

Cabinet

Tuesday 21 March 2017

4.00 pm

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

Membership

Councillor Peter John OBE (Chair)
Councillor Stephanie Cryan

Councillor Fiona Colley
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Victoria Mills
Councillor Johnson Situ
Councillor Mark Williams
Councillor Ian Wingfield
Councillor Maisie Anderson

Portfolio

Leader of the Council
Deputy Leader and Cabinet Member for
Housing
Finance, Modernisation and Performance
Communities and Safety
Adult Care and Financial Inclusion
Children and Schools
Business, Culture and Social Regeneration
Regeneration and New Homes
Environment and the Public Realm
Currently on maternity leave

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Contact

Paula Thornton 020 7525 4395 or email: paula.thornton@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 13 March 2017



Cabinet

Tuesday 21 March 2017
4.00 pm

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

Order of Business

Item No.	Title	Page No.
	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	1 - 5
	To note the items specified which will be considered in a closed meeting.	
4.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	

Item No.	Title	Page No.
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 the receipt of public questions is midnight Wednesday 15 March 2017.	
6.	MINUTES	6 - 18
	To approve as a correct record the minutes of the open section of the meeting held on 7 February 2017.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Wednesday 15 March 2017.	
8.	CULTURAL STRATEGY REFRESH 'CREATIVE SOUTHWARK 2017 TO 2022'	19 - 29
	To agree the proposed Cultural Strategy 'Creative Southwark 2017 to 2022.'	
9.	APPROVAL TO GO OUT TO PUBLIC CONSULTATION FOR THE INTRODUCTION OF PUBLIC SPACE PROTECTION ORDERS (PSPOS) TO TACKLE DOG RELATED ANTI-SOCIAL BEHAVIOUR (ASB)	30 - 49
	To approve the recommendation to begin consultation on the introduction of Public Space Protection Orders to tackle dog related anti-social behaviour.	
10.	CUSTOMER ACCESS STRATEGY REFRESH	50 - 55
	To note and endorse the refreshed customer access strategy.	
11.	GATEWAY 1- PROCUREMENT STRATEGY APPROVAL: DOOR ENTRY AND WARDEN CALL CONTRACT	56 - 67
	To approve the procurement strategy for a door entry and warden call contract.	
12.	RESPONSE TO CENTRAL LONDON AREA BASED REVIEW OF SKILLS 2016	68 - 88
	To note the recommendations of the Central London Area Based Review of Skills report and agree proposed actions.	

Item No.	Title	Page No.
13.	PASSMORE CENTRE INVESTMENT PLAN	89 - 99
	To note the final proposals for the Passmore Centre detailed in the London South Bank University Business Plan and the outcomes.	
14.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL PROPOSED EXPANSION OF ROTHERHITHE PRIMARY SCHOOL	100 - 120
	To approve strategies for procurement at Rotherhithe primary school.	
15.	GATEWAY 2 - CONTRACT AWARD APPROVAL - THE CHARTER SCHOOL EAST DULWICH (TCSED) - PHASE 1 WORKS CONTRACT	121 - 135
	To approve the award of the design and build contract for the phase 1 works at the Charter School, East Dulwich.	
16.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME PROCUREMENT APPROVAL - LOT A	136 - 160
	To approve the procurement strategy to undertake an EU procurement to identify development partners for mixed tenure housing including commercial units and schools for Lot A of the Southwark Regeneration in Partnership Programme.	
17.	SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME LOT B SITES APPROPRIATION	161 - 180
	To confirm the areas of council-owned land that are no longer required for the purposes for which they are currently held and to approve the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area.	
18.	57 ELLIOTTS ROW, SE11, 9 FAUNCE STREET, SE17, 24 WOODWARDE ROAD SE22 - DISPOSAL OF FREEHOLD INTERESTS	181 - 189
	To authorise the disposal of the council's freehold interest in 57 Elliotts Row, SE11, 9 Faunce Street SE17 and 24 Woodward Road, SE22.	
19.	AGREEMENT OF THE HEADS OF TERMS FOR THE GRANT OF A LONG LEASEHOLD INTEREST IN REFURBISHED SPACE TO BE PROVIDED AT MAYDEW HOUSE AND SURRENDER OF PREMISES AT ABBEYFIELD ROAD, SE16	190 - 195
	To approve the grant of a 125 year lease of refurbished space to accommodate the Bede Centre at Maydew House, SE16.	

Item No.	Title	Page No.
20.	COMMERCIAL PROPERTY PORTFOLIO: ADDITION OF INCOME GENERATING ASSETS	196 - 200

To approve the acquisition of freehold interests in three commercial properties and related costs.

