the consultation meetings, 49 online survey responses, and seven email comments.
26. Table 1 below outlines the respondents by groups. The table may show some double-counting due to people having mixed roles. It is possible more people with autism did respond, but if this was the case they did not self-identify.

Table 1: Consultation respondents by group:

	People with autism	Parent carers	Professionals	Organisations
Total	2	31	44	16

27. The majority of respondents had a white background (British or other), but 19% who completed the online survey had a differing ethnic identity (9% African, 4% Caribbean, 2% Bangladeshi and 4% other).
28. The responses received through the consultation have influenced the structure of the strategy, including focus on key themes. A summary of the feedback received is contained in Appendix 2.
29. The strategy will be updated twice before 2021, to reflect the developing views of stakeholders, particularly as changes from the strategy have an impact and other issues may become apparent or affect the prioritisation of certain areas.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Draft Autism Strategy	Commissioning Unit Southwark Council 160 Tooley Street London SE1 2QH	Peta Smith 020 7525 3629
Link: http://moderngov.southwark.gov.uk/mgAi.aspx?ID=38322		
Joint Autistic Spectrum Disorder (ASD) Strategy	Commissioning Unit Southwark Council 160 Tooley Street London SE1 2QH	Peta Smith 020 7525 3629
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=5407		

APPENDICES

No.	Title
Appendix 1	All Age Autism Strategy (circulated separately)
Appendix 2	Southwark Autism Strategy Consultation (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Adult Care and Financial Inclusion	
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
Report Author	Peta Smith, Commissioning Manager	
Version	Final	
Dated	18 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	No	N/a
Strategic Director of Finance and Governance	No	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		27 November 2015

Item No. 11.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Southwark Mental Health Social Care Review	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Stephanie Cryan, Adult Care and Financial Inclusion	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR ADULT CARE AND FINANCIAL INCLUSION

The mental health and wellbeing of our residents is of paramount importance. There is no health without mental health, and good mental health and emotional wellbeing in childhood helps children and young people thrive and lead healthy and emotionally secure adult lives. Mental health and wellbeing affects every resident living in Southwark and I want to ensure that all our residents have the opportunity for good mental health and wellbeing.

The council and our partners in health have a critical role to lead on taking the right action to promote and protect mental health and wellbeing. We need to balance fairly the needs of the many with the needs of vulnerable residents in Southwark who are at the greatest risk of being excluded from leading healthy and fulfilling lives because of poor mental health.

This review was commissioned to allow us to fully understand the mental health social care offer in Southwark, in light of our new additional duties under the Care Act 2014, and also in preparation for working on a joint delivery with NHS Southwark CCG on the delivery of a Joint Mental Health Strategy. The report provides a strong platform for a new Mental Health Strategy.

I am therefore asking cabinet to give consideration to the report and to approve the recommendations below.

RECOMMENDATIONS

1. To note the findings of the Southwark Mental Health Social Care Review Report.
2. To approve the drafting, engagement and delivery of a Joint Southwark Mental Health Strategy, led by Southwark Council and NHS Southwark CCG and incorporating consultation with key stakeholders, including mental health users, carers and family members, the Mental Health Trust (South London & Maudsley NHS Foundation Trust), the local mental health voluntary sector, and children’s social care and education.
3. To support the reform of integrated service arrangements with South London & Maudsley NHS Foundation Trust.

BACKGROUND INFORMATION

4. The full Review report of Southwark Mental Health Social Care is provided at Appendix 1. The report was commissioned earlier this year in preparation for the development of an all-age Southwark Joint Mental Health Strategy, to assess the status of the current mental health social care offer and to seek recommendations for any necessary changes.
5. The Review took into account the mental health needs of children and young people and informed the Children's & Young People Mental Health Transformation Plan for Southwark, which was submitted to NHS England in November 2015.
6. To complete work upon the Joint Mental Health Strategy, the Children's & Adults Directorate has appointed a Project coordinator to work in partnership with mental health commissioners and operational managers across the council and the CCG to prepare a draft strategy and lead on engagement and consultation.
7. The council has shared the attached Report with NHS Southwark CCG and South London & Maudsley NHS Foundation Trust, and briefed mental health social work staff members and managers at meetings in August and October.

KEY ISSUES FOR CONSIDERATION

8. The Review found that in many areas of good practice and arrangements to promote and protect mental health in Southwark. There is evidence of local initiatives and strengths across both adult and children's mental health services, including the voluntary sector. The challenge is to make these sustainable, because the mental health social care offer is comparatively expensive and relies heavily on residential care over the longer term.
9. Social care pathways are currently unclear and this compromises the delivery of the council's Vision for Adult Social Care and the delivery of a better quality of life in Southwark for a significant number of vulnerable adults with mental health needs. Users, families and non-mental health professionals reported that the social care pathway was difficult to understand and navigate.
10. Currently, social care outcomes are not as clearly articulated as health care outcomes in the current integrated arrangements with South London & Maudsley NHS Foundation Trust.
11. Southwark will struggle to keep pace with rising demand, for example from Schools concerned about the mental health and wellbeing of children and young people, unless the current service system is reformed, and progress is made on delivering earlier help for children and young people experiencing mental health issues.
12. Implementing effective change will require:
 - Completion of the Joint Southwark Mental Health Strategy;
 - Agreement with South London & Maudsley NHS Foundation Trust on the reform of the current pattern of integration across statutory mental health services, to bring social work nearer to the front of the secondary care system and at the interface with primary care, so that social care can play

a full role in the implementation of Southwark's Local Care Networks;

- Focus on supporting people living with long-term conditions in the community with support near to them, including during times of crisis, to prevent avoidable hospital admission;
- Breaking the long-term reliance on residential care that is evident for a very large number of Southwark residents with mental health problems;
- Greater use of Reablement and Personalisation to improve prevention and recovery in line with the duties of the Council under Care Act 2014;
- A stronger direct working relationship between the Council with mental health users and the local voluntary sector to make progress on co-production and peer support;
- A stronger focus on prevention and earlier access to help for children and young people and protecting what is already working well for vulnerable groups, including mental health services for Looked After Children.

Policy implications

13. The Review recognizes and supports key existing Southwark Policy frameworks, including:

- Southwark Fairer Future Promises;
- Southwark's Vision for Adult Social Care;
- Joint Service Protocols;
- Council work on co-production, and previous messages provided during consultation and engagement by stakeholders on mental health.

In addition, the Review considered the findings of NHS Southwark CCG on Adult Mental Health Transformation (2015) and South London & Maudsley NHS Foundation Trust Reports.

14. The Review recommends early progress is made on the delivery of a Joint Mental Health Strategy. The Review itself sets out key areas to be included in a Strategy, at Appendix C. Unless a joint strategy is agreed, current initiatives, while welcome, risk being uncoordinated and may perhaps bring more incoherence across the mental health system.

15. Mental health and wellbeing is a key matter of concern in relation to children and young people, parents, Schools and Children's Social Care and this is reflected the recent national policy, Future In Mind.

16. The Review sets out the risks and benefits to the Council of the proposed changes.

Community impact statement

17. The Review had regard to the public sector Equality Duty, at section 149 of the Equality Act 2010, which requires public bodies to consider all individuals when

carrying out their day to day work in shaping council policy, delivering services and in relation to their own employees.

18. There is no evidence to suggest that the changes proposed in the Social Care Review will make a differential impact due to disability, in relation to gender, sexual orientation, religion or belief, age, to trans-gendered or trans-sexual clients, and to persons or groups who may face multiple discrimination, including speakers of other languages; people with caring responsibilities or dependants; or those with previous convictions for offences.
19. Equality and community impact will need to be kept under review as a new Joint Mental Health Strategy is planned and consulted upon with stakeholders. Any reform of operational delivery taken forward in partnership with NHS Southwark, and with South London & Maudsley NHS Foundation Trust and other partners will also require a review of equality and community impact.

Resource implications

20. The report recommendations fall within the current council budget framework.

Consultation

21. The Review consulted a broad range of stakeholders and these are listed at Appendix B. Should the recommendations of the Review be approved and subsequently lead to changes in service configuration or service contracts, the need to consult with the public and staff trade unions will be reviewed.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
See References and hyperlinks provided in Review Report at Appendix 1.	Children's and Adults' Services, 160 Tooley Street, London SE1 2QH	Dick Frak 020 7525 3460

APPENDICES

No.	Title
Appendix 1	Southwark Mental Health Social Care Review (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Adult Care and Financial Inclusion	
Lead Officer	David Quirke-Thornton, Strategic Director Children's and Adults	
Report Author	Dick Frak, Interim Director of Commissioning	
Version	Final	
Dated	25 November 2015	
Key Decision	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	26 November 2015	

Item No. 12.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval: Southwark Sexual Health Transformation Programme – Sexual Health Services	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE

Sexual and reproductive health services ensure that people in Southwark stay healthy, and enable people to plan their families.

Southwark's population is relatively young and diverse, and, as such, has higher sexual and reproductive health needs. This is reflected in sexual health outcomes, with higher levels of sexually transmitted infections and Human Immunodeficiency Virus. We are committed to changing these outcomes, and we need innovative sexual and reproductive health services to help Southwark achieve this.

Our sexual and reproductive health services are accessed by more people each year, and it is important that we ensure that people who need these services can continue to access them.

Alongside our promotion of responsible sexual health practices, to meet this significant challenge, we must also transform our services.

Southwark is committed to ensuring that we increase access to appropriate sexual health services. We have been working with local partners to test a new type of service for Southwark residents. We are confident that a trusted, high-quality online offer will deliver a service for our residents that is more accessible, and can support people to be able to access the services they need. We want to put this service at the core of our offer, and make it easy for people get the right service at the right time.

This report sets out two procurement strategies which will transform our sexual and reproductive health services. They will make sexual health services more accessible to our residents and more cost-effective so that we can continue to meet growing demand for testing and treatment services in the borough.

RECOMMENDATIONS

1. Approves the procurement strategy for a collaborative pan-London procurement of a contracted online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services, with the London Borough of Camden as the lead contracting borough across 22 London Boroughs, as set out in paragraph 43.
2. Approves the procurement strategy for a negotiated procurement of genitourinary medicine and reproductive sexual health services, with a framework established by

Lambeth Council, with the chosen suppliers, which Southwark Council will access, as set out in this report at paragraph 45.

3. Notes that the two procurement strategies will have a combined maximum estimated annual value of up to £6,210,000, and that they will have a proposed contract term of 6 years with 2 break clauses at each twenty-four month point. The contracts terms would start in February and April 2017.
4. Delegates to the strategic director of children's and adults' services approval of the final detail of the procurement process as noted at paragraph 48.

BACKGROUND INFORMATION

5. Under the provisions of the Health and Social Care Act 2012, specified public health responsibilities were transferred to local authorities from the NHS. These new responsibilities included specific duties relating to sexual health. From 1st April 2013, Southwark Council became responsible for the commissioning of specific sexual health services and interventions for residents of the borough, including open access genitourinary medicine and contraception services, HIV prevention and the promotion of responsible sexual health practices.
6. In addition to the services commissioned by local authorities, other elements of sexual health service provision are commissioned by Clinical Commissioning Groups (CCG) and by NHS England. NHS England is responsible for commissioning HIV treatment and care, sexual assault referral centres, cervical screening and oral contraception services within the GP contract. Local clinical commissioning groups are responsible for commissioning community gynaecology, vasectomy, sterilisation and termination of pregnancy services.
7. The level of sexual health need in Southwark is high, as set out in detail in Public Health England's sexual and reproductive health profile for Southwark¹.
8. The profile from Public Health England sets out Southwark's diagnosed HIV prevalence, which is the second highest nationally, at 13.02 per 1,000 population.² 38% of Human Immunodeficiency Virus (HIV) diagnoses in Southwark are made at a late stage³, with more than half of heterosexual men and women in the borough diagnosed late. Southwark has the fourth highest rate of diagnoses for new sexually transmitted infection (STI) nationally, at 2,465 per 100,000. 6,867 new STI diagnoses were recorded in Southwark in 2014, which represents a 10% increase in the rate of new diagnoses over the period in which these services transferred from the NHS to the Council, between 2012 and 2014.⁴ Progress has been made in reducing teenage pregnancy although rates remain relatively high. High numbers of abortions and repeat abortions indicate that there is a need for improved contraception services and access to these. Southwark is doing well in achieving high rates of targeted screening for chlamydia in young people, with 37.8% of young people aged 15 to 24 being screened, significantly higher than the London and England screening rates, this is reflected in our diagnosis rate.

¹ <http://fingertips.phe.org.uk/profile/sexualhealth/data#page/1/gid/8000057/pat/6/par/E12000007/ati/102/are/E09000028>

² <https://www.gov.uk/government/statistics/hiv-data-tables>

³ <http://www.phoutcomes.info/public-health-outcomes-framework#page/0/gid/1000043/pat/6/par/E12000004/ati/102/are/E06000015>

⁴ <http://fingertips.phe.org.uk/profile/sexualhealth/data#page/3/gid/8000058/pat/6/par/E12000007/ati/102/are/E09000028/iid/91523/age/1/sex/4>

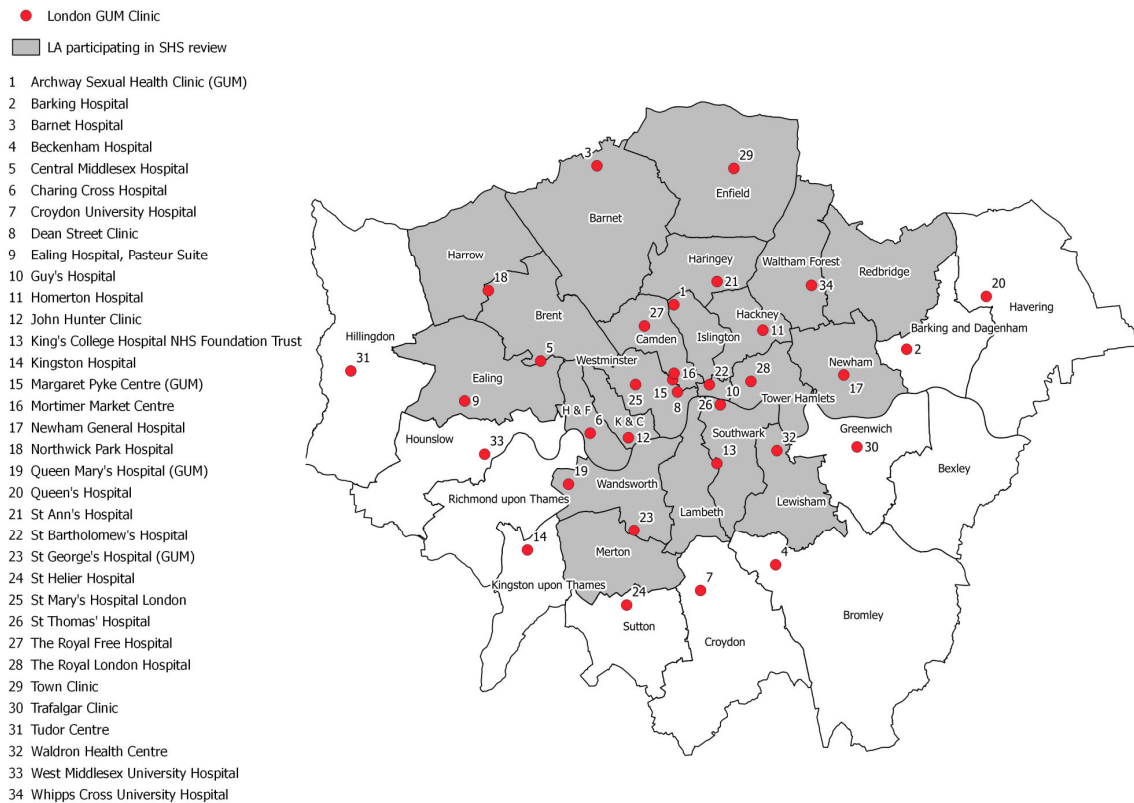
9. The three key groups nationally which are disproportionately affected by STIs and HIV nationally are young people, under the age of 25, men who have sex with men, and black African population groups. Socio-economic factors also contribute to poor sexual health outcomes. Southwark's population is particularly likely to be at risk of poor sexual health: the borough's population is young, ethnically diverse, has a proportionately large population of men who have sex with men and has areas of deprivation.
10. In light of the key public health challenges faced in the borough, on 29 January 2015, Southwark's Health and Wellbeing Board agreed the borough's Health and Wellbeing Strategy 2015-2020. The strategy seeks to address health issues within Southwark, to prevent ill health by promoting and supporting positive lifestyle changes, and to improve detection and management of health conditions. The Strategy notes that sexual ill-health and HIV is a health issue which is both 'high-burden' and 'worsening'.
11. Under the auspices of the new Health and Wellbeing Strategy, Southwark set out its ambitions to improve sexual health outcomes in a refreshed Sexual Health Strategy for 2014-17. The joint strategy, which was agreed in partnership with Lambeth, Southwark and Lewisham Councils and Clinical Commissioning Groups, was considered and agreed by Southwark's Health and Wellbeing Board on 29 January 2015. The vision of the strategy is to improve sexual health in Lambeth, Southwark and Lewisham by building effective, responsive and high quality sexual health services, which effectively meet the needs of the local communities of all three boroughs. The strategy sets out a new commissioning approach to improve cost-effectiveness and outcomes, seeks to reduce the high spend on clinical services, with an aspiration to deliver more preventative work in community settings, in line with the aim to promote sexual wellbeing and prevent sexual ill health. The strategy is being delivered locally through a Lambeth, Southwark and Lewisham sexual health transformation programme.
12. With the commencement of the new strategy, Southwark's Cabinet considered the issue of HIV prevalence in the borough in June 2015 and endorsed a commitment to halve the rate of late diagnosis of HIV by 2020, including through increased access to online testing options.
13. Within the new strategy, Lambeth, Southwark and Lewisham committed to exploring a range of alternative service models for sexual health, including online services and other technical innovations. It also set out that Southwark will examine options for streamlining and rationalising contracting mechanisms with genitourinary medicine and reproductive and sexual health service providers, including through a consideration of London-wide and integrated models of provision, as a member of the London Sexual Health Transformation Project.
14. A key component of the current joint sexual health strategy is the targeted work around sexual health promotion and prevention Southwark undertakes, working with groups at greater risk of experiencing sexual ill health, including young people, black African groups and men who have sex with men. Southwark contributes to a new London-wide HIV prevention programme, now in its second year. Southwark and Lambeth are establishing new sexual health promotion and prevention services, for community outreach work and condom distribution. Southwark works in partnership with local schools and through the Southwark Healthy Schools programme to ensure young people have access to good quality sex education.

15. Given the sharp rise in demand for local sexual health services, Southwark now faces key financial challenges in providing improved access to sexual health services in the borough. The public health grant, which funds sexual health services, is reducing, while the demand for testing and treatment services is increasing, and providers continue to seek increased cost per activity. In 2014-15 Southwark's public health grant was £22,945,551. This was also the initial level of allocation for 2015-16, but in July 2015 consultation on an in-year budget cut of 6.2% to public health funding nationally was announced. This cut was confirmed on 4 November 2015. This reduced level of funding is likely to be carried forward into future years. The future of the public health grant allocation remains unclear. The Advisory Committee on Resource Allocation published a consultation in October 2015 on an amended target formula for 2016-17, and the planned spending review is also likely to influence allocations which are due to be published in December 2015 or January 2016.
16. Southwark currently spends £10.5m (or 46%) of its public health grant on sexual health services. The largest part of this spend is for clinical genitourinary medicine services and reproductive sexual health services, with genitourinary medicine accounting for the larger portion of the budget. Directly commissioned services, that is those commissioned from local providers, Kings College Foundation Trust and Guys and St Thomas' Foundation Trust, are projected to cost £6,210,000 for 2015-16. The remainder of projected spend, currently forecast at approximately £4.3m for 2015-16, is comprised of re-charges from externally commissioned genitourinary medicine providers for Southwark residents attending clinics in other areas.
17. The current genitourinary medicine and reproductive sexual health services are based on historic service models. Sexual health services are, under regulation, "open access", to all persons present in a particular local authority area⁵. Local authorities are provided with public health funding in relation to their resident population. In practice, when a person receives a genitourinary medicine service outside their area of residence, the local authority where that person is resident is requested to pay. Currently, most reproductive health services are paid in block contract arrangements, and not cross-charged across boroughs. Accessibility is important to promote control of infections, however, the current service model, significantly reduces the ability of all local authorities to control the quality of services that their residents receive, and to receive timely data on service uptake to model demand and manage budgets.
18. The London Sexual Health Transformation Project has been working towards improved co-ordination and control of open access genitourinary medicine services across the city region. The project has undertaken work on collective agreements on pricing and contracts with key genitourinary medicine providers in London, securing lower tariff prices with key providers, and introducing provisions to operate marginal rates of payment for activity which was above the level of expected activity. It was agreed to extend the scope of the London Sexual Health Transformation project beyond pricing agreements, to include a joint review of genitourinary medicine provision in London.
19. The 22 Councils which participated in the London Sexual Health transformation review work were Barnet, Brent, Camden, City of London, Ealing, Enfield, Hackney, Hammersmith and Fulham, Haringey, Harrow, Islington, Kensington and Chelsea, Lambeth, Lewisham, Merton, Newham, Redbridge, Southwark, Tower Hamlets,

⁵ Statutory Instrument 351: Local Authorities (Public Health Functions and Entrance to Premises by Local Healthwatch Representatives) Regulations 2013 <http://www.legislation.gov.uk/ukxi/2013/351/contents/made>

Waltham Forest, Wandsworth and Westminster. The review set out that those 22 councils account for 83% of the spend on genitourinary medicine services in London and the clinics operating within their boundaries delivered approximately 80% of London's activity in 13/14.

London GUM Clinics and councils participating in Sexual Health review, 2015



20. The review looked at patterns of attendance across London in genitourinary medicine services. A significant proportion of all London residents attend clinics for genitourinary medicine clinics outside of their local authority of residence. In 2013, 54% of genitourinary medicine attendances across London were cross boundary, with an additional 6% of activity at clinics outside of London. The pattern of cross-boundary patient activity varies substantially by clinic and borough. Not all London boroughs have a genitourinary medicine clinic, of those that do, the proportion seen outside of area for care ranges from 16% to 75%. A significant proportion of cross-borough flow is into immediately neighbouring boroughs, as well as into a small number of large centres in central locations. Gay, bisexual and other men who have sex with men are more likely to be seen at clinics outside their local authority of residence than other groups. Factors associated cross-borough service use include convenience (e.g. proximity to work or study), but also local access and local availability of specialist or targeted services (e.g. young people's services).
21. Detailed modelling suggests that a collaborative move to an integrated service provision, with suitable arrangements for cross charging, and 'de-hosting' the reproductive sexual health services would be of financial benefit to Southwark, along with most other London Boroughs. Local commissioners are moving towards these integrated cross-charged arrangements as the first step in transformation, and aiming to put these in place from 2016-17, should agreement be reached across London.

22. To complete the transformation of services, a more accessible service needs to be commissioned, with the ability and capacity to deliver simple sexual health services outside of hospital provision, alongside a clinical provision that can be focused and targeted towards more medically complex cases.

KEY ISSUES FOR CONSIDERATION

Summary of the business case/justification for the procurement

23. The two procurement strategies set out herein relate to the provision of open access genitourinary medicine and reproductive health services.

Genitourinary medicine services

24. The best available data shows that, in 2014, there were 46,764 attendances at genitourinary medicine services, 29,893 were by Southwark residents. 67% of Southwark residents accessing genitourinary medicine clinic services attended a service provided by Kings College Hospital or Guy's and St Thomas' Hospital.
25. Local clinics also provided cross-charged genitourinary medicine attendances for out-of-borough persons. In 2014-15, 75% of patients at these clinics were for out-of-borough persons. The largest out of borough attenders were from Lambeth, followed by Lewisham and Wandsworth.
26. The locally commissioned genitourinary medicine services provided by Guys and St Thomas' NHS Foundation Trust are located at the Lloyd and Burrell Street Clinics (Southwark sites). Genitourinary medicine services provided by Kings College NHS Foundation Trust are located at the Camberwell Sexual Health Clinic (Lambeth site).

Reproductive and sexual health services

27. Reproductive and sexual health services currently provided by Guys and St Thomas' Trust in Southwark are located at Artesian Health Centre, and the Walworth Road Clinic. In 2014, the clinics located within Southwark, that is the Walworth Road Clinic and the Artesian Health Centre, saw 20,239 clients. 15,188 of these were Southwark clients and 5,051 clients from other boroughs or did not state their residency. 2,081 of the clinic clients were from Lambeth.
28. A number of Southwark residents also make use of reproductive and sexual health services provided in Lambeth sites by Guys and St Thomas' NHS Foundation Trust in the Streatham Hill Clinic and Clapham Manor Health Clinic, and specialist clinic provision at the Mawbey Brough Clinic and the Vauxhall Riverside Centre. Some clients seen in the Lloyds clinic are also charged as reproductive sexual health clients. In 2014, the clinics located within Lambeth saw 2,052 Southwark clients.
29. Reproductive and sexual health services are provided by Kings College Hospital for Southwark at the Caldecot Centre (located in Southwark) and the Camberwell Sexual Health Clinic (located in Lambeth). Data on reproductive sexual health attendances at Kings College Hospital services is not complete.
30. Southwark residents will also use other reproductive and sexual health services provided in other boroughs. Where these services have not been cross-charged we do not have information about these attendances.

31. Services at both Guys and St Thomas' NHS Foundation Trust and Kings College Hospital Foundation Trust moved towards an integrated services model for genitourinary medicine and reproductive sexual health whilst participating in a five year modernisation initiative from 2004 to 2009, funded by Guys and St Thomas' Charitable Foundation. The modernise initiative aimed at creating integrated sexual health services, rather than splitting provision into genitourinary medicine and reproductive and sexual health services to ensure users could have their needs met by as few staff and in as few attendances as possible.
32. However, despite the modernisation initiative, services with both local providers are paid for through two separate payment mechanisms in 2015-16, with genitourinary medicine payments being related to activity, and reproductive and sexual health clinic activity being paid under a block contract arrangement. Consequently, the services disaggregate the data relating to the services they provide to patients in all monitoring and reporting. This data is problematic at larger sites which provide both reproductive and sexual health services and genitourinary medicine services, such as Camberwell Sexual Health Centre, as it does not capture the detail of patient attendance and pathways.
33. The procurement strategies set out below are for the re-commissioning of the services currently provided by these clinics, within an improved service model and with an expanded range of access through the provision of online services. The upper annual contract value for both the future clinic provision and the online service represents Southwark's 2015-16 spend on these local services. There are no contractual arrangements in place that would overlap with the proposed procurement periods.
34. The review work set out by the London Sexual Health Transformation Project, as discussed above, suggests that collaboration across London boroughs is needed to deliver the level of change required, and to commission these services more effectively, to ensure robust quality and financial monitoring. This informs the procurement options considered and set out below.
35. The intention for the online service model being developed is that it will become the new 'front door' into health services will be web based, and that fewer clinics will be provided across London, but these will be focused on the most complex patients.
36. The proposed online service would provide customers with information about sexual health, conducting an electronic 'triage'. It would signpost customers to the most appropriate service for their needs, including in primary and community care settings. A core part of the online service provision will be the customer's ability to order self-sampling test kits and receive results, preventing healthy residents from needing to attend a clinic. The service will include a partner notification service.
37. The future model for clinic provision would be based around delivery in fewer service locations, focused on dealing with the most complex patients. The clinics would be properly linked with primary and community care provision, with improved service offers within primary care.
38. Service user engagement undertaken as part of the London Transformation Project work confirmed the acceptability of these alternatives to traditional services provided in clinical settings. The evidence review and discussions with providers suggests 15% to 30% of clinic activity can be redirected to lower cost sexually

transmitted infection services, such as the proposed online model. A “waiting room survey”, undertaken by the London project team, suggests that up to half of clinic attendees do not have symptoms. Further analysis shows that diverting 15% to 50% of patients to alternatives such as self-testing/sampling would deliver savings of between 8% and 30% on the cost of first appointments in genitourinary medicine clinics.

Market considerations

39. The market for provision of clinical genitourinary medicine and reproductive and sexual health services in London is limited. It is dominated by NHS Foundation Trust and NHS Hospital Trust providers. There are a limited number of voluntary sector organisations which provide basic genitourinary medicine and reproductive and sexual health services (described by the NHS as ‘level 1 and 2’ services).
40. On-line sexual health services are a recent addition to the market, however, there are a number of providers, both private organisations and public sector funded organisations that are currently able to provide a range of basic sexual health and STI and HIV sampling and testing services. On-line provision linked to pharmacies and ‘on-line doctors’ also provide treatment services for a range of STIs and a range of contraceptive services.

Options for procurement route

41. There are 2 procurement strategies under consideration:
- the procurement of an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services;
 - the procurement of genitourinary medicine and reproductive and sexual health clinic services.

Online/electronic service for the provision of sexual health services

42. The options for procurement of an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services are:

No.	Option	Impact
1.	Do nothing	<ul style="list-style-type: none"> - Costs may continue to rise, Southwark residents may access open access sexual health services provided outside the borough, with all simple and complex cases held within high cost clinical provision, incurring greater costs than commissioned online provision could provide. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the highest level of sexual health need do not access proportionately to other population groups.
2.	Status quo	<ul style="list-style-type: none"> - Demand for current clinical genitourinary medicine and reproductive and sexual health clinic will continue to rise, with residents likely to continue to attend clinical services within and outside Southwark, incurring greater costs than commissioned online provision could provide.

No.	Option	Impact
3.	Single borough competitive procurement	<ul style="list-style-type: none"> - May secure an electronic service provider for simple sexual health services that is value for money and can offer efficiencies in comparison to the current provision. - Existing modelling and services indicate that electronic services will have limited cost effectiveness and ability to develop at the scale and volume of a single borough sexual health service compared to services provided at or above five to six local authorities level of demand.
4.	Collaborative competitive procurement	<ul style="list-style-type: none"> - May secure a value for money solution. - Increased economies of scale over single borough procurement options. - Increased potential for service development where there is a higher demand contract base, and therefore marginal cost to development activities.
5.	Negotiation with potential suppliers	<ul style="list-style-type: none"> - May secure an electronic service provision that is more cost effective than clinic provision. - May not secure the best value for money service.
6.	Provide the service in-house	<ul style="list-style-type: none"> - The service may be costly to establish in-house, due to the clinical expertise required to deliver and manage the service.

43. The recommended option for procurement of an online signposting service is option 4 as set out above, is a collaborative competitive procurement, working with other London Boroughs, to ensure maximum economies of scale. Market analysis has indicated that there are a number of potential providers for online services. It is proposed that the London Borough of Camden will lead the contract across the 22 boroughs, working with the other boroughs in consortia or joint contracting arrangements.

Genitourinary medicine and reproductive sexual health services clinical provision

44. The options for procurement of genitourinary medicine and reproductive and sexual health clinical services are:

No.	Option	Impact
1.	Do nothing (provide no local services)	<ul style="list-style-type: none"> - Costs may continue to rise, Southwark residents may access open access sexual health services provided outside the borough, with all simple and complex cases held within high cost clinical provision. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the highest level of sexual health need do not access proportionately to other population groups. - Southwark may be in breach of the duty to provide sexual health services.
2.	Status quo	<ul style="list-style-type: none"> - Costs may continue to rise, with likely increased proposed pricing from NHS providers and all simple and complex cases held within more costly clinical provision within and outside of Southwark. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the

No.	Option	Impact
		highest level of sexual health need do not access proportionately to other population groups.
3.	Procurement of sexual health services through a framework agreement led by Lambeth Council	<ul style="list-style-type: none"> - May secure a value for money service, with improved outcomes. - May secure a commissioner-led transformed service which has the benefit of being able to secure clinical input into new service design, and deliver efficiencies. - May request that providers work together under a partnership or alliance model to provide a consistent service model and quality - Commissioner led transformation may allow better alignment with whole sexual health system redesign in Southwark, including primary care and sexual health promotion and the online service - May require considerable commissioner input to secure.
4.	Provide the service in-house	<ul style="list-style-type: none"> - The service may be costly to establish in-house, due to the clinical expertise required to deliver and manage the service.

45. The recommended option for procurement of genitourinary medicine and reproductive and sexual health services is option 3 above, procurement of sexual health clinical services under the light touch regime of the Public Contract Regulations 2015, with Lambeth Council establishing a framework with the chosen suppliers that Southwark Council will access. A collaborative consortium of providers will be explored through the negotiated approach.
46. Lambeth will be inviting other South East London boroughs to participate in the framework agreement, including Lewisham, Bexley, Bromley and Greenwich, to strengthen the commissioning position.

The approach to procurement

47. Lambeth, Southwark and Lewisham commissioning team will lead the commissioning work for the clinical genitourinary medicine and reproductive sexual health services for a south London region comprising of Southwark, Lambeth, Lewisham, Greenwich, Bromley and Bexley. Lambeth act as the lead commissioners for sexual health across Lambeth, Southwark and Lewisham under a formal tri-partite agreement. The commissioning team will work closely with RB Greenwich, LB Bromley and LB Bexley to ensure any interdependencies around service provision across the sub-region are planned for, and appropriate formal governance put in place. The Lambeth, Southwark and Lewisham commissioning team will work to develop a shared plan around capacity and demand management.
48. The services to be procured are classed as 'light touch' services. As noted in paragraph 45 it is Lambeth Council's intention to follow a negotiated process for the GUM service, relying on exemption provisions under the PCR15, and a contract waiver, allowing negotiations to be undertaken without a prior advert, which would then be with existing providers. The final route for negotiations and detailed tender process will be approved by the Strategic Director once plans are complete.

49. Commissioning/procurement of the online services (customer facing web page, partner notification and home sampling/testing) will need to precede genitourinary medicine and reproductive sexual health service commissioning so as to allow for activity to be moved online as part of the transformation. This proposal therefore asks for approval of Southwark's involvement in designing and procuring an online service for London. The Lambeth, Southwark and Lewisham commissioning team are currently acting as lead commissioner for service design for that service for London. The intention is that the service will be procured competitively by one of the London Boroughs, and is available in early 2017. Once put in place, individual London boroughs can determine when and how to use the service and at what volume they purchase the service on a framework basis. The collaborative commissioning will, however, have secured the best price (through economies of scale) and a consistent approach London-wide to support the wider transformation project.
50. During the commissioning work, London-wide online service tendering opportunities will be notified through the Official Journal of European Union Notice (OJEU).
51. The proposal does not seek approval of any specific funding or contractual commitments at this stage.

Identified risks for the procurement

52. The London Sexual Health Transformation Programme is maintaining a shared risk register across London Boroughs of the key risks to the transformation process and these are reflected below alongside specific risks to these two procurements.

	Risk	Risk level	Mitigation
1.	Lack of agreement between boroughs which undermines the ability to deliver system change at a consistent/ effective level or delays in signing up to the collaborative approach which cause delays and lack of clarity about who is involved	Medium	Require boroughs to be included in the procurements to seek cabinet approval of joint procurement by end December 2015
2.	Clinical risk if new treatment/testing pathways are not carefully designed and delivered	Low to Medium	Good public health advice, clear data and engagement
3.	Market destabilisation if London is not able to be clear about intentions	Low to Medium	Early sign up by boroughs and clear timetable for work
4.	Growing demand and system change not delivering a way of managing the financial implications	Medium to High	Growing demand is likely; good management and close working on performance monitoring should enable boroughs to respond where demand increases above expected levels

Key/non-key decisions

53. This is a key decision.

Policy implications

54. The proposed transformation work and procurement strategies are in line with the key national policy drivers and legislation.
55. The transformation work aligns with the council's Fairer Future principles, the Joint Health and Wellbeing Strategy, and the Lambeth Southwark and Lewisham sexual health strategy.
56. The transformation work aligns with Southwark Cabinet's commitment to "Halve It" – a resolution to halve the proportion of people diagnosed late with HIV (CD4 count <350mm3) in Southwark agreed by Council in 2015.

Procurement Project Plan (Key Decisions)

Online sexual health service provision – 22 London Boroughs	Complete by:
Enter Gateway 1 decision on the Forward Plan	17/09/2015
Children's and Adults' Board Review Gateway 1	28/10/2015
CCRB Review Gateway 1	12/11/2015
Approval of Gateway 1: Procurement strategy report	08/12/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	16/12/2015
All 22 participating London boroughs to have approved the business case at Cabinet level or equivalent	31/12/2015
Market work to assess and determine appropriate procurement route completed	31/12/2015
Service specification drafted and agreed for online service provision	31/01/2016
OJEU notice published, and opportunity advertised	31/01/2016
Contract award (Gateway 2) entered on forward plan	20/09/2016
Negotiations close / deadline for tender	01/11/2016
Children's and Adults/ Board review Gateway 2	15/11/2016
CCRB Review Gateway 2	31/10/2016
Approval of Gateway 2: Contract Award Report	30/11/2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	31/12/2016
Contract award	05/01/2017
Add to Contract Register	05/01/2017
Place award notice in Official Journal of European (OJEU) (if applicable), and publish in contracts finder	05/01/2017
Contract start	01/02/2017

Online sexual health service provision – 22 London Boroughs	Complete by:
Initial contract completion date	31/03/2019
Contract completion date – (if extensions exercised)	31/03/2023

Genitourinary medicine and reproductive sexual health clinic provision – South East London boroughs	Complete by:
Enter Gateway 1 decision on the Forward Plan	17/09/2015
Children’s and Adults’ Board Review Gateway 1	28/10/2015
CCRB Review Gateway 1	12/11/2015
Approval of Gateway 1: Procurement strategy report	08/12/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	16/12/2015
All 6 participating London boroughs to have approved the business case at Cabinet level or equivalent	31/12/2015
Service specification drafted and agreed	01/04/2016
Negotiations with providers	31/08/2016
Contract award (Gateway 2) entered on forward plan	31/08/2016
Children’s and Adults/ Board review Gateway 2	31/10/2016
CCRB Review Gateway 2	31/10/2016
Approval of Gateway 2: Contract Award Report	30/11/2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	31/12/2016
Contract award	31/12/2016
Add to Contract Register	31/12/2016
Place award notice if applicable, and publish in contracts finder	31/12/2016
Service mobilisation complete	31/03/2017
Service commences	01/04/2017
Initial contract completion date	31/03/2019
Contract completion date – (if extensions exercised)	31/03/2023

TUPE/Pensions implications

57. It is anticipated that TUPE would apply to the clinical services only. However, no council staff will be affected by TUPE. TUPE implications, if applicable for the online service, would be stated in the tender documentation.

58. The procurement plan timescale for the clinical services have been planned with the assumption that TUPE applies.

Development of the tender documentation

59. The tender documentation for the online sexual health service provision will be led by the London Borough of Camden working closely with and the Lambeth, Southwark and Lewisham commissioning team to develop these.
60. All tender documentation including the service specifications, tender briefs, pricing/evaluation criteria, contractual terms and conditions and invitation to tender will be developed with consideration of the London sexual health transformation review work, and feedback from local consultation.
61. Documentation will include a technical service specification outlining the scope and requirements of the provision to be delivered. The service specification will be developed on the premise that there will be a balance between providing enough information to enable assurance that bidders will offer what is needed whilst being flexible enough to allow for submission of responses that are compliant, innovative and demonstrate best value for money and will fully meet business needs.
62. The documentation for the procurement of genitourinary medicine and reproductive sexual health clinic services will be led by the Lambeth, Southwark and Lewisham commissioning team, working with Bromley, Bexley and Greenwich to develop these.
63. All documentation including the service specifications, pricing criteria and contractual terms and conditions will be developed with consideration of the London sexual health transformation review work, and feedback from local consultation. Documentation will include a technical service specification outlining the scope and requirements of the provision to be delivered.
64. Performance following the commencement of both contracts will be measured against key indicators and outcomes including appropriate specific sexual health indicators from within the Public Health Outcomes Framework.
65. The contractual commitments that it is proposed that Southwark enter into for the online service and the clinical provision will be taken through the relevant procurement processes in accordance with the Southwark's Contract Standing Orders, including Gateway 2, as indicated in the timetable set out for procurement.

Advertising the contract

66. It will be necessary to advertise a London-wide tendering opportunity for the online sexual health service provision through the Official Journal of European Union Notice (OJEU). For genitourinary medicine and reproductive and sexual health clinic services, it may be necessary to advertise through OJEU.

Evaluation

67. The requirement for robust monitoring and evaluation frameworks, and price and quality considerations will be built into all tender documents, with the price quality ratio to determine the most economically advantageous tender to be agreed between participating boroughs. Framework arrangements will be developed by the

lead for each procurement, in consultation with the participating boroughs, and must be agreed by the lead commissioner for each participating borough.

68. The evaluation methodology for the tender, and conditions for the negotiated clinical provision will be subject to approval by the Strategic Director of Children and Adults' Services.

Community impact statement

69. Equalities will be assessed during the procurement, prior to any decision on contract award.
70. Due to the interdependencies between councils, a high-level Equalities Impact Assessment of the London-wide changes will be undertaken by one council on behalf of participating boroughs and adapted as needed. As changes to individual service configurations within the sub-regions are developed, local procedures for assessing the impact on service users will be followed.
71. As with many health outcomes, sexual health is patterned by socioeconomic inequalities, with those from deprived areas at greater risk of negative outcomes, such as sexually transmitted infections and unplanned pregnancy. In Southwark, there is a particular need to ensure that groups who are over-represented in terms of infection rates (eg: men who have sex with men, young people, Black Africans) are served well by any transformed sexual health services. The Equality Impact Assessment will address this. The new commissioned services will have a focus on targeting the most affected population groups for poor sexual health more effectively than the current service provision. Open access sexual health services will continue to be available for those who are unable to access online service provision.
72. The scope of new service provision will be available to all residents who present with a sexual health need regardless of protected characteristics, and as such may be considered a universal service. Any impacts are likely to be positive in terms of the individuals engaging with the service. Consideration has been given to how sexual health affects residents and the impact of financial disinvestment from the overall treatment system has also been considered.

Sustainability considerations

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

Economic considerations

74. The health economics argument for investment in sexual health services illustrates the value that they deliver in downstream savings for health and social care services. For example:
- preventing unplanned pregnancy through NHS contraception services (RSH) has been estimated to save over £2.5 billion a year;

- preventing STIs such as Chlamydia dramatically reduces the costs associated with pelvic inflammatory disease and preventable infertility;
- increased access for women of reproductive age to long acting reversible contraception (e.g. intrauterine devices, injectable contraceptives and implants) and prompt access to emergency contraception has been proven to be cost effective; and,
- the average lifetime treatment cost for an HIV positive individual is calculated at approximately £276,000. The monetary value of preventing a single onward transmission is estimated to be between £0.5 and £1million in terms of individual social care and health benefits and treatment costs.

Social considerations

75. Improved access to sexual health services will improve the health and wellbeing outcomes of Southwark residents with need of sexual and reproductive health services.
76. Identified providers will be asked to demonstrate that they will pay London Living Wage (LLW) to all their employees and subcontractors involved in delivering the services, in order to fulfil the council's aspirations in relation to LLW.
77. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
- a) Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
78. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.

Environmental considerations

79. None applicable.

Plans for the monitoring and management of the contracts

80. All providers of commissioned services will be required to submit detailed monitoring data and report against key performance indicators, including indicators from the Public Health Outcomes framework where relevant. These will be determined by local need and by national clinical standards.
81. The lead commissioner for Southwark, currently the Interim Head of Commissioning, will work with the Lambeth, Southwark and Lewisham sexual health commissioning team to review the performance of the contracts quarterly at the Lambeth, Southwark and Lewisham Sexual Health Commissioning Board. The commissioning team will meet with the providers on a monthly or fortnightly basis in the early implementation phase, frequency to be determined according to identified risks and appropriate mitigation.

82. The lead commissioner for these services will be responsible to the Strategic Director of Children's and Adult's services for the performance and quality of services provided under these contracts. A detailed report will be provided to the Strategic Director of Children's and Adults' Services on the monitoring and management arrangements for the contracts.
83. Successful transformation of sexual and reproductive health clinical services is dependent upon having in place effective primary and community sexual and reproductive health services, including services commissioned by the CCG and NHS England, and the commissioning team will work closely with these areas to achieve this as part of the joint sexual health strategy.

Staffing/procurement implications

84. The transformation will be effected utilising current staffing resources.

Financial implications

85. Southwark's Public Health Grant allocation for 2015-16 was £22,946,000, but is subject to an in-year cut of 6.2%.
86. The proposed contracts that will be entered into with providers after the transformation project has concluded will be for an initial contract term of 2 years, commencing 1 April 2017 to 31 March 2019; with an option to extend for 2 further years (up to March 2021) and a further two years (up to March 2023) subject to performance and funding availability.
87. Southwark's estimated/forecast annual spend on local genitourinary medicine and reproductive sexual health services with Kings' College Hospital and Guys and St Thomas' Hospital at 2015/16 is c.£6,210,000. The collaborative commissioning service contract will also include contributions from Lambeth, Lewisham, Bromley, Bexley and Greenwich Councils, with an aggregate value yet to be determined. Southwark will be seeking reductions of 30% from the current spend over the term of the contract.
88. The online self sampling/testing service will be procured and made available to residents of Southwark only when the council has signalled it is ready to proceed. A pilot scheme has been in operation in Lambeth and Southwark since March 2015 and the learning from this will inform service design ahead of a pan London procurement process. Further learning is required to ensure, that in opening this new service channel, current activity will be redirected to lower cost channels and the risk of simply adding (albeit cheaper) activity volumes is mitigated against.

Legal implications

89. The Health and Social Care Act 2012 ("the Act") introduced changes by way of a series of amendments to the National Health Service Act 2006. The Act gives local authorities a duty to take such steps as it considers appropriate to improve the health of the people in its area. In general terms, the Act confers on local authorities the function of improving public health and gives local authorities considerable scope to determine what actions it will take in pursuit of that general function.

90. Secondary legislative provision, such as the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 require local authorities to provide certain public health services. The public health services which local authorities must provide are:
- a) National Child Measurement Programme
 - b) Health checks
 - c) Open access sexual health services
 - d) Public health advice service to Clinical Commissioning Groups.
91. There is no established practice of consultation on the design of sexual health services provision. The London project team has undertaken provider and service user engagement via surveys, questionnaires, focus groups, stakeholder events and one-to-one sessions. The Local Government and Public Involvement in Health Act 2007 requires councils to ensure that members of the public are involved in decisions regarding (inter alia) commissioning of health services, which may involve public consultation but need not do so.
92. In any collaborative commissioning/procurement exercise, it is essential that clear and effective inter-borough arrangements are put in place, not only in connection with the procurement process but also in relation to the subsequent operation of the contract. An interim collaborative governance structure across London (Memorandum of Understanding) with representatives from all participant councils has been agreed. Detailed governance arrangements for the south east London clinical services procurement and the London online service procurement will be developed in line with the development of the contract documentation. Governance arrangements will ensure there is clear accountability and liability between the councils and appropriate binding inter authority agreements where needed. Professional services arrangements will ensure that there is consistency of approach, legal, procurement, financial and communications advice and appropriate programme and project management.