21.	AUTHORISATION OF DEBT WRITE-OFF OVER £50,000 FOR CHIEF EXECUTIVES DEPARTMENT, COMMERCIAL RENT	201 - 203
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To approve the write off of one commercial rent debt totalling £69,316.79.

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

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| 22. | GATEWAY 2: CONTRACT AWARD APPROVAL - CHARTER SCHOOL EAST DULWICH (TCSED) - PHASE 1 |
| 23. | GATEWAY 1: PROCUREMENT STRATEGY APPROVAL- SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME PROCUREMENT APPROVAL - LOT A |
| 24. | AGREEMENT OF THE HEADS OF TERMS FOR THE GRANT OF A LONG LEASEHOLD INTEREST IN REFURBISHED SPACE TO BE PROVIDED AT MAYDEW HOUSE AND SURRENDER OF PREMISES AT ABBEYFIELD ROAD, SE16 |
| 25. | COMMERCIAL PROPERTY PORTFOLIO: ADDITION OF INCOME GENERATING ASSETS |

Item No.

Title

Page No.

- 26. AUTHORISATION OF DEBT WRITE-OFF OVER £50,000 FOR CHIEF EXECUTIVES DEPARTMENT, COMMERCIAL RENT**

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

Date: 13 March 2017



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

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

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

DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 21 March 2017

LEAD OFFICER DETAILS

Name and contact details: Omar Villaba 020 7525 7573
or email: omar.villaba@southwark.gov.uk

DETAILS OF THE REPORT

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

Gateway 2: Contract Award Approval, The Charter School, East Dulwich – Phase 1 Works Contract

To approve the award of the design and build contract for the phase 1 works on parcels 1 and 2 for the Charter School, East Dulwich.

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

This would have an impact on the critical path for the project and affect the key target delivery date of 3 September 2018. This would also have a knock on consequence for the proposed new special school at Southampton which is scheduled to open on site in September 2019.

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

The decision was included on the forward plan for consideration by cabinet in March 2017; however the forward plan did not indicate that it was likely that the report would be considered in closed session. The decision is closed under category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution 'Information relating to the financial or business affairs of any particular person (including the Authority holding that information)'.

Everton Roberts
For Proper Constitutional Officer
Dated: 13 March 2017

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

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DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 21 March 2017

LEAD OFFICER DETAILS

Name and contact details: Bruce Glockling- 0207 525 0138
or email: bruce.glockling@southwark.gov.uk

DETAILS OF THE REPORT

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

Title of report: Gateway 1- Procurement Strategy Approval. Southwark Regeneration In Partnership Programme. Procurement Approval Lot A

To approve the procurement strategy to identify development partners through the Office of the European Journal to deliver mixed tenure housing including commercial units and schools for Lot A (SRPP) at an estimated Gross Development Value of £278,300,000 for a period of up to five years.

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

If the project is delayed, we will not be able to deliver on the project time lines and developers are already geared up to tender for this programme. We may lose potential developers who may otherwise employ their resources to other projects.

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

The decision was included on the forward plan for consideration by cabinet in March 2017; however the forward plan did not indicate that it was likely that the report would be considered in closed session. The decision is closed under category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution 'Information relating to the financial or business affairs of any particular person (including the Authority holding that information)'.

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DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 21 March 2017

LEAD OFFICER DETAILS

Name and contact details: Toby Sowter, 020 752 (55455)
or email: toby.sowter@southwark.gov.uk

DETAILS OF THE REPORT

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

Agreement of the Heads of Terms for the grant of a long leasehold interest in refurbished space to be provided at Maydew House and surrender of premises at Abbeyfield Road, SE16

To agree the grant of a 125 year lease of proposed council funded refurbished/ newly fitted out space in Maydew House, to the Bede Centre for a premium and the surrender of their existing leasehold interest in the premises adjacent Maydew, which facilitates the delivery of affordable housing.

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

The council misses the opportunity to progress the deal whilst the planning application at Maydew House is considered by the Planning Department. The Bede Centre (proposed tenant) will miss the opportunity to capitalise on press and public interest in the planning application for fundraising purposes.

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

6 February 2017: negotiations with the Bede Centre's representative surveyor concerning the premium payable for the proposed refurbished space were recently satisfactorily concluded allowing Bede to obtain the approval of their board of Trustees. However the confirmation of this fell after the date for inclusion on the forward plan for the 21 March cabinet.