Consultation

93. London-wide work to date has involved extensive consultation with providers, clinicians, stakeholders, representative bodies, and service users as set out in the business case. Further co-production work will be undertaken as each element of the new service pathway is designed. There is an appetite on the part of the service users for changes to an online/entry point for sexual health services, an acceptance that primary care would be an accessible location for many services currently available in clinics and that more community level access points would be beneficial in promoting sexual health. The Lambeth, Southwark and Lewisham commissioning team have undertaken an extensive consultation exercise from July – October 2015 to seek citizens' views on the provision of sexual health services outside of hospital settings, and in particular in primary care and pharmacy settings. Initial findings indicate that citizens are happy to access sexual health services in primary care and pharmacy settings.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

94. This report is seeking approval for the procurement of two sexual health service contracts, an online electronic service that will operate across Southwark and 21

other London boroughs and a genitourinary medicine and reproductive and sexual health service, both for a period of up to six years.

95. The report summarises the context for these wrap around services including the nature and delivery of current sexual health services provision within Southwark.
96. Paragraphs 23 to 38 outline the financial and qualitative rationale for undertaking a collaborative competitive procurement for online services and a Lambeth led framework agreement with chosen providers for the GUM and RSH service.
97. Paragraphs 39 and 40 confirm that there are a limited number of providers in the market for the provision of clinical genitourinary medicine sexual health services whilst for online services the market is more mature but still developing.
98. Paragraphs 41 to 43 confirm the alternative procurement options that were considered and discounted with two procurement routes recommended by officers as the best options for delivering these respective services.
99. The report confirms that detailed evaluation models will be developed for these procurements and these will be subject to separate approval by the strategic director of children's and adult services.
100. Paragraphs 80 to 83 provide a brief summary of the monitoring and management arrangements that will be established for both contracts. It is anticipated that the separate approval mentioned above and the Gateway 2 will provide further information concerning how performance information and contract management will be collated and managed across London boroughs to ensure the services provide satisfactory outcomes.

Director of Law and Democracy

101. This report seeks approval of a procurement strategy for two sexual health service contracts, namely (i) an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification and (ii) a genitourinary medicine and reproductive sexual health service. Paragraphs 41 to 46 set out the various options for the procurement of these services and the preferred option in each case.
102. The services to be procured fall within one or more of the categories of "light touch" services as defined under the current EU procurement regulations (the Public Contracts Regulations/"PCR" 2015). The report notes that the procurement of the online/electronic service will involve an EU compliant competitive process in collaboration with a large number of other London boroughs, whilst the GUM and RSH services are to be procured through a framework agreement led by Lambeth Council. The PCR 2015 requires that, where a joint procurement is being undertaken, the contracting authorities will be jointly responsible for fulfilling their obligations under the Regulations. The PCR 2015 permits negotiations to be conducted without a call for competition in certain circumstances, and further advice will be provided to the strategic director of children's and adults' services (to whom the approval of the final detail of the procurement process has been delegated) once further details of the procurement are known, to confirm that there are valid grounds for commencing the procurement using that procedure.

103. The proposed procurement strategy for these services is consistent with the council's legal duties and powers in relation to the provision of health services and with its Contract Standing Orders ("CSOs"). Paragraph 77 summarises the Public Sector Equality Duty imposed by the Equality Act 2010 ("EA"). Whilst the report advises (at paragraph 72) that the new service provision is intended to have universal availability and accessibility, paragraphs 70 and 71 confirm that an equality impact assessment will be undertaken and subsequently reviewed in order to assess and monitor the effectiveness of the services amongst specific individuals and groups across the participating boroughs, in particular, those affected by poor sexual health. Carrying out such an assessment and keeping it under regular review should assist officers to demonstrate that due regard has been had to the requirements of Section 149 of the EA. Decision makers must be satisfied that this duty has been complied with when considering a report's recommendation/s. Paragraph 93 of this report sets out the consultation that has taken place, which the cabinet should take into account when taking a decision on the recommendations in this report.
104. The proposed procurement of the new service provision is classified as a strategic procurement under CSOs and therefore the decision to approve the report recommendations is one which is expressly reserved to the cabinet, after consideration of the report by the corporate contract review board (CCRB).

Strategic Director of Finance and Governance (FC15/036)

105. The strategic director of finance and governance notes the recommendations in this report for the procurements of a contracted online/electronic service for the provision of sexual health services, and joining a framework for genitourinary medicine and reproductive sexual health services.
106. The first contract is due to commence in February 2017 (being part of the 2016/17 financial year) and the second in April 2017 (being part of the 2017/18 financial year).
107. The report identifies how this statutory provision is a substantial part of the public health expenditure for the council, and that the revised arrangements are designed to deliver savings for that budget. The contract award report will clarify what arrangements have been made, and forecast costs.

Director of Public Health

108. Public Health supports the proposed transformation programme for sexual and reproductive health services. Southwark has some of the highest levels of sexually transmitted infections, HIV and abortions in London, due to its young, mobile and ethnically diverse population, large population of men who have sex with men (MSM) and significant levels of deprivation. This demography, combined with improved service access following the modernisation initiative have resulted in high levels of demand for services and considerable success in reducing rates of teenage pregnancy and late diagnosis of HIV and in increasing chlamydia testing.
109. However, within sexual health commissioning and provider services there are currently a number of challenges:
- the need for Local Authorities to make significant savings to the public health sexual health budget over the next two years amounting to a minimum of 25% by the end of 17/18;

- the current under provision of services given the levels of population need.
 - GUM services currently operating at full capacity;
 - the rising need within the population and new demand from emerging communities who are likely to have poor sexual health and who may not be well served by existing services;
 - the disproportionate focus of spend on treatment - with only 2% on prevention activities;
 - the diversity of the population need within Southwark and the range of service offers required to meet them; and,
 - the significant risks to population health if access to testing and treatment is not maintained within the general population and increased amongst key at risk groups.
110. Reducing access to testing and treatment will result in increased numbers of infections, delays in treatment and increases in complications such as infertility, premature delivery, ectopic pregnancy and for HIV, death.
111. Thus a strategically led, planned, co-ordinated programme of transformation, as proposed here, which focuses on prevention and self testing through an enhanced on-line, pharmacy and primary care offer, presents the opportunity to:
- deliver on savings without reducing access;
 - offer sexual and reproductive health access closer to home;
 - increase testing coverage of STIs and HIV through an expanded offer of self testing online, within pharmacy and primary care;
 - better meet contraceptive needs within key groups to further reduce teenage pregnancy, abortion and repeat abortions; and,
 - better meet complex needs through appropriate specialist services.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Lambeth, Southwark and Lewisham Sexual Health Strategy	Lambeth, Southwark and Lewisham Sexual Health Commissioning Team	Andrew Billington 020 7525 3599
Link: http://www.lambeth.gov.uk/social-support-and-health/lambeth-southwark-and-lewisham-sexual-health-strategy		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
Report Authors	Dick Frak, Interim Director of Commissioning	
Version	Final	
Dated	26 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Director of Public Health	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	26 November 2015	

Item No. 13.	Classification Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Housing Revenue Account – Indicative Rent Setting and Budget Report 2016/17	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

Each year, cabinet agrees an indicative budget for Southwark's Housing Revenue Account, together with indicative rent levels, for the forthcoming year before sharing these with tenants' and residents' representatives for consultation. The report also considers what the appropriate charges should be for a variety of housing services. Final decisions will be taken by cabinet on 26 January 2016.

This year's budget is faced with a significant new challenge. In July's budget, the Chancellor of the Exchequer announced that he would be forcing councils and housing associations to cut their rents by one per cent year-on-year for the next four years and this change now forms part of the Welfare Reform and Work Bill. In Southwark, this means that the council will lose a cumulative £62.5m over those four years, creating a significant hole in our previous financial plans for housing.

This indicative budget therefore considers carefully how the council can mitigate this deficit in our funding and proposes savings and new income generation to bridge the gap. As stated in the report, the emphasis will very much be on making efficiency savings where we can to minimise the impact on frontline services received by tenants and residents.

I am therefore asking cabinet to consider the recommendations in this report and then allow consultation on its proposals before we take our final decisions in January.

RECOMMENDATIONS

1. Cabinet notes on a provisional basis a rent decrease of 1.0% for all HRA dwellings (including estate voids and hostels) with effect from 4 April 2016. This is in accordance with the provisions of the Welfare Reform and Work Bill currently passing through Parliament, and is contrary to previous council policy regarding rents. The average dwelling rent in 2016/17 under such a reduction would be £100.24 per week (a fall of £1.01 per week on average).
2. Cabinet notes that the rental base will reduce by c. £28 million over the next four years from that previously predicated in the HRA business plan. The compound effect of the rent reduction and loss of resources over the same period is c. £62 million, which has necessitated changes to the business plan model going forward.
3. With regard to other HRA-wide charges, cabinet notes on a provisional basis no change to tenant service charges, comprising the estate cleaning, grounds

maintenance, communal lighting and door entry maintenance charges as set out in paragraphs 50 – 51 with effect from 4 April 2016.

4. Cabinet notes on a provisional basis no increase to sheltered housing service charges as set out in paragraph 52 with effect from 4 April 2016.
5. Cabinet notes on a provisional basis no increase in direct charges for garages, store sheds and parking bays, and the proposals of the Garages Working Party regarding the introduction of fixed service charges for qualifying units as set out in paragraphs 53 – 54, and recommends to the Leader of the Council that any decision regarding the introduction of these charges is delegated to the Cabinet Member for Housing.
6. Cabinet notes on a provisional basis no increase to district heating and hot water charges as set out in paragraphs 55 – 56 with effect from 4 April 2016.
7. Cabinet notes that water and sewerage charges levied by Thames Water are liable to an inflationary uplift as set out at paragraph 57, but as yet the council has not been informed by Thames Water of what that increase will be.
8. Cabinet reaffirms its commitment to ensure that savings proposals are primarily based on efficiencies, and where staffing reductions form part of any savings proposal, that due consultation and process is followed with trade unions, as paragraph 42 notes.
9. Cabinet instructs officers to provide a final report on Rent Setting and the HRA Budget for 2016/17 after due consultation processes with residents have been followed for consideration at their meeting on 26 January 2016.

BACKGROUND INFORMATION

Statutory framework

10. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, homeowner service charges and other income. The council has a statutory responsibility to set a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).
11. The Welfare Reform and Work Bill and the Housing and Planning Bill, both currently going through Parliament, make specific and significant provision for changes to the law affecting social housing providers from both April 2016 and April 2017.

KEY ISSUES FOR CONSIDERATION

Self-Financing and the Emergency Budget (8 July 2015)

12. As reported to cabinet in previous years, the key principle underlying the introduction of self-financing was the generation of revenue surpluses sufficient to meet the investment needs of the stock over thirty years, without further government support. However, the key assumptions made by government in

arriving at the settlement figure in late March 2012 did not adequately reflect the financial reality facing Southwark.

13. Changes in government policy since 2012 have impeded the council's position in relation to the realisation of rental income to the levels originally expected. In January 2015 cabinet resolved to follow future guidance under the 2014 Spending Review, and limit rent increases to September CPI plus 1% for the next four years. Accordingly, the rent rise for 2015/16 was set at September CPI + 1%, which was 2.2%.
14. Notwithstanding policy changes already effected by the Department for Communities and Local Government (CLG) since the commencement of self-financing, such as 'Reinvigorating the Right-to-Buy', the Emergency Budget of the new government in July 2015 contained three elements directly relevant to the provision of social housing, and which significantly shift the parameters of HRA business planning:
 - The imposition of a reduction in rents over the next four years (since proposed as part of the Welfare Reform and Work Bill);
 - The introduction of the "pay-to-stay" policy regarding high earning tenants (now part of the Housing and Planning Bill); and
 - An indication that the status of lifetime tenancies is to be looked into.
15. Finally, a brief run-through of proposals regarding the forced sale of high value void properties will follow, as this also formed part of the Housing and Planning Bill published in October 2015.

National rent reduction

16. For the first time in many years the government intends to legislate regarding social rents, by the inclusion of a clause within the Welfare Reform and Work Bill instructing councils and housing associations to reduce rents by 1% each year from April 2016 to April 2019 inclusive (i.e. 2016/17 to 2019/20). The rent reduction is to be calculated against a base rent figure applicable on 8 July 2015, and provision is to be made for tenancies which commence during the four-year period to also benefit from this decision.
17. At the moment, there is no provision to be made to compensate social housing providers for the loss of income incurred by the imposition of this new legal requirement, which comes only a year after the setting of rent levels for a ten-year period by central government within the 2014 Spending Review.
18. It has been Southwark policy for a number of years to keep rent rises low (in accordance with government guidance/expectations), and as previously advised, Southwark's rents remain c.10% lower than the government's assumed target and rank 7th lowest of the 29 London Boroughs with retained housing stock. Whilst the imposition of a rent reduction can be seen as good for tenants, it needs to be seen in the context of the reduction in available resources to the council's HRA and the potential impact on service provision, debt repayment and the council's ability to support its investment programme and direct delivery aspirations. Appendices A and B set out Southwark's actual and target rents in relation to other stock-holding London boroughs.

19. Under previous government policy, the rent rise at CPI + 1% for the next ten years had been guaranteed, enabling councils to plan their resources accordingly. For Southwark, the working assumption had been that given historically low inflation levels at present, the resultant rent increases should be assumed to be accordingly low, at 1% per annum for the next four years, in tune with the previous commitment under the Spending Review. Converting this 1% increase into a 1% shortfall has the following resource implications:

Timescale	Cumulative Resource Shortfall	% of Gross Exp 2015/16
1 year	£3.8 million	1.34%
4 years	£62.5 million	21.97%

20. Whilst the initial (year one) impact can be contained within the existing parameters of the HRA (£3.8 million represents 1.34% of gross HRA expenditure in 2015/16), the effect of four years of enforced reductions is more significant requiring re-profiling and re-prioritisation of budget plans in order to preserve the statutory requirement to set a balanced budget, with the impact falling broadly as follows:
- An increased level of HRA-related savings beyond those already programmed under the originally anticipated rent level;
 - A reduction in revenue support to the investment programme; and
 - A re-evaluation (and extension) in the profile of debt repayment.
21. These changes have been reflected in the business plan which is subject to continuous review to ensure that the key budget drivers are accurate, up to date and aligned with the council's fairer future policy priorities.

Pay-to-stay

22. The second major proposal within the Emergency Budget was the announcement that the government intends to implement a compulsory version of the so-called "pay-to-stay" policy, whereby higher-earning tenants are automatically charged a higher rent (whether at market or "affordable" levels), and provision is made within the Housing and Planning Bill to this purpose. As yet there is little detail available regarding the collection of earnings income, any possible exemptions, or dynamic effects, such as those self-employed tenants who might be periodic high-earners, as this part of the Bill is somewhat reliant on regulations to be issued post-enactment by CLG.
23. The introduction of the policy is also expected to lead to increased right-to-buy sales of council housing and add further rent loss to the HRA business plan. The Association of Retained Council Housing (ARCH) has observed that the costs of administering the policy will effectively mean the introduction of "means-testing" every tenant to assess their household income – a significant additional administrative burden.
24. Government has consulted on versions of this policy on two previous occasions, and the council responded with detailed submissions both times. In the Emergency Budget statement, the Chancellor indicated that a further consultation would be undertaken, and this took place during October/November

2015. A particular change to the previous position is the tightening of the trigger-point for household qualification in London from £60,000 to £40,000. This is likely to cover a considerably greater proportion of the current Southwark tenant population than was previously the case.

25. It should also be borne in mind that it is the intention of central government to have any additional rent income occasioned by this policy remitted directly to HM Treasury, removing any local benefit or incentive for its accurate or timely operation.

Lifetime tenancies

26. The Emergency Budget made no concrete proposals regarding lifetime tenancies other than to say that it was the intention of the government to examine their appropriateness and application in due course. It should be noted that there was also no provision within the Housing and Planning Bill published in October 2015 in this regard. However, there have been some press reports that the government is considering limiting new tenancies to a five-year maximum period, but at the time of writing, this has not been confirmed (or denied) by CLG.

High-value void property sales

27. The Housing and Planning Bill contains clauses setting out the government's intention to require local authorities to remit sums to them equivalent to the value of sales of high value void properties. CLG intend to estimate this figure in advance and therefore local authorities could, if they were able, finance this by other means than void property sales. To all practical terms however, the sums involved are likely to be so great that only void sales could meaningfully realise them. It is the government's intention to part-fund the extension of right-to-buy to housing association tenants by this route.
28. Earlier in 2015 a possible matrix of trigger points by bed-size and region beyond which the definition of "high value" would apply was published for exemplification purposes. For London this ranged from £340,000 – £1.205 million. A key technical issue for authorities is the mechanism by which the current value of individual void properties is to be arrived at, as research by London Councils and other sector groups has found LA stock data to be very value-sensitive.
29. It is difficult to see how this policy will work without being to the detriment of stock-owning authorities, given that those that have already divested their stock will not be in a position to contribute. Also, as the Mayor of London has already observed, without suitable regional protection it is very likely that there will be a net outflow of resources from the capital as a consequence of the policy.
30. As with other aspects of government policy detailed above, the consequence of the forced sale of high value voids will be further deviation from the stock and rental income assumptions underpinning the self-financing settlement in 2012.

Challenging the 2012 self-financing debt settlement

31. Section 169 of the Localism Act 2011 made provision for settlements to be reconsidered at the discretion of the secretary of state by means of further payments to or from the LA and CLG, and it is likely that a local authority-driven request for this would have to be actioned by means of a judicial review of any

refusal to exercise this power. Whilst this course has some attractions on the basis of Southwark's individual rent income circumstances being substantially less than that originally modelled (as Appendix C sets out), caution is advised; since the debt settlement was in essence predicated on a notional national HRA, and unless significant additional government support were to be included as a pre-condition, there would likely be significant losers as well as gainers from a re-examination of the assumptions and outcomes of the model. It is by no means guaranteed that Southwark would end up a net "winner" at the conclusion of the process.

32. Conversely, the housing regulator is to be given powers to assist or exempt housing associations where viability can be proven to be an issue under the Welfare Reform and Work Bill, and it appears that this proviso is intended to apply to the LA sector as well. However, the terms for this are entirely at the direction of the secretary of state, and direct intervention may have unintended consequences for any individual local authority.
33. Appendix C sets out in chart form the anticipated annual rent debit under the original self-financing model from PricewaterhouseCoopers for CLG, the current HRA business plan, and the revised model incorporating the rent reduction. It can be seen that the self-financing model's assumptions regarding rent inflation for its first few years at 3.5% p.a. were an underestimate in 2012/13 due to the pressures of rent convergence, but have been overestimates for the last three years (including the national rent reduction for 2016/17). However, the rapid divergence between the model and the business plan is because of other central government assumptions regarding rent convergence by 2015/16 and the application of the "Reinvigorating the Right-to-Buy" policy. The table below sets out these divergent figures.

	Original Debt Settlement model	Actual Data
Rent Inflation		
2012/13	3.5%	7.96%
2013/14	3.5%	4.85%
2014/15	3.5%	2.70%
2015/16	3.5%	2.20%
2016/17 (proposed)	3.5%	(1.00%)
Over five years	18.77%	17.62%
Guideline v actual rent	<i>Guideline</i>	<i>Actual</i>
2012/13	£96.82	£91.94
2013/14	£101.83	£96.40
2014/15	£107.07	£99.07
2015/16 (= target rent)	£112.56*	£101.25
Right-to-Buy sales		
2012/13	40	94
2013/14	46	250
2014/15	52	304
2015/16 (estimated)	54	300
Over four years	192	948
Stock assumption/actual		(mid-year)
2012/13	38,807	38,888
2013/14	38,581	38,518
2014/15	38,358	38,085
2015/16 (LBS estimate)	38,148	37,593

* Actual target rent in 2015/16 = £110.95, rather than the model's estimate of £112.56.

Target Rents for New Lets

34. As part of last year's HRA budget consideration, and in line with CLG expectations, cabinet resolved to adopt the proposed "straight to target" policy for new lets, with a set of exemption criteria to reflect specific circumstances. In the first six months of 2015/16 832 void properties have been let, of which 647 were straight to target, and 185 exempted, broadly in line with expectations.
35. As noted last year, any exemption criteria will not apply to new build council stock since (notwithstanding the changes to national rent policy outlined above) the financial viability of the direct delivery programme is in a large-part dependent on the realisation of target rent levels.
36. Initial drafts of the Welfare Reform and Work Bill did not address this area in terms of a statutory rent reduction over four years, meaning that the policy might not be workable post-April 2016; however, later clauses and schedules inserted by the government at the Committee stage of the Bill indicated that a re-let property should have the rent reduction applied at either the rent applicable on the designated day under the Bill (8 July 2015) or at the target rent for that property, if it had been subsequently let at that level.

Savings and service development

37. For reference, the table below sets out the principal budget movements in the HRA over the last five years.

	Inflation £'000	Financing & Rents £'000	Commitments/ Redistribution £'000	Efficiency & Other Savings £'000	Net Change £'000
2011/12	1,600	(5,443)	13,084	(9,241)	-
2012/13	1,400	856	4,100	(6,356)	-
2013/14	1,978	(6,609)	10,663	(6,032)	-
2014/15	1,704	135	4,054	(5,893)	-
2015/16	2,384	(5,029)	8,107	(5,462)	-
Total	9,066	(16,090)	40,008	(32,984)	-

38. Whilst the funding regimes for the HRA and the Council's General Fund are different, the budget principles are aligned. The HRA continually strives to become more efficient, particularly with regard to back-office and departmental and corporate overhead functions in order to protect front-line services. As the table above shows, £33.0 million of efficiency savings and budget rationalisation measures have been successfully delivered in the HRA, whilst maintaining and improving the quality of services to residents. Alongside this, more robust contract management and control of high value/high volume budgets continue to deliver better value for money and it is these factors that have been instrumental in mitigating the initial impact of self-financing and subsequent reductions in the resource base introduced by government, which continues to provide a sound budget platform going forward.
39. Notwithstanding this, the process of budget review and rationalisation is a continuous one, particularly against the backdrop of the imposition of a national rent reduction, rising service demands, an increasing cost base and the commitment to the council's fairer future promises, which were updated in July 2014. In 2015 the council plan expanded on this, adding six key themes.

Appendix D sets out in full the theme most directly linked to the HRA, 'Quality Affordable Homes'. Financial management of the HRA is a key aspect in ensuring the council continues to improve housing standards, build more homes of every kind, make all council homes warm, dry and safe and start the roll-out of the quality kitchen and bathroom guarantee.

40. £10.5 million of savings have been predicated as part of setting a balanced budget for 2016/17. Whilst these are predominantly of an efficiency nature, it is becoming increasingly difficult to realise savings without impacting on service delivery to some extent. Resources are unlikely to ever fully match the needs of the housing stock, particularly the level of capital investment required, which will inevitably require the prioritisation, rationalisation and re-profiling of works programmes going forward. Appendices E, F and G set out the indicative revenue budget movements as they relate to 2016/17, including a list of savings, proposed service changes and income generation measures.
41. The proposed savings list in Appendix G includes £2.3 million identified as a reduction in service level agreement (SLA) costs (commonly referred to as support cost recharges (SCRs)). This amount relates to savings of a corporate nature generated in the General Fund, a proportion of which applies to the HRA. A further reduction of £1.0 million in bad debt provisions is also included following review of collection performance.
42. Arising from the savings proposals, and consequential to the restructuring of the council as a whole (see the 'Council restructuring' section below), there is likely to be some staffing impact as services are reviewed and rationalised. Detailed restructuring proposals are still being formulated and will be managed in accordance with the council's consultative procedures.
43. As in previous years, setting a balanced budget for the HRA also entails consideration as to any additional support for the council's investment programme, and as Appendix E notes, some £4.5 million has been set-aside for this purpose. It is unfortunate that the reduction in rents has meant that the previously intended level of support for the capital programme has had to be curtailed as a consequence.

Commitments/unavoidable demands

44. General inflation – as with assumptions for the General Fund, employee-related inflation has been assumed at 2.0% overall, 1% for national pay award and a further 1% for other incremental and contractual uplifts. There is a general inflation rate of zero to 2% applicable across HRA operational budgets, depending on the nature of the expenditure, with the exception of works/service contracts that are tied to CPI/RPI or industry-specific rates. The total is estimated at £2.5 million.
45. Budget commitments are estimated at £3.7 million for 2016/17 as follows:
 - £0.1 million, comprising three items related to compulsory charges imposed by central government for the housing ombudsman service and enhanced digital survey requirements;
 - £0.7 million for additional buildings insurance costs (recoverable from homeowners) and expansion of the cash incentive scheme, for which government funding has been made available;

- £0.7 million relating to the removal of any grace period for the levying of council tax on void properties, additional cleaning and support for hoarding cases and specialist support specific to HRA business planning; and
- £2.2m comprising: additional funding required for the enhanced void standard, the transfer of the stair-lift maintenance function into the HRA and the cost of repair and maintenance of emergency lighting installations following the large-scale fire risk assessment programme.

HRA financing

46. The self-financing settlement assumed that residual debt would be extinguished over the thirty-year life of the HRA business plan. Whilst there is no statutory requirement for a minimum prepayment set-aside (unlike the General Fund), £55.1 million has been repaid since 2012 and the HRA continues to make prudent provision for debt repayment, providing greater budget flexibility and increasing the council's HRA borrowing headroom, which is a critical element in financing the investment programme. This remains subject to review in light of available resources.
47. As reported in previous budget reports, local authorities are now required to adopt a component-based approach to calculate depreciation. Transitional arrangements have been agreed with CIPFA across the sector to permit a continued major repairs allowance-based approach, and the council is moving towards a fully componentised methodology with full implementation due by 2017/18. To achieve this, it has been necessary to prepare by way of an incremental uplift through the budget planning process which commenced in 2015/16. Whilst the revenue impact is acknowledged, the corollary is an increase in capital resources to support the Investment Programme. The impact in terms of the 2016/17 budget is an additional contribution of £1.0 million for financing purposes.

HRA reserves

48. In common with other local authorities and the council's General Fund, the HRA holds reserves, together with general balances for cash-flow purposes. In accordance with the medium term resource strategy (MTRS), the council has adopted a structured approach to the maintenance and replenishment of balances over the last few years. It is appropriate to keep reserves under periodic review and maintained at a level to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward.
49. Reserves and working balances at 31 March 2015 stand at £25.9 million, albeit around three-quarters are earmarked for pre-determined purposes. Any surplus (or deficit) generated during the year will continue to be applied to, or met from reserves in the normal way.

Tenant service charges

50. Tenant service charges were de-pooled from rent as part of the government's rent restructuring regime in 2003/04. This was to enable greater consistency and transparency between local authority and RSL sectors. After a freeze of

several years, charges were re-based in 2015/16 and increased by 2.2%, which was the same level as the dwelling rent increase (September CPI + 1%).

51. Since the base costs have not materially altered since 2015/16 it is therefore proposed to freeze tenant services at their 2015/16 levels. However, the council reserves the right to continue to review these charges annually, and changes to the cost base may mean that the future three years of dwelling rent reductions cannot continue to be mirrored in this way.

	2015/16 £ per week	2016/17 £ per week	Percentage change
Estate Cleaning	4.70	4.70	0.0%
Grounds Maintenance	1.11	1.11	0.0%
Communal Lighting	1.20	1.20	0.0%
Door Entry System Maintenance	0.70	0.70	0.0%
Total	7.71	7.71	0.0%

52. The council is currently reviewing the level and scope of services covered by the sheltered housing service charge, and following separate consultation with users will bring forward any proposals for change during 2016/17. On that basis, cabinet is recommended to leave the base charge unchanged for the commencement of 2016/17.

Garage rents

53. Garage rents were last subject to change in 2012/13. Generally, demand for garages is strong, particularly in the north of the borough, and the council has embarked upon a programme of refurbishment designed to bring under-utilised stock back into use, which in turn generates rental growth. When consulted during 2015, the Garages Working Party proposed that rents themselves (and any concessions granted) remain unchanged for 2016/17 pending review, but that a set of service charges relating to the non-dwelling stock be introduced. Four charges were considered by the working party, relating to water supply, larger-sized units, additional parking space and additional security.
54. As the total sum likely to be raised is relatively minor (£54,000) it is recommended that cabinet note these proposals, and pending further discussions, the Leader of the Council delegate any decision as to the introduction of these charges to the Cabinet Member for Housing, as part of the separate fees and charges report.

District heating charges

55. The council reviews charges annually to ensure that within the context of the current flexibly-priced gas supply contracts, charges are set at a level to smooth price volatility as far as possible over the contract period. On-going investment in the infrastructure to increase energy efficiency/reduce consumption contributes to the financial sustainability of the heating account which has enabled charges to be maintained at the same level over the medium-term.
56. Energy costs are pooled across the dwelling stock and standardised charges are set on a borough-wide basis for tenants, depending on the number of bedrooms and type of heating installation. Homeowners are charged actual costs, comprising energy and repairs and maintenance as determined in their lease. The application of greater efficiencies in terms of gas consumption gives

rise to a reduction in cost. Together with the potential use of accrued balances, this means that charges can be held at existing levels once again for 2016/17.

Thames Water

57. Water and sewerage charges applicable to council dwellings will be subject to an increase from April 2016. Thames Water calculates individual property charges and notification of the increase will be advised in due course. The council acts as agent for the billing and collection of charges, but has no influence over the charges set by Thames Water, which is an independent commercial entity regulated by Ofwat. In 2015/16 the actual increase was 1.53%. For 2016/17 an increase of 2% has been assumed for budget planning purposes, which includes an adjustment for stockloss.

Homeowner and other income streams

58. Tenant rents and service charges constitute 72% of HRA income, the remainder comprising homeowner revenue and capital service charges, commercial property rents, interest, commission and capitalised/recharged costs.
59. Homeowner contributions represent the actual costs incurred within the HRA that are recoverable under the terms of the lease. The budget for revenue service charges has been reviewed and revised to reflect current activity and expected future growth in right-to-buy sales, together with an increase in buildings insurance premiums, and as the council achieves full cost recovery.
60. Capital works charges are determined by the scale and delivery of investment in the stock overall and the extent to which it pertains to leasehold property. The base budget contains a relatively prudent expectation of income in order to avoid frequent budgetary fluctuations due to the variable nature of the works programme. Following a review, it is not proposed to alter the income expectations in this area for 2016/17.
61. Other contributory elements include a net increase in the rental stream from the commercial property portfolio and higher capitalised sales costs and fee income arising from the upturn in right-to-buy activity, totalling £5.4 million overall.

Council restructuring

62. As at 1 October 2015 the council's departmental structures changed significantly, with the former Housing and Community Services (HCS) department becoming Housing and Modernisation (HM). As the HRA is a ring-fenced account, this has no net impact upon its overarching income and expenditure budgets, but the practice in previous HRA budget reports has been to include an analysis by division, and this breakdown has been revised to match the new structure.
63. The table below sets out the existing 2015/16 HRA budget under the old HCS divisions compared to the new H&M structure; Appendices H and I have been recast to match the new HM divisional responsibilities. For ease of reference, Appendix I also lists out General Fund responsibilities by new division.

HRA 2015/16 Revised Budget			
	Expenditure £'000	Income £'000	Net £'000
<i>Customer Experience</i>	2,172	(75)	2,097
<i>Community Engagement</i>	9,272	(15,098)	(5,826)
<i>Specialist Housing Services</i>	18,430	(57,372)	(38,942)
<i>Maintenance and Compliance</i>	53,173	(4,745)	48,428
<i>Operations</i>	35,101	(209,322)	(174,221)
<i>Major Works and New Homes Delivery</i>	4,426	(1,996)	2,430
<i>Support Costs</i>	161,214	4,204	165,418
<i>Chief Executive</i>	669	(53)	616
Housing and Community Services	284,457	(284,457)	-
Customer Experience	6,399	(6,511)	(112)
Central Functions	172,851	(256,870)	(84,019)
Communities	9,422	(64)	9,358
Resident Services	35,643	(7,512)	28,131
Asset Management	58,839	(6,794)	52,045
Modernisation	1,303	(6,706)	(5,403)
Housing and Modernisation	284,457	(284,457)	-

Consultation and notification

64. Whilst there is no statutory requirement to consult, the council is committed to engaging with residents, particularly under the terms of the Tenancy Agreement. This process commences with an interim scene-setting report to cabinet on 8 December 2015 setting out the indicative budget and implications for rents and other charges in order that consultation with residents can commence before Christmas. This report will be presented to Tenant Council, area housing forums, TMO Liaison Committee and Homeowner Council (HOC) during January 2016. HOC are unable to make recommendations in the matter of tenant rents and service charges, but may do so in respect of proposals regarding non-residential rents and other charges and in terms of the budget proposals pertinent to the calculation of their service charges.
65. Cabinet will consider the final rent setting and HRA budget report at their meeting on 26 January 2016. As normal, the results of the consultation processes will be reported to cabinet at that meeting for their consideration.
66. As previously noted, the revised HRA budget for 2015/16 and indicative budget for 2016/17 is summarised in Appendix H, and set out by division in Appendix I.

Statutory and contractual notifications

67. Subsequent to the approval of the final report on 26 January 2016, either as set out or as amended by cabinet, and the passing of the necessary date for its implementation, the council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the operative date (4 April 2016) for the commencement of the new rents and charges referred to above.

Community impact statement

68. Transparency and fairness form part of the seven budget principles and are an underlying principle in the council plan. As with previous budgets, each division undertakes equality analysis on its budget options.

69. This will help the council to understand the potential effects that the HRA budget proposals may have on different groups. The analysis will also consider if there may be any unintended consequences and about how these issues can be mitigated. Analysis will also be undertaken to consider any cross-cutting and organisation-wide impacts.
70. The equality analysis undertaken will build on work done within previous HRA budget-setting. The council is committed to conducting a rigorous equalities assessment for budget proposals and the equality analysis is underway at this early stage to ensure that it informs decision-making at each stage of the process.
71. Screening templates/reports are being completed for each budget proposal or group of proposals within the proposed HRA budget. The screening templates use a risk matrix that assesses whether the potential impact of the proposal is high, medium or low. A high level requires that a full equality analysis is undertaken.
72. The screening templates/reports are being collated centrally and an overarching analysis undertaken to ensure that there are no cumulative impacts on one or more of the protected characteristics in the Equalities Act.
73. All equality screening reports and or full equality analyses will be shared with cabinet members to allow decision-makers to consider equality issues when making their budget proposals and making their decisions. All cabinet members have also been briefed on equality issues and decision-making and the responsibilities that the council has under equalities and human rights legislation.
74. To date no cumulative impacts have been identified through the divisional analysis. However, this process will be completed in time to be reported on in the Final HRA Budget report in January 2016. Any potential impacts on staff will also have equality analysis undertaken at each stage of implementation to assess their potential impact on different categories of staff in accordance with the council's policies on reorganisation.
75. This approach to equalities screening and analysis has been shared with Southwark's Equalities and Human Rights Panel (FEHRS) who have agreed it is a robust approach and the cross council analysis will be shared with the Panel when complete so that they can challenge the analysis.
76. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.
77. This report is primarily to set rents and associated charges and the scoping exercise noted above established there is no differential effect for any community or protected group. It should be noted that 2016/17 to 2019/20 will cover nationally-set rent reductions; it is recognised that in other circumstances a rent increase may present particular difficulties for people on low incomes, although rents and tenant service charges remain eligible for housing benefit.

78. There is a statutory requirement to set a balanced HRA budget. Extensive consultation previously undertaken incorporated savings proposals totalling £33.0 million over the period 2011/12 to 2015/16, which have all been delivered. For 2016/17 the extent and composition of savings proposed (£10.5 million) are detailed as part of Appendix G.
79. There are wider issues impacting both nationally and locally in terms of the government's on-going welfare reforms and associated housing benefit changes. These have also been considered and measures to mitigate the effects on the community have been implemented together with the provision of additional resources to support tenancy sustainment, including assistance through the provision of Discretionary Housing Payments (DHP) from the HRA, for which Southwark has sought and received governmental approval. The provision of further DHP support nationally is subject to annual confirmation from central government.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

80. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act provisions include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
81. Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, effectively limited by the above HRA provision, will be subject to further restrictions arising from the provisions of the Welfare Reform and Work Bill ('the bill'), when brought into force.
82. The bill is in the latter (House of Lords) stages of the law-making process and is subject to amendment during these stages. The final version of the bill is expected to become law in early 2016. As indicated in the report, the bill provides a mechanism through which social landlords will be required to ensure that rents payable by tenants reduces by 1% each year between 2016 and 2019. It is envisaged the first reduction will take place in April 2016. As to service charges, the bill provides that such charges made in respect of some classes of social housing will and some will not be included in the rent reduction provision. The terms that identify the social housing that does or does not fall to be included in the relevant provision have not yet been defined; definitions will be provided by regulation after the bill becomes law. Guidance relating to other legislation and the explanatory notes to the bill suggest that Southwark's current housing lettings are unlikely to be caught by the provision that requires services charges to be reduced.
83. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its

tenants however, Southwark Council has undertaken to consult with the Tenant Council before seeking to change rent and other charges, except for water charges which are set by the water provider. The report indicates consultation will take place in order to comply with this term.

84. It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, together with the council's agreement with its tenants, that they are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing Revenue Account – Final Rent Setting report, Cabinet 2015	160 Tooley Street London SE1 2QH	Paula Thornton, Constitutional Team
Link: http://moderngov.southwark.gov.uk/documents/s51225/Report%20HRA%20Budget%202015-16.pdf		

APPENDICES

No.	Title
Appendix A	Average Rents across London Boroughs 2015/16 – Table
Appendix B	Actual and Target Rents by London Borough 2015/16 – Chart
Appendix C	Change in Anticipated Rental Streams within HRA Business Plan
Appendix D	The 'Quality Affordable Homes' Priority Theme
Appendix E	HRA Indicative Budget Movements 2015/16 – 2016/17
Appendix F	HRA Revised Base 2015/16 and Indicative Budget 2016/17
Appendix G	HRA Summary Savings/Income Generation Schedule 2016/17
Appendix H	HRA Revised 2015/16 and Indicative Budget 2016/17
Appendix I	HRA Indicative Base Budget 2016/17 by Division

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Ian Young, Departmental Finance Manager, Housing and Modernisation	
Version	Final	
Dated	26 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	N/a	N/a
Date final report sent to Constitutional Team		26 November 2015

APPENDIX A

AVERAGE RENTS ACROSS LONDON BOROUGHES 2015/16

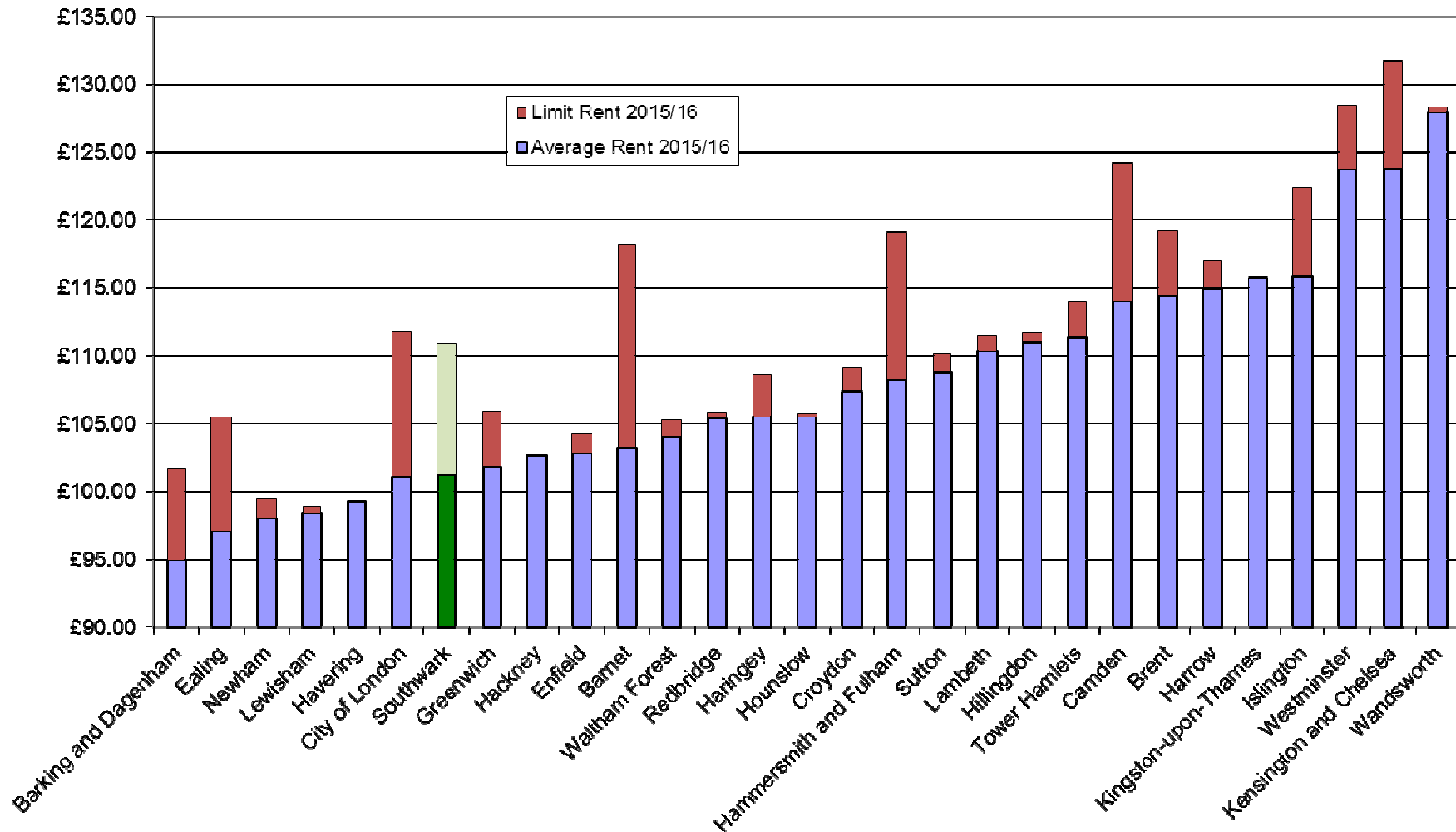
	Average Rent 2015/16 £	Limit Rent 2015/16 £	Rent 'Gap' 2015/16 %
Barking and Dagenham	94.91	101.67	6.6%
Barnet	103.27	118.30	12.7%
Bexley	–	–	–
Brent	114.45	119.20	4.0%
Bromley	–	–	–
Camden	114.04	124.21	8.2%
City of London*	101.12	111.81	9.6%
Croydon*	107.37	109.11	1.6%
Ealing	97.06	105.47	8.0%
Enfield	102.75	104.23	1.4%
Greenwich	101.82	105.93	3.9%
Hackney	102.63	102.62	–
Hammersmith and Fulham*	108.25	119.12	9.1%
Haringey	105.49	108.58	2.8%
Harrow	114.97	116.96	1.7%
Havering	99.31	99.27	–
Hillingdon	111.04	111.71	0.6%
Hounslow	105.49	105.77	0.3%
Islington	115.89	122.41	5.3%
Kensington and Chelsea	123.81	131.74	6.0%
Kingston-upon-Thames	115.79	115.33	(0.4%)
Lambeth	110.31	111.49	1.1%
Lewisham	98.42	98.92	0.5%
Merton	–	–	–
Newham*	98.08	99.46	1.4%
Redbridge	105.38	105.85	0.4%
Richmond-upon-Thames	–	–	–
Southwark	101.25	111.00	8.8%
Sutton	108.82	110.16	1.2%
Tower Hamlets	111.40	114.00	2.3%
Waltham Forest	104.04	105.26	1.2%
Wandsworth*	127.90	128.34	0.3%
Westminster*	123.77	128.49	3.7%
London Average	101.55	111.67	4.0%

Source: London Boroughs HRA Budget Reports 2015/16, CLG Limit Rent letter 12 February 2015

Notes:

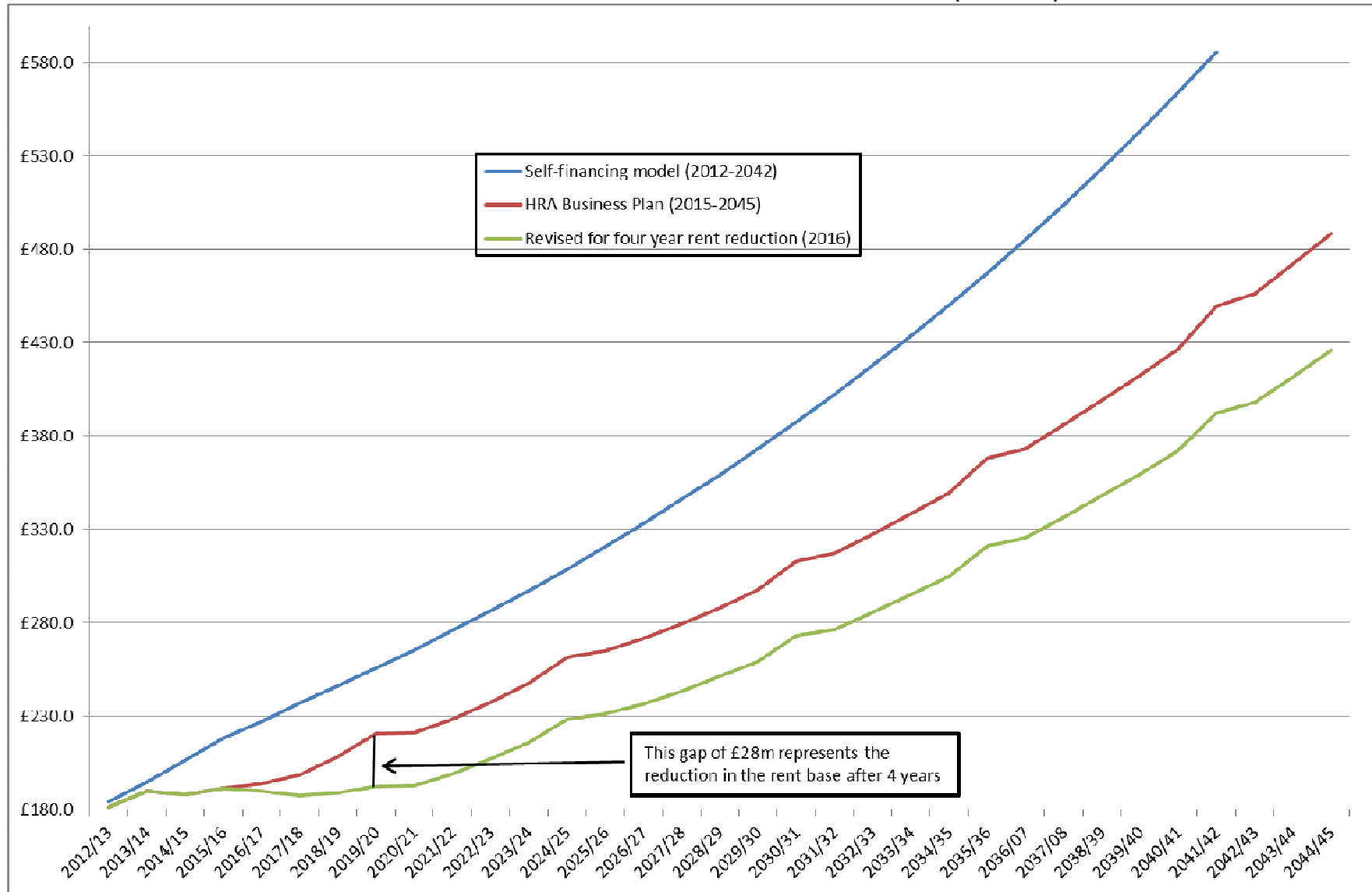
- Southwark's average rent (adjusted mid-year stock position) for 2015/16 ranks 7th lowest of the 29 London Boroughs that manage their housing stock either directly or via an ALMO.
- Average rent figures exclude tenant service charges.
- London averages are weighted by stock numbers (taken from most recent CLG HSSA return).
- * Where the budget report did not quote an average weekly cash figure, this is extrapolated from their quoted percentage increase.
- Since 2014/15 limit rent (for HB purposes) is intended to be equivalent to the converged target rent for each LA, and is quoted here as an independent data source.