Everton Roberts
For Proper Constitutional Officer
Dated: 13 March 2017

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

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DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 21 March 2017

LEAD OFFICER DETAILS

Name and contact details:

Matthew Jackson 020 7525 1332

Or email: matthew.jackson@southwark@southwark.gov.uk

DETAILS OF THE REPORT

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

Commercial Property Portfolio – Addition of Income Generating Assets

To approve the acquisition of a portfolio of three commercial properties in the London Bridge area, to be held as an income generating investment and replacing income streams released in to other initiatives (regeneration etc.) in pursuit of corporate objectives.

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

The vendor has stipulated that exchange of contracts must take place by no later than 28 March 2017. If this deadline is not met the council will lose the opportunity to secure these assets and the favourable incomes they will provide.

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

Since terms for the sale of the properties to the council were confirmed, through the issue of agreed Heads of Terms by the vendor, on 2 March 2017.

Everton Roberts
For Proper Constitutional Officer
Dated: 13 March 2017

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DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 21 March 2017

LEAD OFFICER DETAILS

Name and contact details: Julia Page 020 7525 5672
or email: Julia.page@southwark.gov.uk

DETAILS OF THE REPORT

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

Authorisation of Debt Write-off over £50,000 for Chief Executives Department, Commercial Rent

To seek approval for the right of a debt totalling £69,316.79

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

In order to accurately reflect the council's accurate financial position its needs to realistic about the possibility of collecting money owed to the authority. If the fact is that we will not be able to recoup a debt we should write it off as uncollectable rather than inaccurately showing it as money we will eventually receive.

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

The account was terminated 12 months ago and following subsequent legal advice the decision was made to write off in the financial year 2016-2017.

Everton Roberts
For Proper Constitutional Officer
Dated: 13 March 2017



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 7 February 2017 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John OBE (Chair)
Councillor Stephanie Cryan
Councillor Fiona Colley
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Victoria Mills
Councillor Johnson Situ
Councillor Mark Williams
Councillor Ian Wingfield

1. APOLOGIES

There were apologies from Councillor Maisie Anderson who was on maternity leave.

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

The chair gave notice of the following late items:

- Item 13. Policy and Resources Strategy: 2017-18 – 2019-20
- Item 14. Housing Revenue Account: Proposed increases in garage charges for 2017-18.

Reasons for urgency and lateness will be specified in the relevant minutes.

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

There were no items of closed business and no representations were received.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Mark Williams declared a non-pecuniary interest in relation to item 10, as he is the chair of the Creation Trust and on the board of Mountview.

5. PUBLIC QUESTION TIME (15 MINUTES)

Public Question from Maurizio Piga

Paragraph 4.2.3.13 of Appendix 7 of the council's regeneration agreement for the Aylesbury estate says: "In order to provide the resident leaseholders residing [in phase 1b/c] with more choice, the developer will assist five resident leaseholders to purchase a street property". Can the leader explain why these haven't been provided?

Response

The offer of Notting Hill assisting resident leaseholders from phase 1b/1c of the Aylesbury regeneration to purchase street properties, is part of a wider package of rehousing assistance that is offered to resident leaseholders through the Council's Development Partnership Agreement (DPA) with Notting Hill Housing. This included the offer for up to 15 resident leaseholders to purchase a new build property on a nearby Notting Hill development at Camberwell Fields under shared equity terms. This was previously offered to all resident leaseholders in Phase 1b/1c and Phase 2 and a total of 5 resident leaseholders from the Aylesbury have been rehoused there under shared equity terms. Furthermore the DPA states that Notting Hill will be making shared equity terms available to resident leaseholders on a range of other new build developments within the borough as they come forward over the next few years.

The offer on street properties is specific to resident leaseholders in Phase 1b/1c and to date Notting Hill has assisted one resident leaseholder to move to a street property on shared equity terms. Offers to investigate street purchases have been made to other resident leaseholders on phase 1b/1c on an individual basis but these offers have either been declined, or the leaseholders are seeking to secure alternative accommodation through other rehousing routes. The option to explore street purchases for resident leaseholders on phase 1b/1c is still available through Notting Hill and the council will facilitate those discussions where appropriate.

Mr Piga did not attend the cabinet meeting and did not ask a supplemental question. Cabinet members asked officers to email a copy of the response to Mr Piga.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 24 January 2017 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

There were none.

8. ACHIEVING 500 NEW AFFORDABLE BUSINESS AND CREATIVE SPACES BY 2018

Councillor Mark Williams confirmed that this was a joint report with Councillor Johnson Situ, cabinet member for business, culture and social regeneration.