APPENDIX B – ACTUAL AND TARGET RENTS BY LONDON BOROUGH 2015/16



Data source: London Boroughs HRA Budget Reports, CLG Limit Rent Letter 12 February 2015

CHANGE IN ANTICIPATED RENTAL STREAMS WITHIN HRA BUSINESS PLAN (£ million) APPENDIX C



APPENDIX D

THE 'QUALITY AFFORDABLE HOMES' PRIORITY THEME

The council plan, as agreed by council assembly in February 2015 confirmed ten Fairer Future promises outlined in July 2014, which is a set of key commitments to the residents and businesses of Southwark that outline the things the council will be working towards as an organisation to create a fairer future for all. The promises sit alongside six priority themes:

- Quality affordable homes;
- Best start in life;
- Strong local economy;
- Healthy active lives;
- Cleaner greener safer; and
- Revitalised neighbourhoods.

The most relevant of these to the Housing Revenue Account is the first – '**Quality affordable homes**', and this is reproduced below in full from the council plan.

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

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

We will:

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

APPENDIX E

HRA INDICATIVE BUDGET MOVEMENTS 2015/16 – 2016/17

	Paragraphs	£m
Contributions and commitments:		
General inflation	44	2.5
Service commitments	45	3.7
Financing	46 – 47	1.0
Sub-total		7.2
Tenant rents and charges:		
Net dwelling rent (including stock/void movements)	16 – 21	0.3
Tenant service charges	50 – 52	–
District heating	55 – 56	–
Thames Water increase	57	(0.2)
Sub-total		0.1
Other rents and charges:		
Garage rents	53 – 54	–
Commercial Properties		(0.1)
Homeowner and other income streams	58 – 61	(1.2)
Sub-total		(1.3)
Redistribution:		
Increased support for Investment Programme	43	4.5
Sub-total		4.5
DEFICIT/(SURPLUS) BEFORE SAVINGS		10.5
Efficiency and other savings:		
Savings identified	37 – 42	(10.5)
Sub-total		(10.5)
OVERALL NET DEFICIT/(SURPLUS)		0.0

APPENDIX F

HRA REVISED BASE 2015/16 AND INDICATIVE BUDGET 2016/17

	Revised Base Budget 2015/16 £m	Indicative Budget 2016/17 £m
Expenditure:		
Employees	32.3	30.8
Running Costs	20.3	20.7
Water Charges	13.4	13.7
Contingency Reserve	1.5	1.5
Grounds Maintenance/Estate Cleaning	15.4	15.7
Responsive Repairs/Heating Repairs	50.8	50.0
Heating Account	11.2	11.2
Contribution to Investment Programme	20.3	24.8
Landlord Commitments	7.4	7.4
Planned Maintenance	1.4	1.4
Corporate Support Costs/SLAs	21.9	20.0
Depreciation	52.0	53.0
Financing Costs	33.6	33.6
Tenant Management Organisation Allowances	3.0	2.9
Sub-total	284.5	286.7
Income:		
Rents – Dwellings	(191.3)	(192.0)
Rents – Non Dwellings	(5.0)	(5.0)
Heating/Hot Water Charges	(9.3)	(9.3)
Tenant Service Charges	(13.3)	(13.3)
Thames Water Charges	(13.5)	(13.7)
Commission Receivable	(2.8)	(2.8)
Homeowners – Major Works	(15.0)	(15.0)
Homeowners – Service Charges	(17.3)	(18.5)
Interest on Balances	(0.4)	(0.4)
Commercial Property Rents	(6.8)	(6.9)
Fees and Charges	(1.5)	(1.5)
Capitalisation	(7.5)	(7.5)
Recharges	(0.8)	(0.8)
Sub-total	(284.5)	(286.7)
TOTAL	0.0	0.0

APPENDIX G

HRA SUMMARY SAVINGS/INCOME GENERATION SCHEDULE 2016/17

Division	Efficiency & Other Savings £'000	Income Generation £'000	Total £'000
Customer Experience:			
Voluntary Redundancies – Housing Solutions	(96)	–	(96)
Externalisation of medical assessments	(89)	–	(89)
Staffing costs – My Southwark Service Points	(30)	–	(30)
	(215)	–	(215)
Central Functions:			
Reduction in business application costs	(122)	–	(122)
Reduction in SLA costs	(2,300)	–	(2,300)
Rebasing of provision – welfare reforms	(1,000)	–	(1,000)
Corporate restructuring	(350)	–	(350)
Increased service charges – Home Ownership	–	(1,000)	(1,000)
Increased buildings insurance commission	–	(60)	(60)
Increased right-to-buy related fees	–	(142)	(142)
	(3,772)	(1,202)	(4,974)
Communities:			
Reactive repairs – TRA Halls	(25)	–	(25)
Staffing costs – Resident Involvement	(106)	–	(106)
Refreshment costs – Joint Security Initiatives	(3)	–	(3)
Grant reductions – Joint Security Initiatives	(21)	–	(21)
Running costs – Tenant Management Organisations	(58)	–	(58)
	(213)	–	(213)
Resident Services:			
Running costs – divisional	(35)	–	(85)
Staffing costs – divisional	(1,279)	–	(1,279)
Temporary accommodation rents	(75)	–	(75)
Running costs – tree maintenance	(30)	–	(30)
Running costs – cleaning variations	(11)	–	(11)
Reduction in number of garden clearances	(11)	–	(11)
	(1,441)	–	(1,441)
Asset Management:			
Improved contract management – heating contract	(1,040)	–	(1,040)
Electrical testing programme slow down – FRA works	(300)	–	(300)
Lift maintenance	(87)	–	(87)
Minor voids and repairs	(2,555)	–	(2,555)
Staffing costs – Asset Management	(80)	–	(80)
Staffing costs – Repairs	(331)	–	(331)
Staffing costs – Engineering	(424)	–	(424)
	(4,817)	–	(4,817)
Modernisation:			
Increased commercial property rents	–	(100)	(100)
	–	(100)	(100)
TOTAL	(10,458)	(1,302)	(11,760)

N.B. certain aspects of Appendices G, H and I remain subject to further disaggregation between the newly-established divisions of the Housing and Modernisation department. Divisional totals are therefore subject to change.

HRA REVISED 2015/16 AND INDICATIVE BUDGET 2016/17

APPENDIX H

HOUSING REVENUE ACCOUNT	2015/16 £'000	Inflation £'000	Commitment £'000	Financing £'000	Rents & Inc. Generation £'000	Efficiency & Oth. Savings £'000	Redist. £'000	2016/17 £'000
Expenditure:								
Employees	32,308	737	485	–	–	(2,696)	–	30,834
Running Costs	20,338	–	685	–	–	(356)	–	20,667
Water Charges	13,418	333	–	–	–	–	–	13,751
Contingency/Contribution to Reserves	1,437	–	–	–	–	–	–	1,437
Grounds Maintenance/Estate Cleaning	15,404	322	–	–	–	(41)	–	15,685
Responsive Repairs/Heating Repairs	50,836	1,061	2,160	–	–	(4,007)	–	50,050
Heating Account	11,198	–	–	–	–	–	–	11,198
Contribution to Investment Programme	20,352	–	–	–	–	–	4,487	24,839
Landlord Commitments	7,400	–	–	–	–	–	–	7,400
Planned Maintenance	1,388	–	–	–	–	–	–	1,388
Corporate Support Costs/SLAs	21,874	–	400	–	–	(2,300)	–	19,974
Depreciation	51,988	–	–	1,012	–	–	–	53,000
Financing Costs	33,595	–	–	–	–	–	–	33,595
Tenant Man. Organisation Allowances	2,921	–	–	–	–	(58)	–	2,863
Sub-total	284,457	2,453	3,730	1,012	–	(9,458)	4,487	286,681
Income:								
Rents – Dwellings	(191,363)	–	–	–	338	(1,000)	–	(192,025)
Rents – Non-Dwellings	(4,969)	–	–	–	–	–	–	(4,969)
Heating/Hot Water Charges	(9,277)	–	–	–	(12)	–	–	(9,289)
Tenant Service Charges	(13,283)	–	–	–	–	–	–	(13,283)
Thames Water Charges	(13,487)	–	–	–	(248)	–	–	(13,735)
Commission Receivable	(2,752)	–	–	–	(60)	–	–	(2,812)
Homeowners – Major Works	(15,000)	–	–	–	–	–	–	(15,000)
Homeowners – Service Charges	(17,350)	–	–	–	(1,142)	–	–	(18,492)
Interest on Balances	(411)	–	–	–	–	–	–	(411)
Commercial Property Rents	(6,764)	–	–	–	(100)	–	–	(6,864)
Fees and Charges	(1,462)	–	–	–	–	–	–	(1,462)
Capitalisation	(7,544)	–	–	–	–	–	–	(7,544)
Recharges	(795)	–	–	–	–	–	–	(795)
Sub-total	(284,457)	–	–	–	(1,224)	(1,000)	–	(286,681)
TOTAL	0	2,453	3,730	1,012	(1,224)	(10,458)	4,487	0

APPENDIX I

HRA INDICATIVE BASE BUDGET 2016/17 BY DIVISION

HOUSING REVENUE ACCOUNT	2015/16 £'000	Inflation £'000	Commits £'000	Financing £'000	Rents & Inc. Generation £'000	Efficiency & Oth. Savings £'000	Redist. £'000	2016/17 £'000
Customer Experience	(112)	87	105	–	(1,161)	(215)	–	(1,296)
Central Functions	(84,019)	534	740	1,012	37	(3,772)	4,487	(80,981)
Communities	9,358	110	–	–	–	(213)	–	9,255
Resident Services	28,131	549	725	–	–	(1,441)	–	27,964
Asset Management	52,045	1,162	2,160	–	–	(4,817)	–	50,550
Modernisation	(5,403)	11	–	–	(100)	–	–	(5,492)
TOTAL	0	2,453	3,730	1,012	(1,224)	(10,458)	4,487	0

HOUSING AND MODERNISATION GENERAL FUND SERVICES	2015/16 £'000
Customer Experience	27,865
Central Functions	2,372
Communities	6,908
Resident Services	1,267
Asset Management	446
Modernisation	23,495
TOTAL	62,353

The 2015/16 revised base budget for General Fund services is included in this appendix for ease of reference to new divisional service areas.

CUSTOMER EXPERIENCE (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
My Southwark Homeowners	483	20	–	–	–	–	–	503
My Southwark Service Points	284	6	105	–	–	(30)	–	365
Housing Solutions and Temp. Acc.	(879)	61	–	–	(1,161)	(185)	–	(2,164)
TOTAL	(112)	87	105	–	(1,161)	(215)	–	(1,296)

CUSTOMER EXPERIENCE (GF)	2015/16
	£'000
Head of Service and Apprentices	284
Customer Services	3,836
Service and System Development	2,369
Customer Resolution	1,776
Concessionary Travel	13,188
My Southwark Service Points	1,540
Registrars and Citizenship	(77)
Coroners and Mortuary	297
Housing Solutions and Temp. Acc.	4,343
SMART	309
TOTAL	27,865

CENTRAL FUNCTIONS (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Heating Account	11,198	–	–	–	–	–	–	11,198
Thames Water	10,970	331	–	–	(234)	–	–	11,067
Dwelling Rent Income	(208,141)	–	–	–	1,365	–	–	(206,776)
TMO Rent Income	(15,034)	–	–	–	108	–	–	(14,926)
Project Costs	7,400	–	–	–	–	–	–	7,400
General Holding Account	2,892	37	–	–	–	(472)	–	2,457
Financing	85,307	–	–	1,012	–	–	–	86,319
Reserves and Provisions	8,739	–	–	–	–	(1,000)	–	7,739
Contribution to Investment Programme	20,352	–	–	–	–	–	4,487	24,839
Corporate Support Costs/SLAs	18,559	–	–	–	–	(2,300)	–	16,259
Garages and Home Ownership Income	(26,261)	166	740	–	(1,202)	–	–	(26,557)
TOTAL	(84,019)	534	740	1,012	37	(3,772)	4,487	(80,981)

CENTRAL FUNCTIONS (GF)	2015/16
	£'000
Home Loans (to HRA)	9
Corporate Support Costs/SLAs	2,480
Travellers Site Income	(117)
TOTAL	2,372

COMMUNITIES (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tenant Management Organisations	7,267	79	–	–	–	(58)	–	7,288
Resident Involvement	2,091	31	–	–	–	(155)	–	1,967
TOTAL	9,358	110	–	–	–	(213)	–	9,255

COMMUNITIES (GF)	2015/16
	£'000
Head of Service, Prevent and CSE	219
Neighbourhoods	1,016
Voluntary Sector Commissioning	3,364
Civic Engagement	111
Community Participation	356
No Recourse to Public Funds	1,842
TOTAL	6,908

RESIDENT SERVICES (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Supported and Sheltered Housing	(2,487)	63	–	–	–	–	–	(2,424)
Environmental Services	15,851	305	–	–	–	–	–	16,156
Business Improvement	651	13	160	–	–	–	–	824
Estate Management	9,681	131	–	–	–	(1,331)	–	8,481
Operational Team	2,852	19	15	–	–	(110)	–	2,776
Customer Services	1,583	18	550	–	–	–	–	2,151
TOTAL	28,131	549	725	–	–	(1,441)	–	27,964

RESIDENT SERVICES (GF)	2015/16
	£'000
Supported and Sheltered Housing	443
Housing Strategy and Partnerships	587
Travellers Sites	237
TOTAL	1,267

ASSET MANAGEMENT (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment and Asset Management	2,430	70	–	–	–	(80)	–	2,420
Engineering Services	19,942	408	851	–	–	(1,851)	–	19,350
Reactive and Planned Maintenance	29,357	676	1,309	–	–	(2,886)	–	28,456
Regeneration and Delivery	316	8	–	–	–	–	–	324
TOTAL	52,045	1,162	2,160	–	–	(4,817)	–	50,550

ASSET MANAGEMENT (GF)	2015/16
	£'000
Housing Renewal	93
Stairlift Maintenance (to HRA)	76
Regeneration and Investment	58
Handypersons Service	88
Aids and Adaptations	131
TOTAL	446

MODERNISATION (HRA)	2015/16	Inflation	Commits	Financing	Rents & Inc. Generation	Efficiency & Oth. Savings	Redist.	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Properties	(5,403)	11	–	–	(100)	–	–	(5,492)
TOTAL	(5,403)	11	–	–	(100)	–	–	(5,492)

MODERNISATION (GF)	2015/16
	£'000
Information and Data Services	10,019
Corporate Facilities Management	10,363
Human Resources	1,245
Organisational Development	1,448
Modernise	420
TOTAL	23,495

Item No. 14.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		London Councils Grants Scheme 2016-2017	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Michael Situ, Communities and Safety	

FOREWORD - COUNCILLOR MICHAEL SITU, CABINET MEMBER FOR COMMUNITIES AND SAFETY

The London Councils' Grants Scheme plays a valuable role in enabling voluntary organisations to provide services to people in need across London as a whole. This pan-London approach to grant making adds value to the outcomes that each borough's commissioning programme achieves. In addition, it improves access to services and the personal safety of clients e.g. for victims of sexual and domestic violence where mobility is critically important.

The four current defined priority areas are Homelessness, Sexual and Domestic Violence, Poverty and Capacity Building. These needs are consistent with our own Fairer Future vision and strategic priorities for residents. A number of Southwark based organisations are funded by this scheme to deliver services to meet these needs. This supplements the funding already invested by the council.

The individual borough contributions are based on population estimates and grants are awarded to tackle deprivation and meet needs. Southwark residents are net beneficiaries of this programme due to the relative poverty and deprivation in the borough. In response to both the austerity and Localism agendas, the Borough Levy that makes up the majority of the Scheme has been significantly reduced in recent years following a major review of commissioning. In addition, for 2016-17 only, a transfer from Grants Committee reserves of £486,000 will be made and returned to boroughs in the form of a one-off repayment.

2016-17 is the final year of this four year programme of commissions and London Councils have consulted over the need for pan London services after this date and future priorities. Southwark Council has responded that there remains a need for commissioning of pan-London services. Recommendations are currently being considered on the scope and scale of the future commissioning programme from 1 April 2017. As part of this process, the Chair of the London Council's Grants Committee has sent a motion to the Leaders Committee supporting the continuation of the programme for the period 2017/21 but with some key recommendations.

These are support for the continuation of a grants programme combatting sexual and domestic violence and reducing poverty caused by worklessness. There may be a case for a programme focussed on homelessness subject to stronger evidence being provided of where that homelessness comes from across London and addressing differing priorities between inner and outer London. Due to financial constraints there is unlikely to be a strong enough case for continuing a programme on capacity building in the voluntary sector.

I would recommend that Cabinet approve Southwark's contribution for 2016/17.

RECOMMENDATION

1. That the Cabinet approve Southwark Council's contribution to the London Councils Grants Scheme of £301,664 for 2016-17, subject to approval of the council budget by the Council Assembly in February 2016.

BACKGROUND INFORMATION

2. The London Councils Grants Scheme was established following the abolition of the Greater London Council as a means of maintaining support to voluntary organisations providing London-wide services. Organisations supported by the scheme are required to provide services across at least two London boroughs in order to qualify for support.
3. Constituent Councils are required to contribute to the London Councils Grants Scheme under Regulation 6(8) of the Levying Bodies (General) Regulations 1992. Individual council's contributions should be proportionate to their populations. For 2016-17, the apportionment is based on the Office for National Statistics (ONS) June 2014 estimate of population.
4. In accordance with the Order issued by the Secretary of State for the Environment under Section 48 (4A) of the Local Government Act 1985, two thirds of constituent councils must agree the budget before 1 February 2016. If not then the overall level of expenditure will be deemed the same as that approved for 2015-16 that totalled £10,500,000.

KEY ISSUES FOR CONSIDERATION

London Council's 2013/17 funding programme

5. The principles and priorities of the current programme were set by the London Councils Leaders' Committee in 2012.

The principles agreed are to commission services:

- That deliver effectively and can meet the outcomes specified by London Councils, rather than funding organisations
- Where there is clear evidence of need for services that complement borough services
- Where it is economical and efficient to deliver services on a London wide basis or where mobility is key to delivery of a service to secure personal safety
- That can not reasonably be delivered locally, at a borough or sub-regional level
- That work with statutory and non-statutory partners and contribute to meeting the objectives of the Equality Act 2010
- Services that satisfy the principles outlined above were required to meet at

least one of the following priority areas in order to be eligible for receipt of funding from the scheme.

The four priority areas agreed are:

- Tackling homelessness amongst individuals and households through direct services and/or developing new ways of working with partners to generate housing and accommodation and access services
 - Sexual and domestic violence support services
 - Tackling poverty by promoting access to employment and training drawing on opportunities for match funding provided by boroughs working with London Councils and European Social Fund
 - Providing support to London's voluntary and community organisations enabling those organisations gain access to funds, skills and resources to provide effective services to communities.
6. Performance monitoring visits are carried out to check on the delivery of activities and the provider is visited at least twice a year. In addition, there was a review of delivery of the current round of the programme in 2014. This reported that the projects were delivering on achieving their objectives. Officers continue to address issues raised at monitoring visits with project staff to ensure that the robust nature of programme oversight is maintained. London Councils staff report on performance at the quarterly borough grants officers meeting.

London Council's Grants Scheme 2017-18 onwards

7. The current London Councils grants programme ends in March 2017 and London Councils have consulted over whether the programme should continue and if so, what its priorities should be. Southwark Council responded to the consultation and indicated its support for continuation of the programme. A clear majority of boroughs were in favour of continuing the programme and future priorities were suggested. A copy of the consultation response is available as a background document. Officers with responsibility within the council for the four priority areas contributed to the consultation response. The response highlighted areas where improvements to the scheme's operation should be made for the future, including better co-ordination and communication at a borough level.

London Councils Grants Scheme 2016-17 budget

8. The overall budget of £10 million for the Grants Scheme in 2016-17 is a reduction of £500,000 on the current year. A transfer from Grants Committee reserves of £486,000 has been made and returned to the boroughs in the form of a one-off repayment. The Southwark share of the one-off payment is £17,220. There is therefore a reduction in the Southwark contribution from £319,175 in 2015-16 to £301,664 in 2016-17. There has been a significant reduction in the cost of the grants programme and in Southwark's share in recent year. In 2010/11 the Southwark levy was £960,621 so the current year's contribution is a third of that amount.

2012-13 Southwark levy	£421,773
2013-14 Southwark levy	£316,707
2014-15 Southwark levy	£289,701

9. The London Councils Grants Committee considered proposals for expenditure at its meeting on 18 November 2015 and these were ratified by London Councils Leaders' Committee on 8 December 2015.
10. The budget being recommended to constituent councils is set out below.

Overall Level of Expenditure **£10,486,000**

Made up of:

• London Councils Grants programme	7,505,000
• Membership Fees to London Funders	60,000
• ESF Co-Financing	1,880,000
• Operating (Non-Grants) Expenditure	886,000
• Central Recharges	155,000

Income will comprise of:

• Borough contributions	9,000,000
• European Social Fund grant	1,000,000
• Transfer from reserves	486,000

Community impact statement

11. The London Councils Grants Scheme enables voluntary organisations based throughout London to deliver services and activities within the four defined priority areas:
- Homelessness
 - Sexual and domestic violence
 - Poverty
 - Capacity building
12. Southwark contributes to the provision of these London wide services meeting the needs of some of the most vulnerable communities within Southwark and across London experiencing barriers to economic and social wellbeing. Southwark Council influences the pattern of the London Councils support through its representation on both Grants and Leaders Committees as a constituent council.
13. This funding is based on levels of deprivation and need. Residents in Southwark benefit from a wider range of services from organisations other than those simply based within the borough. Organisations based in Southwark also serve the populations of other London boroughs.
14. London Councils' funded services provide support to people within all the

protected characteristics (Equality Act 2010), and in particular targets groups highlighted as particularly hard to reach or more affected by the issues being tackled. Funded organisations are also required to submit equalities monitoring data, which can be collated across the grants scheme to provide data on the take up of services and gaps in provision to be addressed. Their grants team reviews this annually. The recent review of the grants programme included information on the equalities effects of the current programme that enabled decisions to be made on the future of the scheme, informed by the equalities impact of the current priorities.

Financial Implications

15. Southwark Council has a budget of £316,707 set aside on cost centre CE411 to fund annual contributions to the London Councils grant scheme. This is sufficient for the amount of £301,664 proposed for 2016-17.

Consultation

16. Southwark Council is represented on the London Councils Grants and Leaders Committee. In addition, officers attend the London Councils Grants officers meetings. The Scheme requires two third of constituent councils to support the recommended budget. If this is not achieved then the budget will remain the same as that approved for 2015-16. As mentioned earlier in this report, London Councils have consulted boroughs and others as to whether the programme should continue past March 2017 and if it does, what the programme priorities should be from 1 April 2017. Following consultation within Southwark Council, the borough responded that it will support the continuation of the grants programme from 1 April 2017 as well as wanting improved coordination and communication at borough level. See Background Documents for more information on Southwark Council's response to this consultation and London Councils summary of all consultation responses.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

17. The director of law and democracy notes the content of this report.
18. Section 48 of the Local Government Act 1985 ('the Act') enables schemes to be made in relation to Greater London and the metropolitan counties for the making of grants to voluntary organisations. In each such area, one constituent council is designated in the scheme for purpose of making the grants, with the other councils contributing financially. In Greater London the constituent councils are the councils of the London boroughs and the Common Council of the City of London. The London Councils Grants Scheme is governed by section 48 of the Act.
19. The council is required under section 48 (3) of the Act to contribute to any expenditure that has been incurred with the approval of two-thirds of the constituent councils. The council's contribution is determined by reference to the size of the council's population.
20. By virtue of section 48 (4)(A) of the Act and The Grants to Voluntary Organisations (Specified Date) Order 1992, it is provided that where a scheme

which relates to Greater London requires expenditure under the scheme to be approved by some or all of the constituent councils but the total expenditure in relation to a financial year beginning on or after 1st April 1993 is not so approved before 1st February immediately preceding that financial year the constituent councils shall be deemed to have given their approval to the amount approved or deemed to have been approved for the preceding financial year.

21. When making such determinations the council must have due regard to the public sector equality duty contained within section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
22. Paragraphs 11 to 14 of the report which note the community impact statement, demonstrate how the council has had due regard to PSED and cabinet should satisfy themselves that this duty has been complied with when considering the recommendation.
23. Cabinet is also referred to paragraph 16 of this report, which sets out the consultation that has taken place. Cabinet must conscientiously take into account the outcome of consultation when taking a decision on the recommendation in this report.

Strategic Director of Finance and Governance (FC15/033)

24. This report seeks cabinet approval for Southwark Council's contribution to the London Councils Grants Scheme of £301,664 for 2016-17. The financial implications are detailed in paragraph 15.
25. The strategic director of finance and governance notes the commitment. The commitment for 2016-17 can be contained within existing budgets and will be identified in the council's budget setting process.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence from London Councils: London Councils Grants Scheme Budget Proposals 2016-2017 Committee Report	Housing & Modernisation, 160 Tooley Street London SE1 2QH	Angus Lyon 020 7525 4069
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5142&Ver=4		

Background Papers	Held At	Contact
Response to London Council's Grants Consultation 24 September 2015	Housing & Modernisation, 160 Tooley Street London SE1 2QH	Angus Lyon 020 7525 4069
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&Mid=5142&Ver=4		

APPENDICES

No.	Title
Appendix 1	London Councils Grants Committee 18 November 2015, Motion from the Chair

AUDIT TRAIL

Cabinet Member	Councillor Michael Situ, Communities and Safety	
Lead Officer	Stephen Douglass, Director of Communities	
Report Author	Angus Lyon, Commissioning Officer	
Version	Final	
Dated	26 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	26 November 2015	

APPENDIX 1

London Councils Grants Committee - 18 November 2015 Motion from the Chair

LONDON COUNCILS GRANTS COMMITTEE
18th November 2015

Motion from the Chair

The Grants Committee would ask the Leader Committee to note that:

There is majority support for a pan-London programme based on agreed principles and that the evidence mostly shows that the current four year programme (2013 to 2017) is delivering for all Londoners, within the limits of the £10m pa programme. It is important to note that for specialist services, including services for those for groups within equalities protected characteristics, that these can best be organised at London level. For the two years 2013 to 2015, headline evidence of outcomes shows that 198,000 new interventions helped Londoners against our priorities.

Having considered the performance of the 2013/17 grants programme to date and the results of the recent consultation, Grants Committee recommends to Leaders Committee:

1. There is a strong case for continuing a grants programme focused on combatting sexual and domestic violence and on poverty through worklessness (accessing ESF match funding) for the 2017/21 period;
2. There may be a case for continuing a programme focused on homelessness provided that Grants and Leaders Committee can be given stronger evidence of where that homelessness currently comes from across London and also that going forward commissions can address the differing priorities between inner and outer London;
3. While not without merit, given current financial constraints, there is unlikely to be strong enough case for continuing a programme on capacity building in the voluntary sector; and
4. Going forward, boroughs need to be assured that:
 - i. Robust, regular and transparent monitoring and reporting of the activities of the Grants Programme continues so that outcomes benefiting their residents can be evidenced;
 - ii. That service providers are working in partnership with boroughs Third Sector organisations;
 - iii. That commissioned outcomes can evidence clear and transparent value for money; and
 - iv. London Councils should facilitate a stronger network of officer relationships between itself, senior Borough officers and third sector providers and umbrella organisations in each borough to ensure continuing Pan-London ownership of the whole Grants Programme.

Item No. 15.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		My Southwark, Homeowners Service	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

All too often in the past, many leaseholders have felt that the council's relationship with them has been one of just sending them a bill rather than providing a service. Given that they pay service charges to the council, it is vital that they receive a proper service in exchange.

This perception has been reflected in the feedback that the council received from homeowners through a project looking at these issues set up last year. It has become abundantly clear that the status quo cannot continue if we are to improve the council's relationship with homeowners. This report sets out the steps the council will take to make those improvements.

One of the promises set out in the 2014/15 - 2017/18 council plan is that the council will provide a fairer deal for leaseholders and freeholders through the establishment of an independent leaseholder management service, breaking away this function from the current Home Owners Unit which focuses on constructing billing and creating a service that can work on the behalf of leaseholders to improve services.

The independence of this function will be provided through the creation of a steering board, the My Southwark Homeowners Board, to oversee the work of the service. The membership of this board will include representatives of homeowners.

This report therefore proposes the establishment of both the service and the board. It also sets out the consultative steps that will be taken to tailor this service to best meet the needs of council leaseholders and freeholders.

The creation of the service will not cost leaseholders any more than the current arrangements. Instead, this is a reorganisation of council functions to ensure that leaseholders receive the quality service that they already pay for through their service charge bills.

RECOMMENDATIONS

1. Cabinet is recommended to agree:
 - the creation of a new My Southwark Homeowners service, dedicated to meeting the needs and aspirations of the council's homeowner group
 - the setting up of a My Southwark Homeowners board to oversee the work of the service, monitor performance, scrutinise service delivery and hold the council to account when poor performance or failures occur

- the proposed initiatives that can be put in place immediately to give confidence to homeowners that the council is taking the new service forward.

BACKGROUND INFORMATION

2. Leaseholders and freeholders of council property known as homeowners, represent a large and growing group of residents. There are presently over 15,000 leaseholders and that number is growing rapidly. There are 575 Right To Buy applications to date in 2015.
3. It is generally acknowledged that relations between the council and its homeowner residents can be strained from time to time. This can manifest itself in complaints about the level of services that homeowners receive from the council, the level of service charges and perceptions about the way in which the council treats homeowners.
4. The council plan agreed by cabinet in 2015 sought to deal with improving relations between the council and its homeowners by committing to developing options for consideration to set up an independent leaseholder and freeholder management company.
5. A homeowner project was set up in October 2014 to get to the bottom of the relationship issues between the council and its homeowners. Feedback from the project has shown that homeowners do not feel respected as residents (and non-residents) and they want to see real and substantive change as well as a commitment to improving the homeowner experience (some of the main findings of the initial homeowner project can be found appended to this report).
6. The current reorganisation of the council has provided an opportunity to re-position and re-launch the customer facing elements of the council's homeowner services. It also allows the council to create an organisation which reflects the independence aspired to in the council plan. The Customer Experience division has now assumed responsibility for the management of many of the customer facing functions of the homeowners service which will be branded My Southwark Homeowners, building on the popular and well recognised "My Southwark" brand. At the same time the council's Community Engagement team will, in the future, be responsible for the liaison, management and support of Homeowners Council and improving wider homeowner consultation.

Aims of My Southwark Homeowners Service

7. The new My Southwark Homeowners service aims to signal a fresh start to building a more balanced and positive relationship with homeowners. It aims to address homeowners concerns and make them feel valued both as a resident and as a customer.
8. The new service will seek to act as an advocate for homeowners and take up their concerns with those responsible for providing services. It will also aim to oversee the provision of value for money services so that residents can hold the council to account. It will provide a professional customer service dedicated to meeting the needs of homeowners through the provision of bespoke telephone and face to face services.

9. The new service will review the right to buy and permissions processes with a view to streamlining service delivery and making sure that they meet the needs of homeowners and prospective homeowners. It shall also ensure that the processes provided are legally compliant and that the wellbeing of all residents is assured.
10. My Southwark Homeowners will ensure that homeowners fully understand their rights and responsibilities and the service will aim to review its guidance, notices and correspondence with the aim of making them accessible, clear and jargon free.

An Independent Organisation

11. Officers have considered what the most appropriate vehicle might be for delivering a service that will operate effectively both for the council and homeowners and that fulfils the commitment in the council plan. Advice has been sought from senior officers, members and independent research. Attempts have also been made to try to identify similar models elsewhere but no such similar entity appears to exist and this proposition might well be unique. Whatever the type of organisation adopted to deliver the new services, it is clear that this should be achieved within the existing resource envelope and should not simply layer on additional tiers of process that could worsen the service for customers.
12. Setting up a new council owned, limited company was considered. Whilst this could be seen to achieve the desired “independence” being sought, a number of questions and objections were put forward. What assets would the company have, what would the financial arrangements be, what could the responsibilities and liabilities of the board of directors be, would staff transfer to the new organisation and no longer be employees of the council; how could such a company, wholly owned by the council, also be charged to hold the council to account? This type of organisation is discounted as impractical and potentially more costly to deliver the services envisaged.
13. It is proposed that the council could instead create a new agency that sits within the council, but which could advocate on behalf of homeowners and truly hold the council to account. Overseen by an independent My Southwark Homeowners Board, it would consider the council’s performance in relation to the management of homeowners’ matters without being encumbered by the challenges of the day to day delivery of council services. Whilst no similar organisation appears to exist elsewhere, the new agency will seek to learn from examples of excellence in housing associations, private sector housing management organisations, and property managing agents. The new agency will work with council officers, but act independently to the council. The culture of the service must be one which favours neither the council or the homeowner; it must act genuinely independently and seek to achieve resolution to service delivery issues without fear or favour.

My Southwark Homeowners Board

14. The establishment of a My Southwark Homeowners Board has been envisaged as part of the creation of the new Homeowners service. Advice is currently being sought on what responsibilities and duties such a board would have and how it might influence council policy and decision making and achieve service improvement. The main purpose of any Board is to provide guidance, leadership

and insight at a higher level to the organisation and to act as a point of ultimate responsibility. It should have a clear mission and an explicit set of responsibilities.

15. The Board will be acting on behalf of homeowners but not necessarily taking instructions from them. Homeowners would, however, expect the board to be responsible for making its own decisions and to have the capacity to bring about change, rather than just acting as a reviewing body. A board brings with it a more commercial tone to the structure more akin to a “company”. It would suggest empowerment and influence in regard to its relationship with the wider council.
16. Although it is not envisaged that the Board would have any direct financial responsibilities, it must be more than simply an advisory body in order to deliver the independent scrutiny homeowners are seeking.
17. The board should be comprised of members with the appropriate level of skills and experience in order to be able to provide authoritative advice and make recommendations that would pass any reasonable scrutiny. Board members should have a good understanding of the housing industry, be strategic thinkers and know the operations and finances of such an organisation. They should have complementary skills and will need to work well together to achieve the desired service improvements. It is proposed that the board be made up of homeowners, appropriate professionals (e.g. a surveyor, planner, housing association homeownership expert, financial expert, IT professional, lawyer, asset management expert, communications and community engagement expert) along with support from council officers.
18. It is proposed that the Board be made up of eight members; four resident homeowners and four others possessing the relevant skills and experience to enable them to make a positive contribution to the work of oversight and scrutiny of the agency. Board members will be recruited using an open recruitment and selection process against a clear role description as is becoming good practice in selecting members for other similar boards. Members of the Home Owners Council will be invited to sit on the recruitment panel.
19. It is proposed that the council’s constitution would be amended to recognise the My Southwark Homeowners Board and agree to receive recommendations from it. The board would be supported appropriately by council staff who will manage the schedule of meetings and provide the secretariat to the Board.

Homeowners’ Perspectives

20. The homeowners project set up last year provided significant insight into what homeowners might like to see or what they would expect from the new service. These findings can be tested with Home Owners Council (HOC) and others but this will provide a good guide to where the council should be heading.
21. A dedicated service for homeowners should be a welcome development. In terms of customer service, My Southwark Homeowners should act as the first point of contact for customers. Ideally it would be a seamless service without the need to go from one person to another to get an enquiry resolved. However presently, homeowners are used to dealing with a single, named, collection officer who manages service charge queries. For many homeowners this works well and it may not be practical or desirable to break up that service.

22. Homeowners expect customer services staff to be well informed and fully conversant with homeowner issues and ultimately be clear about who is responsible for managing their relationship with the council. They would also want to see clear expected response times and timescales for agreed actions.
23. It is important to reflect back the wording and spirit of the commitment in the council plan, to deliver an independent organisation. The creation of an agency seeks to deliver on this commitment. The culture of the new service should feel different to the existing one (through branding and training) and with some quick wins which could make a real difference to the relationship with homeowners in the short term.
24. It is important to be clear about what the new organisation can and will do, as much as what it can't and won't do. It should also be clear about what its relationship with the council is and how it will hold it to account. In the dialogue to ensue in the coming weeks it is important that the council seeks to clarify its duties and responsibilities to homeowners and other stakeholders.
25. The creation of a My Southwark Homeowners board should send positive signals to homeowners that the new service will act independently. The composition of the members of the board will need to be considered carefully in order to provide the confidence to homeowners that they will act independently and also bring with them objectivity, expertise and competence.
26. If the new agency is to act as an advocate for homeowners, they will be keen to understand how they will act on their behalf and what it can do when it finds fault and how it will hold the council to account. It is recommended that the council's constitution be changed to commit the council to receiving reports and recommendations from the My Southwark Homeowners Board as it does with HOC and Tenants Council.
27. In setting up the new My Southwark Homeowners service, homeowners will want to be consulted on what their priorities are and how they see the new service being delivered. One of the key tests for homeowners will be whether the new Board and services will deliver greater transparency and accuracy of bills.
28. The homeowners research also found that homeowners are seeking assurances over the commissioning of major works projects so that they are able to adequately plan their finances with "no surprises". Close work with the asset management team as well as involvement of homeowners in decisions on commissioning and contracting major works will be important.

Consultation with Homeowners

29. In order to achieve homeowner buy-in for the new service, a period of consultation will be necessary. A lot of work has been carried out as part of the homeowners project. Many interviews have been conducted with homeowners and other key stakeholders, however this research was commissioned by officers keen to explore different operating models and homeowners have not been explicitly asked about their views on how a new service should work. Therefore, a period of consultation with homeowners asking specific questions about what they want from the agency would be appropriate.

30. At a meeting of the Home Owners Council (HOC) on 21st October 2015, officers presented proposals for the new agency to council members. There was broad agreement with what had been proposed and the next steps to be taken. Following the presentation on the proposed service, homeowners were encouraged to respond to questions posted on the council's on-line consultation hub. These questions will be specific to the operation of the new service. The consultation questionnaire has been available on the council's website since the morning after the HOC meeting. Interim results from the questionnaire are appended to this report.

What we can do now

31. In order to get a head start with the project and demonstrate to homeowners that the council is serious about addressing their concerns and improving the relationship, it is proposed that some developments are put in place immediately as "quick wins".
32. An important action will be to create a new My Southwark Homeowners area on the My Southwark on-line account. The My Southwark portal is very popular with over 115,000 residents set up, many of whom are homeowners. It is proposed to set up a distinct and separate service for homeowners within the account. From there, customers will be able to access a range of services, advice and transactions aimed specifically at them. In the first instance it will provide access to services available elsewhere on the site, but this will be developed as the needs of homeowners become clearer.
33. The idea of My Southwark Homeowners is to build on a brand that has proven popular with many residents. This is a new agency especially for homeowners and there is an opportunity to show this as a fresh start. The branding of the service will be important. A project will be set up immediately with colleagues in Communications to develop this new brand, everything from signage to letters and information, to staff uniforms.
34. An immediate review of the right to buy and permissions processes is being undertaken. Homeowners have expressed frustration at what can appear to be bureaucratic and long-winded processes for managing the right to buy process and applications for the approval for works. Such requests may range from the straightforward; a new kitchen or bathroom, to something more complex involving structural alterations. It should be possible to devise a fast-tracking system for simple or minor modifications. Early discussions with colleagues in Planning suggest that this should be possible. An on-line application available through the homeowner's My Southwark account could simplify and speed up the permissions process.
35. Anecdotally, the right to buy process can be a lengthy one. By carrying out an early review of the process we will better understand if these delays are unavoidable and if it might be streamlined. Benchmarking with those with good reputations in the sector will also reveal if we are missing some obvious tricks which might speed up the process. In the quest for service improvement however, it is important to ensure that the council is always fulfilling its statutory duties and making sure that the council's best interests are assured at all times.
36. Homeowners are keen that access to the council's unique arbitration service is extended to homeowners. Homeowners are able to use the service already, but only in very limited circumstances and importantly, not in connection with service

charge bills. It is in all parties' interests to resolve disputes at the earliest opportunity and the council should do what it can to achieve this. In devising a scheme which gives homeowners access to the arbitration service to bring service charge matters, it is important that the council doesn't leave itself open to significant liabilities or create something that proves to be expensive to deliver. It is therefore proposed that the council run a limited pilot scheme for six months in the first instance. It is also proposed that the pilot will consider service charge matters only, NOT major works bills.. The pilot will help to identify the likely take up of such a service, the costs of delivering the service and the types of decisions that the arbitration panels make. Are those decisions appropriate, do they meet the needs of homeowners and the council? There will be a presumption that those homeowners exercising their right to access the arbitration will abide by the decisions of the panel and will not then take the matter to the First Tier Tribunal. The results of the pilot will be shared with homeowners and the future of the service will be reviewed. The aim is to get a firm proposal for the pilot in place for the beginning of 2016.

37. It is understood that homeowners have, for some time now, wanted access to a face to face service dedicated to homeowners' matters. There is an opportunity to deliver such a service at the same time as rationalising the council's Service Points. Discussions with homeowners indicate that they would be keen to explore this further. We presently have three My Southwark service Points, this proposal will see one of these become a dedicated My Southwark Homeowners customer facing service at the Blue in Bermondsey. In order to provide absolute clarity about the responsibilities of the council and homeowners it is considered essential to have a face to face service where that can be discussed with homeowners and prospective homeowners fully. One of the functions of the new service will be to provide the opportunity of a meeting with skilled and experienced officers who can explain the benefits of living in council property and the potential costs associated with it. All too often homeowners have complained that they were unaware of the bills that could arise as a result of works on the estates where they live. This will help improve the communication between homeowners and the council. There should be no surprises.
38. The aim will be to create a new face to face service for homeowners which will provide advice and support to existing and prospective Southwark homeowners. In order to differentiate it from the Service Points the service will be re-branded and seek to have a different look and feel. The aim will be to provide a very professional service. Homeowners are also keen to provide their own homeowners hub (known as the Homeowner Information Centre). The Homeowners Council has set aside funding from the Homeowner Fund to deliver this. There is no reason why this couldn't be delivered as a shared service at the new My Southwark Homeowners office. The council also has a contract with the Citizens Advice Bureau to deliver legal advice to homeowners on all types of enquiries including service charges. It is suggested that this too could be co-located within the new face to face service adding to the offer for Homeowners. The details will need to be agreed with HOC. If this proposal is agreed, it could be possible to have the new service in place for the beginning of 2016.

Measures of Success

39. One of the determinants for the new agency will be identifying those things that would make the new service a success. Success will be determined by homeowners through improved levels of satisfaction, better relations with the council and fewer complaints. Some of these will be easier to measure than

others. The feedback from homeowners on the consultation will also provide information about what success looks like. Success will also be the delivery of a new service that achieves improved performance in terms of enquiries handling and backlogs and maintaining or reducing the existing budget.

SUPPLEMENTARY COMMENTS FOR OTHER OFFICERS

Director of Law and Democracy

40. The report sets out outline proposals for the creation of a new home owner service within the council and a homeowners board to oversee the work of the service. As the project develops any legal and governance issues arising will need to be identified and addressed. The project team are advised to liaise with the Director of Law and Democracy and her staff from the outset of the project.

Strategic Director of Finance and Governance (IY112015)

41. This report sets out outline proposals for the creation of a My Southwark Homeowners Service, dedicated to meeting the needs and aspirations of the council's homeowner group. Planning for this is at an early stage and no structures or costings are currently available. However, it is envisaged that this will be funded at nil additional cost through the reconfiguration of existing homeowner budgets within the HRA, including potentially a contribution from the Homeowners Fund. As plans become more developed, the funding arrangements will be detailed in subsequent reports.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Homeowner Project Findings
Appendix 2	Consultation Summary

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Richard Selley, Head of Customer Experience	
Version	Final	
Dated	26 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	26 November 2015	

APPENDIX 1

Homeowner Project findings

Main findings of the research commissioned by officers into improving relationships with homeowners and drivers for increasing satisfaction

1.0 Perceptions

Homeowners do not feel they are treated like customers or residents. They are not viewed in consistent terms across the housing teams or in generally positive terms

Action

Perceptions of homeowners need to change internally and their status to be re-evaluated in order to build a firm basis for sustaining relations in the long-term

2.0 Engagement

Main responsibility for engagement with homeowners resides in the wrong place with the billings team. There is little engagement other than through billings

Action

Engagement needs to be put in the hands of the engagement specialists to put relationships on a more proactive footing and to promote a better understanding of the council and its aspirations for its residents. The process should mirror engagement activity and property management at estate level for tenants and homeowners. Wider methods of communicating with all homeowners need to be identified

3.0 Relationships

Relationships with the formal consultation groups and most critical groups are frozen, adversarial and occupy entrenched positions

Action

Reaching out and unfreezing these relationships will require a change in relationship management and business approach with greater homeowner involvement as a prerequisite for re-establishing trust

4.0 Consultation

Engagement with homeowners is limited to a narrow base for consultation

Action

Creating new relationships and developing new interventions will help to provide balance and introduce vigour to existing dialogue

5.0 New Homeowners

Important groups are not being targeted for engagement at critical moments in the formulation of the relationship e.g. prospective and new homeowners

Action

Identify opportunities to inform homeowners and get relationships right from the start – “You never get a second chance to make a first impression”

6.0 Language

The wider context for anchoring the homeowner relationship and Southwark’s commitment to residents is absent from communications. The relationship is narrowly defined within a legalistic framework and there is a perception amongst homeowners of an overdependence on legal recourse for resolving disputes

Action

A wider, customer-service orientated focus and tone needs to be adopted in communications with homeowners reflecting service commitment, but which also informs and manages expectations on Southwark’s responsibilities and duties

7.0 Promotion

Much good work is already being done to improve the service provided to homeowners and tenants, and the Council is going above and beyond its duties. This is not being adequately promoted to the audience and is consequently being lost or drowned out

Action

Opportunities need to be identified and adequate resources put in place to promote new services, innovation, the advantages of a social landlord and the on-going investment in homes to change negative perceptions of the Council and re-position the relationship

Drivers for increasing homeowner satisfaction

Homeowners want:

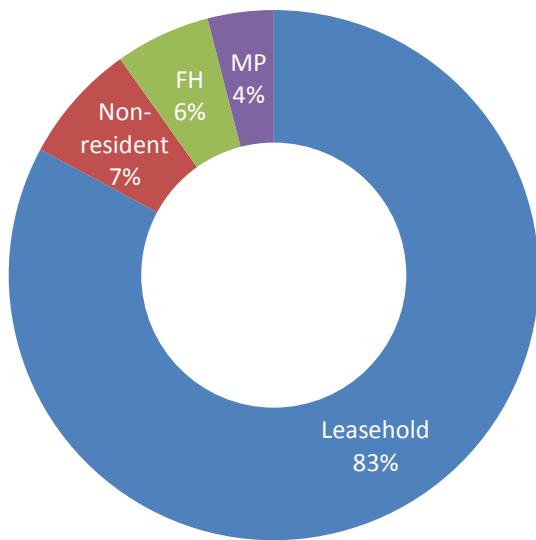
- To be treated as customer and valued in equal terms as a resident
- A more empathetic approach that relates to their situation and issues
- Transparency on costs and confidence that billings accurately reflect the provision of services provided
- Consistent help and support without falling between the cracks
- To feel that the Council is joined up in the provision of their service
- To see a real and substantive change and commitment to improving homeowner experience.

Improving services for council homeowners – Interim consultation summary

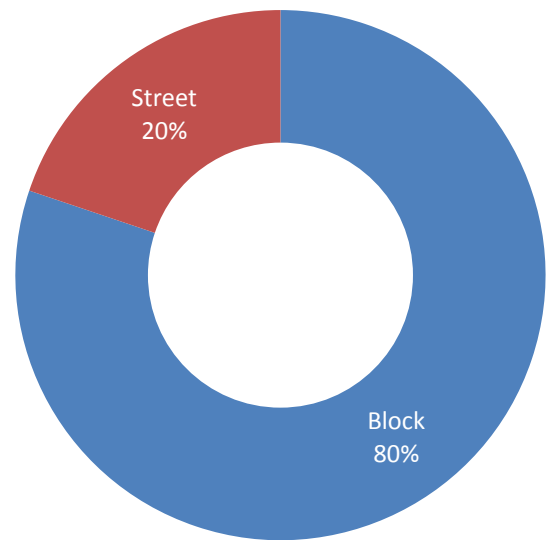
Based on 614 responses

About you and your home

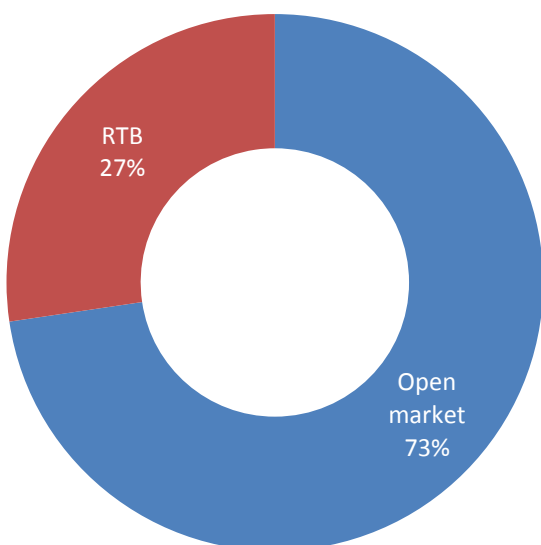
1. What type of homeowner are you?



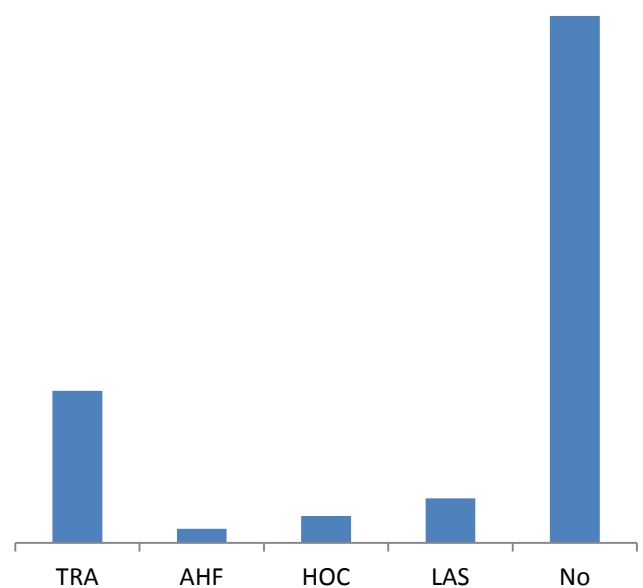
2. Is your home part of a block or street facing?



3. How did you buy your home?

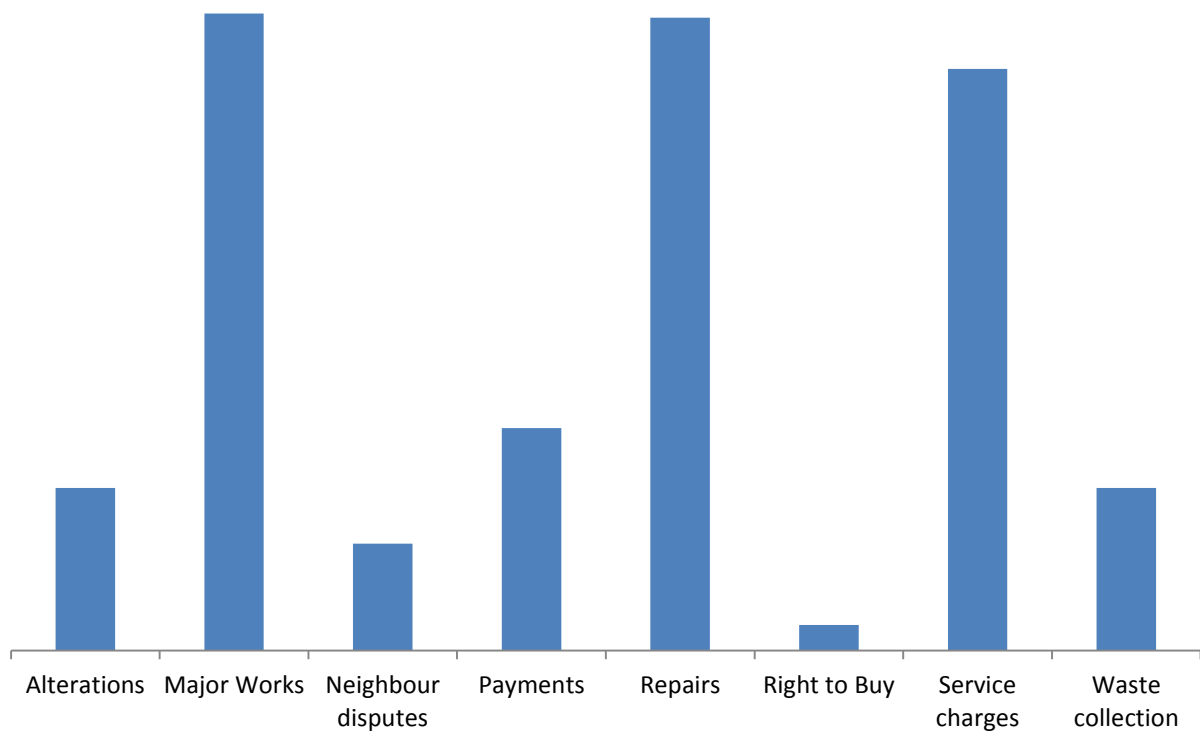


4. Are you a TRA/AHF/HOC/LAS member?



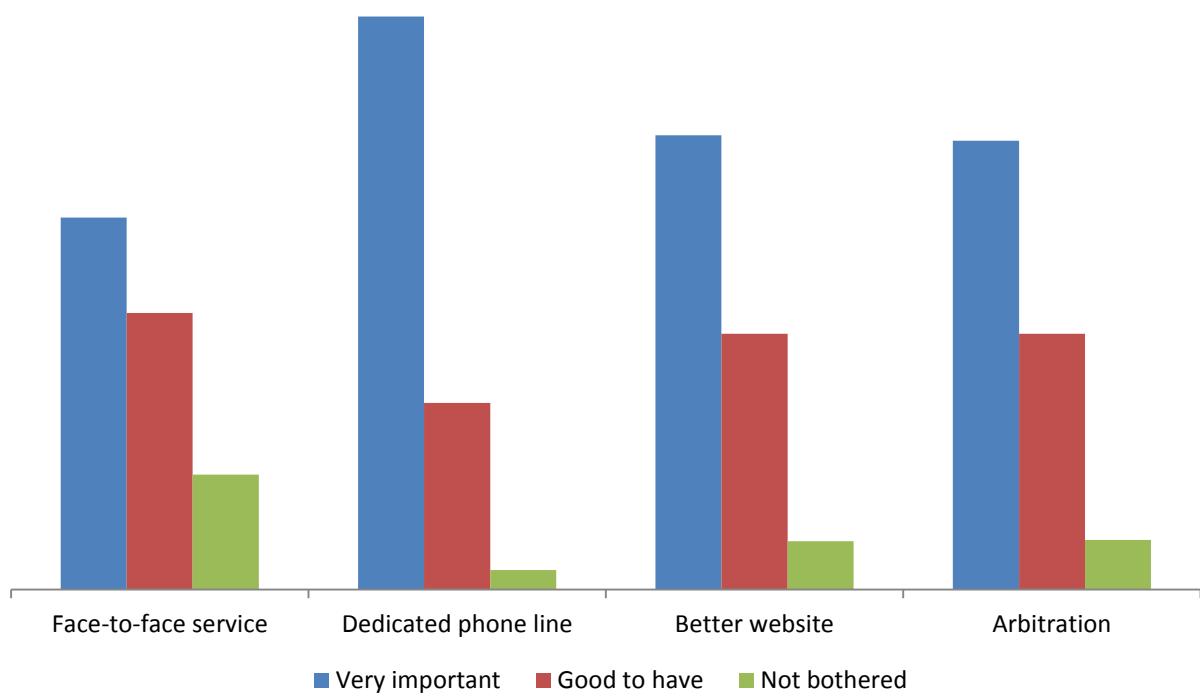
The current service

5. What homeowner issues have you frequently contacted us about in the last year?

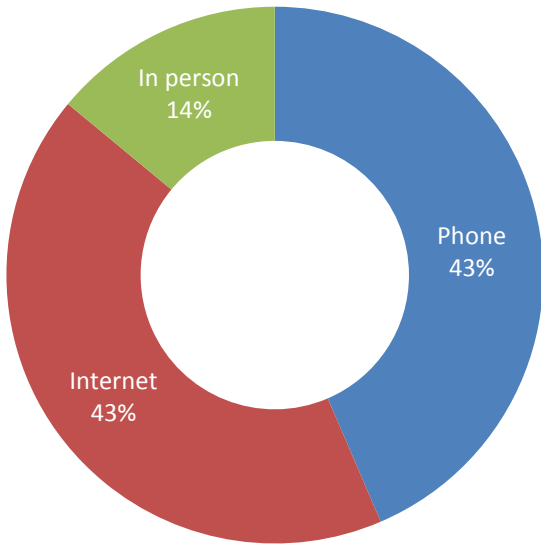


The future service

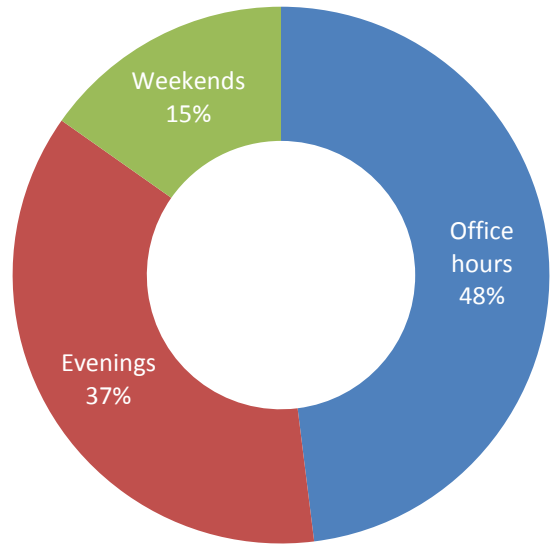
6. What do you think of our suggested improvements to the service?



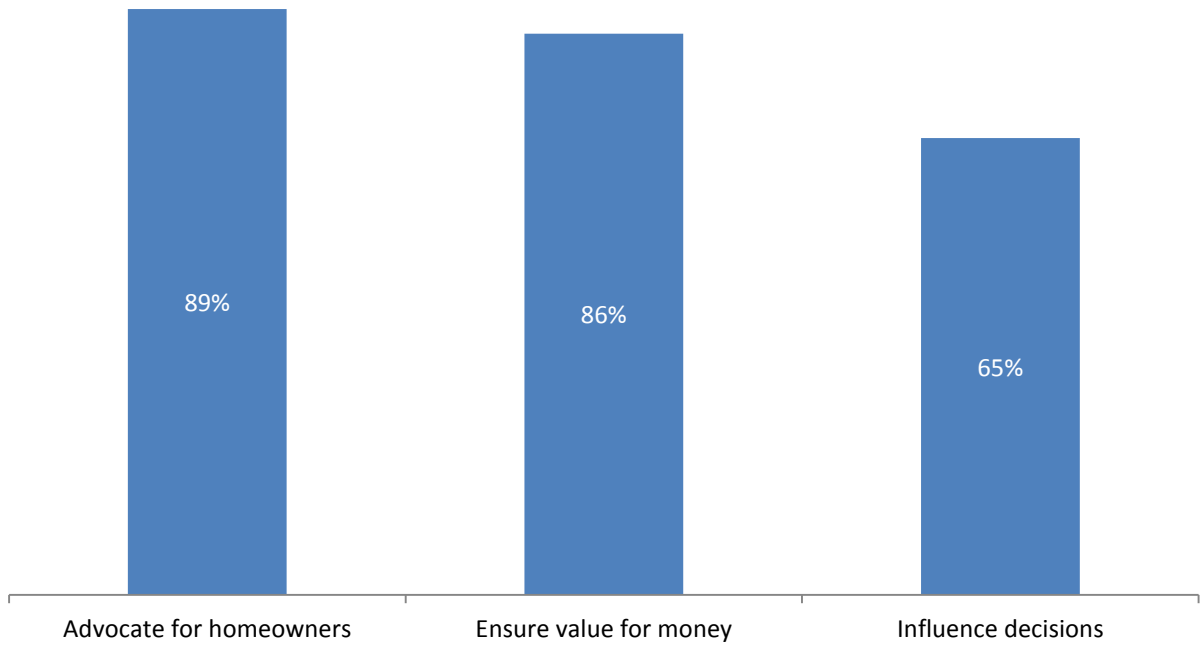
8. How would you prefer to contact the service?



9. What hours should the service be open?



7. What do you want the homeowner agency to focus on?



Item No. 16.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Financial Appraisal Process for Home Owners Affected by Regeneration Schemes	
Ward(s) or groups affected:		All wards and council home owners affected by regeneration schemes in the borough	
Cabinet Member:		Councillor Richard Livingstone, Housing Councillor Mark Williams, Regeneration and New Homes	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

Following a public question asked at the last cabinet meeting, we agreed to look again at the savings cap applied in the financial appraisal process for resident homeowners affected by regeneration schemes, such as the Aylesbury Estate programme.

This report revises that financial appraisal process.

We believe that it is important that we do not penalise resident homeowners who have been able to save money for their future needs. As a consequence, rather than just increase the savings level at which the cap is applied, this report proposes that resident homeowners are no longer required to apply their own savings at all if they qualify for council-assisted re-housing. Of course, if home-owners wish to apply their savings to purchase a greater equity in a shared-ownership property, they will still be free to do so.

If this policy is agreed, the council will work with our partners in housing associations to ensure that the policy can be applied where the resident chooses to move to a home provided by a housing association.

RECOMMENDATIONS

1. To note the revised process of financial appraisal to determine the appropriate re-housing support options for individual leaseholders affected by regeneration schemes.
2. To confirm that individual applicants should determine the application of their own savings towards their rehousing options.
3. To ensure that this approach is reflected in the delivery arrangements with development partners for new regeneration schemes, and to make representations to existing development partners to seek their agreement to adopt the approach for current regeneration schemes.

BACKGROUND INFORMATION

4. Eligibility for council-assisted re-housing options for resident homeowners

affected by the council's regeneration schemes is determined through a process of affordability testing. This has been the case since 2005, when the council adopted a policy in relation to the re-housing of home owners on the Heygate Estate. The Heygate model was broadly adopted for the Aylesbury Estate the following year and for the Elmington Estate in 2011. Homeowners who do not wish to be considered for any sort of council-assisted re-housing would not need to undergo an affordability assessment.

5. The affordability assessment (financial assessment) is undertaken to determine the best option for individual resident homeowners. These options are on a continuum and range from a council tenancy where resident homeowners would be unable to afford new home ownership, through shared ownership, shared equity and outright purchase with no assistance from the council. The financial appraisal also enables resident homeowners themselves to consider the best possible option for their individual circumstances including whether they wish to own a larger percentage of a lower value property or a lower percentage of a higher value property.
6. A general overview of the evolution of the council's re-housing assistance policies for the Aylesbury can be found appended to this report (Appendix A). The general approach has been that resident homeowners, having exercised either a statutory right to buy their council homes or purchased a former council home on the open market should be helped to remain in affordable, sustainable home ownership. This is particularly important given the rise in land and house prices in the Borough, which impacts directly on the ability to find comparable properties at an appropriate price. These resident homeowners are subject to compulsory purchase orders in furtherance of our regeneration objectives therefore it is important to make the process as fair and equitable as possible, and allowing the exercise of individual choice wherever possible. The council has ensured that dedicated financial and staff resources have been made available for this process since 2008.
7. Officers within the Sales and Acquisitions (SAA) team undertake a financial assessment to appraise whether a homeowner can afford the ongoing cost of ownership. This determines the eligibility of each case for re-housing assistance. This work sits immediately alongside other areas of work undertaken by the team, namely operation of the Social Homebuy and Cash Incentive Schemes, both of which also involve assessing the financial circumstances of people who want to buy their own home. It is increasingly important to ensure that prospective purchasers are made aware of the entire cost of purchase and likely future liabilities before they commit to home ownership.
8. Under the regeneration re-housing assistance scheme, the ability of people to purchase an alternative home is benchmarked against valuations of council properties undertaken by valuers in the council's Property Services Division. The possible outcomes are that resident homeowners;
 - does not qualify for council housing assistance as it is believed they are able to purchase on the open market without financial assistance from the council.
 - qualifies to purchase a property either outright, on shared equity terms or on shared ownership terms

- on-going ownership is unaffordable for that particular person, in which case they can become a council tenant.
9. At the time of the 2005 Heygate report, the council remarked that re-housing was a "sufficient domestic priority to warrant a shift in investment from other sources" and it was therefore proposed that savings above a certain level would be included in home owner affordability assessments. In practice, this means that individual resident homeowners are expected to put all of their savings into their new home, regardless of their personal circumstances or their own prudent financial planning for their futures – which may not have included any knowledge of the potential regeneration or redevelopment of their estates.
 10. As this decision was taken a decade ago, it is now appropriate to ensure that it is still relevant and does not adversely affect any one or any particular group of homeowners. Concern over this policy was raised by the Aylesbury Leaseholder Group as part of the public inquiry into the compulsory purchase of properties comprising the Aylesbury First Development site. Concern has also been expressed about the applicability of this cap and its disincentive to those who have acted responsibly and saved money for their future needs.

KEY ISSUES FOR CONSIDERATION

11. More than 100 re-housing applications have been received since 2008. It is clear that there is no typical financial profile of resident homeowners living on estates affected by regeneration schemes. Homeowners have a wide range of differing financial circumstances and financial capacity.
12. It is also the case that the circumstances of resident homeowners can and do change greatly over the course of their tenure. It is for this reason that it is not possible to operate a "one size fits all" type of re-housing policy and one of the reasons why, since the inception of the Heygate policy in 2005, the council has made a number of responsive changes - the most recent one being the introduction of a new form of ownership – 'Shared Equity', in March 2014.
13. The council in the application of its policies does not wish to penalise those resident homeowners who have been able to save sums of money – particularly where they may have been planning for their own future needs, e.g. retirement or ill health.
14. It is proposed to make an amendment to the existing policy to the effect that resident homeowners will no longer be required to apply their own savings if they qualify for council-assisted re-housing, unless they wish to do so.
15. It should be noted that the Aylesbury Leaseholder Group has recently written to the council with a number of suggested policy changes. Whilst this proposal might satisfy one or more of those requests, it does not deal with all of them. This report does not attempt to deal with those suggestions at this time. They will be examined more carefully and a full response will be provided in due course.

Policy implications

16. In arriving at this new approach, the council has considered the potential effect on all home owners. Analysis of data, taken from a sample of recent home owner

financial assessments shows that it is only in very few cases that resident homeowners have savings above the current capped level, which is currently set at £16,000.

17. Officers examined affordability assessments that had already been undertaken and completed for applicants from both phase 1 and phase 2 of the Aylesbury regeneration scheme to see to what extent a re-housing outcome might change by virtue of the proposed policy change. This exercise showed that there would be no change to the re-housing option to which individual leaseholders would be entitled, as illustrated in Appendix B.
18. There is no reason to believe that these outcomes would not yield similar results in the next active phases (3 and 4) of the regeneration scheme and there is not one example where an outcome changed from a form of ongoing ownership to tenancy. This again clearly demonstrates that there is no 'typical' situation.
19. Both the London Boroughs of Hackney and Lambeth have estate regeneration schemes in progress. The recommended approach to savings proposed in this scheme mirrors that of both boroughs in that it is for the displaced resident homeowners to decide whether they wish to use savings they have in the purchase of their future home. Southwark will therefore be taking a common approach in adopting this policy change.

Community impact statement

20. This policy change is being proposed in direct response to concerns particularly from members of the Aylesbury Leaseholder Group over the fairness of resident homeowners not being able to exercise their own choices in terms of their savings as a result of the council's Regeneration plans.
21. There is nothing to suggest that the council's re-housing policies for homeowners affect any one protected group more than another. The policies are predicated on housing and financial need and this can differ greatly from household to household as it would do across the borough and indeed across London.
22. As has already been demonstrated, this minor change is not expected to have an impact on the re-housing outcomes that would otherwise have been arrived at.

Resource implications

23. No additional staffing resources will be required as a result of this decision.
24. It is believed that the proposed policy change will not have an effect either on the number of applicants, or the number of those applicants likely to be offered council re-housing. It is however prudent for the council to continue to periodically review its policies and make relevant recommendations as it has done over the past decade

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

25. The Equality Act 2010 imposes a general equality duty on public authorities (PSED), in the exercise of their functions, to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
 - Foster good relations between people who share a relevant protected characteristic and those who do not share it.
26. For the purpose of the PSED the following are 'protected characteristic' considerations:
- Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation.
27. When making decisions, section 149 Equality Act 2010 requires that cabinet must have due regard to the need to eliminate discrimination and other prohibited conduct, and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not.
28. At paragraph 21 of the report there is confirmation that there is nothing to suggest that the council's re-housing policies for resident homeowners, including the change to those policies put forward by this report, affect any one protected group more than another.
29. As set out in the report, it is not thought that the policy change will adversely affect other leaseholders on regeneration schemes.
30. It is appropriate that the change in policy is brought before cabinet and it will be noted that the previous policies and changes in policy set out in Appendix A were the subject of cabinet (or executive) decisions.

Strategic Director of Finance and Governance

31. The strategic director of finance and governance notes the proposed removal of the savings allowance criteria for resident homeowners being displaced as a result of regeneration programmes. This policy condition dates back to 2005 and is no longer deemed to be relevant in current circumstances. Based on analysis of recent cases, there are no perceivable adverse financial implications arising from the policy change and no requirement for any additional resources.

Housing Solutions Manager

32. The proposed changes will have no implications for the existing Housing Allocations scheme and very limited implications on the re-housing of customers into available affordable accommodation going forward. The Housing Solutions service therefore, fully supports the contents of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Elephant and Castle Leaseholder Policy 2005	Sales and Acquisitions, 160 Tooley Street	Mark Maginn 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5142&Ver=4		

APPENDICES

No.	Title
Appendix A	Evolution of re-housing policy summary document
Appendix B	Re-housing outcomes tables

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing; Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Richard Selley, Head of Customer Experience	
Version	Final	
Dated	26 November 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Housing Solutions Manager	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	26 November 2015	

APPENDIX A

Evolution of re-housing policies for homeowners affected by the Aylesbury regeneration scheme.

- Elephant and Castle Leaseholder Policy - 2005

Going above the council's statutory duties, report set out the tenets of rehousing policy, including:

Requirement of a detailed financial assessment
 Assessment of Housing Needs
 Option of Comparative Value Transaction
 £16k savings allowance

- Rehousing of tenants and homeowners for the Aylesbury Estate Regeneration Programme - 2006

Aligned options for home owners on the Aylesbury Estate with those on the Heygate Estate

- Amending the Rehousing Policy for Home Owners Affected by the Regeneration of the Aylesbury Estate - 2010

Policy recognised that there would “not be significant opportunities for home owners to be rehoused in RSL shared ownership properties on early phases due to construction timeframes.

Comparative value category was removed as deemed unworkable and unfair and sitting tenant category removed

Introduced shared ownership option

- Shared Equity – An Additional Rehousing Assistance Route for Homeowners Affected by Regeneration - 2014

Provided for a new rehousing category – *Shared Equity*, under which leaseholders would not have to pay a rent. Introduced as a response to the re-invigorated Right to Buy and also to the experiences of attempting to re-house Site 7 leaseholders and the resultant public inquiry.

APPENDIX B

Phase 1

Initial Outcome	Post policy change
Tenancy	No change
Shared equity	No change
Shared equity/Shared ownership	Ownership % increase
Shared equity	No change
Shared ownership	No change
Tenancy	No change
Tenancy	No change
Tenancy	No change
Shared Equity	No change
Tenancy	No change

Phase 2

Initial Outcome	Post policy change
Shared ownership/shared equity	No change to affordable percentage
Council tenancy	No change - ownership remains unaffordable
Shared ownership/shared equity	Change larger percentage becomes affordable
Shared ownership/shared equity	Change larger percentage becomes affordable
Shared ownership/shared equity	No change to affordable percentage
Shared ownership/shared equity	Change larger percentage becomes affordable
Shared equity	Change - smaller percentage becomes affordable
shared equity	No change to affordable percentage
shared equity	Change larger percentage becomes affordable

Item No. 17.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		The Charter School East Dulwich Development Strategy	
Ward(s) or groups affected:		South Camberwell, Village, East Dulwich	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

FOREWORD - COUNCILOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS

This report marks a significant next step in securing a great new secondary school for East Dulwich and the surrounding communities.

A widely supported and well organised community campaign, coupled with a proposal from an outstanding local secondary school has already seen permission for the school secured. It has also unlocked the Dulwich Hospital site ensuring that this community asset is used to its full potential.

We are proud that Southwark Council has been part of the partnership supporting the school from the start and that now we will bring our expertise in project management, regeneration and school building to ensure we get the high quality building our students and wider community deserve. Our commitment is underlined not just by the time and dedication of skilled council staff but the recommendation that the council contributes £5million to the project to cover known additional costs and to secure a high standard of design.

The final piece of the jigsaw is a collaborative relationship with the Education Funding Agency which has secured the former Lewisham and Southwark College Camberwell site for a much needed new special school and which for the next two academic years will be a temporary home to The Charter School East Dulwich. This secures the school's future for a September 2016 opening and will mean that it will open in better quality temporary accommodation with more flexibility and finance for the permanent school building.

RECOMMENDATIONS

1. That cabinet approve the council entering into an agreement with the Education Funding Agency (EFA) for the council to oversee and manage the procurement and construction delivery of the new The Charter School East Dulwich (TCSED) which is to be developed on the site of the existing Dulwich Community Hospital (East Dulwich Grove, London SE22 8PT) on the terms described in paragraphs 13-19. The approval for procurement of services and works for TCSED project will take place under a separate gateway report.
2. That cabinet approve the use of £5,000,000 from within the council's existing capital programme for the TCSED project as described in paragraph 35.
3. That cabinet agree to delegate authority to the Director of Regeneration to formally approve the risk transfer agreement as described in paragraph 19.

BACKGROUND INFORMATION

4. In March 2015, the Department for Education (DfE) approved The Charter School Educational Trust's application to open a new secondary school in East Dulwich. TCSED will be a co-educational, non-selective, non-faith, inclusive secondary school for pupils aged 11 – 18 and deliver quality education for young people. When the Trust consulted on its proposal there was significant public interest and support for the school from majority of parents and the community:
 - 98% agreed that there is a need for a new secondary school in the East Dulwich area.
 - 97% agreed with the proposed location at the Dulwich Community Hospital (East Dulwich Grove, London SE22 8PT).
 - 98% agreed The Charter School Educational Trust should enter into a Funding Agreement (Master Agreement and Supplemental Funding Agreement) with the Secretary of State to open and run TCSED.

5. The EFA purchased 5.21 hectares of the Dulwich Community Hospital site from the NHS, which will be leased to TCSED on a peppercorn rent for 125 years. The sale agreement with NHS will see the site area released to the EFA in three parcels for the development:
 - **Parcels 1 and 2** (the north east and south west parcels) were released on contract completion in October 2015.
 - **Parcel 3** is expected to be released in April 2019, with a longstop date of April 2020, when the NHS clinical services are relocated to a new building on the south east corner of the site (the parcel of land being retained by NHS property services).

6. **Note that Parcel 4** is an area of the site to be retained by the NHS for the new build NHS clinical services - see diagram 1 below.



7. TCSED and Education Funding Agency (EFA) approached the council in June 2015 to work in partnership to deliver the project which led to the joint

commission of a master plan and feasibility study. Capital funding of £39.2m will be provided by the EFA.

8. As part of the due diligence for the project and to facilitate the discussions with the EFA, the council has engaged the architectural services of Architype to undertake an initial high level design study and the cost management services of Rex Proctor & Partners (RPP). RPP advised that costs on current prices costs are likely to be in the region of £42m, taking account of the site and the phasing which is summarised below.

KEY ISSUES FOR CONSIDERATION

9. Diagram 1 above indicates the parcels of land which make up the Dulwich Community Hospital site sale. Key points to note are listed below.
10. A temporary accommodation solution would need to be organised for at least two years with the possibility to extend to three years - September 2016 to September 2019.
11. The EFA has purchased the former Lewisham Southwark College Camberwell Annexe site in Southampton Way, with the intention of facilitating the provision of a new special free school in the borough to meet the local demand for SEN school places. The EFA would also fund the refurbishment of the building for SEN use. The council would support local partners to make a bid for free school provision. This will be the subject of a further report to cabinet.
12. In the meantime, the EFA are prepared to offer the building to the Charter School Educational Trust to establish TCSED on this site temporarily for the academic years 2016/17 and 2017/18. This will improve the viability of the overall project by avoiding the cost of providing temporary accommodation (estimated saving of £3m). It will also provide a better educational environment for the new school, which would not be located alongside a construction site.
13. Due to the handover of the NHS parcel 3, and the potential that the handover of could be delayed by a year, the permanent scheme will need to be procured in two stages – Phase 1 a large teaching block and the sports hall; Phase 2 a teaching block and the refurbishment of the retained chateau.
14. The EFA have recently commissioned local authorities to take on the design and procurement of existing academy and new free school projects, where there is capacity and expertise to deliver.
15. In Southwark Council there is a large regeneration team with project planning, design expertise and technical experience in education capital projects. Coordinated with the internal expertise in highways, property and planning, alongside links with the NHS, there are a number of reasons to consider delivering the project to manage delivery. External design consultants would be procured to develop the project to planning stage, before undertaking a competitive two stage tender for contractors to design and build the new teaching blocks.
16. As part of the due diligence for the project and to facilitate the discussions with the EFA, the council has engaged the architectural services of Architype Architects to undertake a design study, alongside the cost management services of Rex Proctor & Partners (RPP) who have experience of large school projects. RPP have advised that costs are likely to be in the region of £42m taking

account of the site conditions, demolition, programme, phasing requirements and the need to achieve a good quality design in keeping with the local area.

17. The EFA's current budget is £39.2m. Although they are not prepared to increase that budget, they are prepared to enter into risk transfer agreement so that the council would not be exposed financially to circumstances which would be beyond its control and to cost risks which the EFA would otherwise need to accommodate if the project was delivered by an external consultant.
18. Under this agreement the council would make a capped contribution on the understanding that the EFA meet other costs which would be outside the council's control, including site and ground conditions.
19. The risk transfer agreement with the EFA would cover the following areas:
 - (i) The council's contribution to the project would be capped to a maximum of £5m to cover for known additional costs at this stage and with a view to securing a good standard of design.
 - (ii) Asbestos –The EFA have an agreement with the NHS, to recover the money from the sale to NHS. The council would not liable for any asbestos above that in the cost plan.
 - (iii) Site contamination – whilst there are surveys of the site, there could be unknown ground issues below the existing buildings which will only materialise when the buildings on parcel 2 and 3 are demolished. The EFA would meet those costs if they were not identified in surveys at land purchase.
 - (iv) Utilities – there is survey data on the utilities but there could be range of other utilities which have not either been identified which could impact on the design solution and consequentially lead to extra costs to the scheme. The EFA have indicated that they would meet those costs if they could not be mitigated in the design solution.
 - (v) Network Rail – There are potential risks and costs that could arise from demands that Network Rail might make. For example major repairs to the brick boundary wall. The EFA have indicated that they would meet those costs if case can be proven that they could not be mitigated in design and construction.
 - (vi) Third party rights – cost which may arise from third party rights and rights of way across the site. These are being investigated as part of the review of the agreement of sale and title report. The EFA would meet these costs if they could not be avoided.
 - (vii) Cost increases arising from delays by the NHS – although every effort will be made to coordinate the two developments, with a high level input from the council and NHS, the phasing of the project is unusual and the council is looking for financial protection from cost increases should the scheme be delayed in phase 3 due to the NHS being unable to meet their obligations to release the remainder of the site in the sale agreement to the EFA.
 - (viii) Chateau – the main chateau building located at the entrance of the hospital building (see diagram 1) is required to be kept as part of the scheme. Experience with Victorian hospital refurbishments indicates that there may

be unknown structural issues which may not be identified until the building is opened up for renovation. The EFA have indicated that they would accept the financial risk associated with these potential costs should they arise during contracted works and for which there is no reasonable provision in the overall cost envelope or no other mitigating means to avoid reasonable additional costs.

20. The above covers the main risks on the project and officers will need to work within the approved budget. In the event that issues arise and budget pressures are placed on the scheme a process of value engineering will be required before any further funds are requested.
21. As part of the due diligence for the project, the council has undertaken an initial high level design study. The design study has indicated that the most likely uses of the TCSED based on the parcels set out in Diagram 1 are as follows:
 - **Parcels 1** would accommodate a teaching block which could be constructed as part of Phase 1.
 - **Parcel 2** would be most suitable to accommodate the sports hall.
 - **Parcel 3** could accommodate a new a teaching block, Multi Use Games Area (MUGA) and the retained chateau with a school hub to the rear, constructed as part of phase 2 post April 2019.
22. Diagram 2 shows the indicative master plan for the development of these three parcels.
23. TCSED will be an 8FE secondary school with a total of 1,200 children and a 480-



place sixth form (1680 children in total). The school will have a gradual intake whilst they are not in their permanent accommodation and grow as follows:

- i. Year 1 (September 2016 to September 2017) - 120 (4FE) pupils. Total of 120 pupils.
 - ii. Year 2 (September 2017 to September 2018) - 180 (6FE) pupils. Total of 300 pupils.
 - iii. Year 3 (September 2018 to September 2019) - 180 (6FE) pupils. Total of 480 pupils.
24. TCSED will only increase the Planned Admission Numbers (PAN) to 8FE and sixth form once the all the permanent works are completed.
Diagram 2
25. The Phase 1 construction programme is targeting completion of the sports hall and first large teaching block by no later than August 2018. However, should these dates slip for any reason the school may need to remain in temporary accommodation for a further year.

Policy implications

26. This project will support 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.
27. The EFA have stated that they believe the project represents value for money due to the educational benefits which will be offered by the school and the basic need situation in the area.
28. This project supports Fairer Futures Promise 9 – Revitalised Neighbourhoods. The project will provide high standard educational facilities which will increase number of available pupil places with the local area and support future investment and regeneration in the local area.
29. There are also associated benefits for the council through entering into partnership with the EFA for the retention of the former Lewisham Southwark College site in Southampton Way for education purposes, both in terms of the viability of the TCSED project and the potential to deliver a new special school funded through the free school programme. The latter will be the subject of a further report to cabinet.
30. The proposed development of the new school and health centre constitutes a major regeneration of a community asset within East Dulwich. The site is currently designated as Site 73P in the saved Southwark Plan (2007) for health, residential and community purposes. The Dulwich SPD (2013) sets out further guidance on the aspirations for the site. The council will be updating the designation for the site as part of the site allocations consultation in spring 2016.

Community impact statement

31. Southwark Council also recognise the impact that this development will have on surrounding communities in East Dulwich. The proposed development of TCSED will provide a clear link with the community with the school proposing to opening up the facilities to community use sage with particular focus on the leisure facilities of the new sports hall and multi use games area.

32. TCSED will provide the local area with an inclusive secondary school for 1680 pupils aged 11 – 18 and deliver the highest quality education for young people in its immediate diverse locality. Run by The Charter School Educational Trust, the school will build on the success of The Charter School on Red Post Hill, Dulwich.
33. It is anticipated that electronic communications are maintained with those engaged in the process to provide updates on the progress of the project.
34. The council commissioned an Equalities Impact Assessment (EQIA) in 2015 that identified the risks and social considerations associated with this project. The recommendations have been implemented in response to this report.

Resource implications

35. Indicative spend profile for the project is as follows:

	16/17	17/18	18/19	19/20	20/21	21/22	Total
Council capital	£850,000	£830,000	£830,000	£830,000	£830,000	£830,000	£5,000,000
EFA capital	£6,700,000	£6,500,000	£6,500,000	£6,500,000	£6,500,000	£6,500,000	£39,200,000
Total	£7,550,000	£7,330,000	£7,330,000	£7,330,000	£7,330,000	£7,330,000	£44,200,000

36. TCSED will not be contributing any immediate capital funding to the project. However, the trust has significantly supplemented the project development grant to support TCSED set up costs.
37. The project manager responsible for the delivery of the overall programme, under the management of the head of regeneration capital works and development who 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.
38. The project manager will be required to issue monthly reports to TCSED and EFA with close working partnerships with the NHS. These reports will highlight any issues and risks and enable the project to be closely monitored and managed throughout the delivery period.
39. The following diagram describes the project management delivery mechanism to deliver the project in partnership with the NHS.

The Charter School East Dulwich: Project Management groups structure

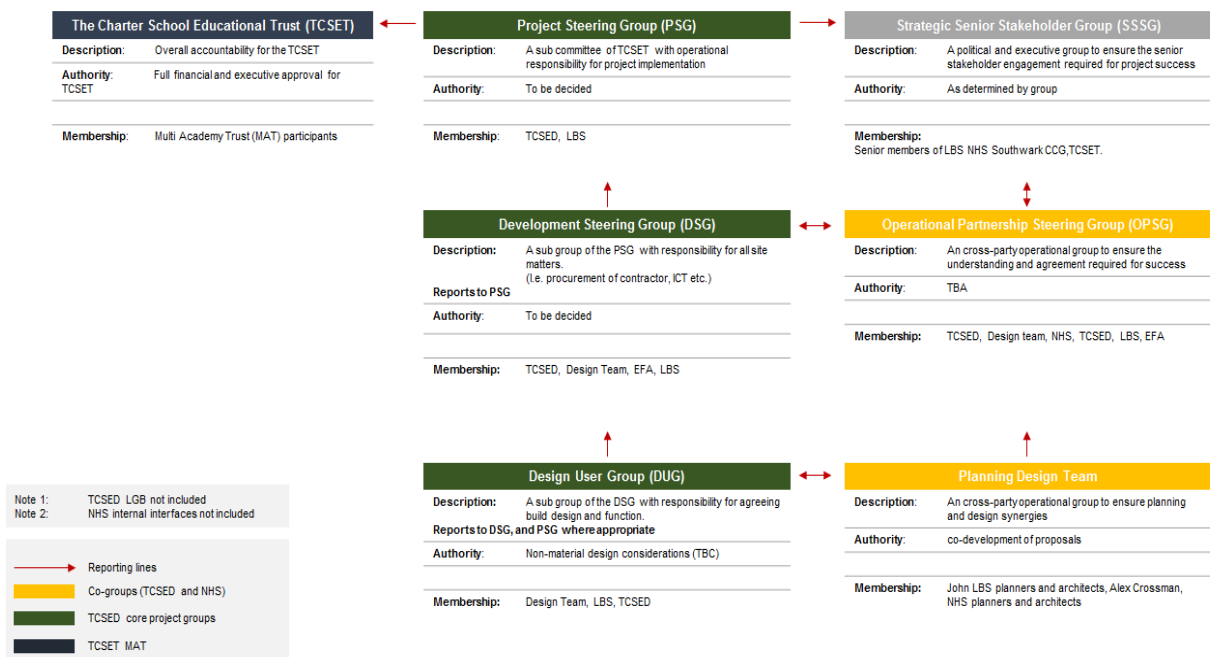


Diagram 3 showing governance chart for TCSED project.

Staffing/procurement implications

40. The council will need to include £5,000,000 of capital funds within the council's capital programme to address the shortfall in the EFA funding and to fund an improved quality of design work.
41. The EFA have committed £39,200,000 of capital funds as part of the Department for Education Free Schools' programme. This figure includes all council costs and project costs.
42. The current allocation for the construction element of the project is £35m.

Consultation

43. The Charter School Educational Trust has been engaging with the local community to share proposals on the Dulwich Community Hospital site in order for the school to be operational from September 2016. Two consultation events were held on 6 October 2015 and 17 October 2015, to 'showcase' feasibility proposals for the site. Leaflets detailing the consultation events were distributed to all residents, businesses and other organisations within a 1 mile radius of the Dulwich Community Hospital site. The Trust made direct contact with 1,871 people and organisations which included 1,600 parents and others on its subscriber list, in excess of 110 community organisations, 43 local primary schools and parent, teacher, friends associations, and 70 NHS contacts and ward councillors.
44. Further pre planning consultations are scheduled to take place in March 2016 and April 2016 to exhibit proposals to the local community and wider stakeholders. There will also be formal planning consultation taking place in August 2016.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

45. This report seek approval to the council entering into arrangements with the EFA in relation to the delivery of the new TCSED, as further detailed in paragraph [1]. As noted in paragraph [17], the agreement with the EFA will seek to contain the council's exposure to risk and paragraph [19] sets out the general requirements for the risk transfer agreement. Further advice will be required on the detailed requirements of the risk transfer agreement, and therefore approval is sought to delegate the approval of the final terms of the risk transfer agreement to the director of regeneration, to enable that advice to be obtained.
46. In considering these recommendations, the cabinet should have regard to the council's general duty of best value, and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Paragraphs [9-25] set out the key considerations in seeking approval to these arrangements.
47. It is noted that approvals for the procurement of works and services relating to the TCSED project will be the subject of separate gateway reports, to which legal officers of the corporate team will provide advice.
48. The cabinet's attention is drawn to the public sector equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, 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 should have regard to the community impact statement at paragraphs [31-33] setting out the consideration that has been given to equalities issues, and should refer to the equality analysis referred to in paragraph [34] which should be considered when agreeing this proposals. The council has a statutory and common law duty to consult with interested parties, and to consider that consultation as part of its decision making process. The cabinet should therefore also have regard to the consultation undertaken in relation to this project which is noted at paragraphs 43 and 44.

Strategic Director of Finance and Governance

49. The strategic director of finance and governance notes the recommendations in this report for the council to enter into an agreement with the Education Funding Agency for the council to oversee and manage the procurement and construction delivery of the new The Charter School East Dulwich.
50. Funding available from the EFA will be £39.2m, and a contribution from the council of £5m will be required. This is will be funded from within the existing capital programme budget of £12m shown on S-0050-0100, described as "autism learning". The resource implications indicate that the council's contribution will be drawn in equal instalments over six financial years from 2016/17.

51. The strategic director notes that there will be a risk sharing agreement which is intended to limit the council's liability for any additional costs arising as the site is developed.
52. It is noted that the approvals for procurement of services and works for TCSED project will be the subject of separate reports within the council's usual governance arrangements.

Strategic Director of Children's and Adults Services

53. The Lewisham Southwark College building will provide good quality, temporary accommodation for TCSED to deliver secondary school places from, pending completion of the permanent site. TCSED has confirmed that transport resources will be provided for pupils enabling them to travel safely to and from Red Post Hill and Lewisham Southwark College building which will be supportive to families during this interim period.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Consultation Boards for TCSED	N/a	N/a
Link: http://www.chartereastdulwich.org.uk/attachments/download.asp?file=18&type=pdf		
Equality analysis The Charter School East Dulwich development strategy	London Borough of Southwark, 160 Tooley Street, London SE1 2QH	Omar Villalba Project Manager Regeneration 020 7525 7573
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5142&Ver=4		
Programme for Delivery of TCSED	London Borough of Southwark, 160 Tooley Street, London SE1 2QH	Omar Villalba Project Manager Regeneration 020 7525 7573
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5142&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

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Report Author	Omar Villalba, Project Manager Regeneration.	
Version	Final	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	27 November 2015	

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