RESOLVED:

1. That the strategy for achieving 500 new affordable business and creative units by 2018, as summarised in paragraph 10 of the report be approved.
2. That it be agreed that the council's primary role in this respect shall be to proactively enable and facilitate this provision, by stimulating engagement between private, third sector and development community interests, rather than as a direct provider or manager of new space.
3. That it be acknowledged that it will be necessary to strike a balance between several priorities competing for the same resources (affordable housing, new homes, Voluntary and Community Sector need for premises, rental and capital revenue generation).
4. That the director of regeneration be instructed to continue to ensure that opportunities for creative and affordable business space provision are explored in future regeneration-led schemes, in relation to operational premises deemed surplus to operations and to investigate further the nature of demand for such accommodation in the borough.

Cabinet members noted that this process would tie in with the review of council garages outlined in item 14.

9. ICT SHARED SERVICE WITH BRENT AND LEWISHAM

RESOLVED:

1. That the outcome of the original procurement process and the work undertaken to consider alternative options be noted.
2. That the delegation of the delivery of the information and communications technology (ICT) service to London Borough of Brent Council as the primary host authority in a Shared ICT Service with London Borough of Lewisham be approved in principle, and that it be noted that a further report will be brought to cabinet to approve delegation in its final terms.
3. That the ongoing due diligence process and the development of inter-authority agreements for delegation of the ICT service delivery which will cover the 3 boroughs' obligations, liabilities, insurance arrangements and use of assets in relation to the Shared ICT Service, be noted.
4. That the entering into a memorandum of understanding with the London Borough of Brent and London Borough of Lewisham (as outlined in Appendix A of the report) be approved, and that the funding of preparatory and transition work at an estimated

cost of £3m and entering into an interim inter-authority agreement which will cover the 3 boroughs' obligations with regard to the preparatory and transition activities and as further detailed in paragraph 93b of the report also be approved, and that authority be delegated to the strategic director of housing and modernisation to agree the final terms of the interim inter-authority agreement(s).

5. That it be noted that Brent and Lewisham officers are presenting reports to their respective cabinets in relation to this delegation and future Shared ICT Service.
6. That it be noted that officers will undertake discussions with Capita regarding a further extension of the existing ITMS contract to allow the preparatory and transition activities to be completed.

10. MONTH 8 CAPITAL MONITORING FOR 2016-17 AND CAPITAL PROGRAMME REFRESH FOR 2016-17 TO 2025-26

Having taken advice from the deputy monitoring officer, Councillor Mark Williams declared a non-pecuniary interest in this item and withdrew from the discussion and decision making on this matter.

RESOLVED:

1. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
2. That the inclusion in the programme of the capital bids set out in Appendix E of the report, supporting the delivery of the council plan themes totalling £48.86m (£48.00m General Fund and £0.86m Housing Investment Programme) be approved.
3. That the projected expenditure and resources for 2016-17 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 Month 5 2016-17 be noted and that this position will be updated during the year as more up to date information becomes available.
4. That the resulting general fund capital programme for the period 2016-17 to 2025-26 as at Month 8, as detailed in Appendices A and D of the report, be noted.
5. That the substantial funding requirement of £293.61m which needs to be identified for the general fund programme in order for this to be fully delivered, as summarised in Appendix A of the report, be noted.
6. That the resulting housing investment programme for the period 2016-17 to 2025-26 as at Month 5 2016-17, as detailed in Appendix B of the report, be noted.
7. That the significant funding requirement of £181.80m, which needs to be identified for the housing investment programme to be fully delivered, be noted.
8. That the proposal to allocate a capital grant of £2.5m to Mountview to recognise the community benefits of the project (paragraph 45 of the report) be agreed.

At this point, Councillor Mark Williams rejoined the meeting.

11. MONTH 8 REVENUE MONITORING REPORT AND TREASURY MANAGEMENT 2016-17

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2016-17 of £9.6m after the utilisation of £9.704m reserves (table 1, paragraph 9 of the report)
 - the continuing pressures on the children's and adults' social care including public health (paragraphs 10 - 22 of the report)
 - the increasing budget pressures No Recourse to Public Funds budgets and information and communications technology (ICT) and corporate facilities management (CFM) (paragraphs 28 - 30)
 - the utilisation of the £4m contingency and £5m one-off windfall resulting from the early delivery of the minimum revenue provision saving to mitigate the full effect of cost pressures (paragraph 35 -36 of the report)
 - the housing revenue account forecast outturn for 2016-17 (table 2, paragraph 39 - 45 of the report)
 - the treasury management activity in 2016-17 (paragraph 51 - 61 of the report).
2. That the general fund budget movements that exceed £250k, as shown in Appendix A of the report, be approved.
3. That the general fund budget movements that are less than £250k, as shown in Appendix A of the report, be noted.

12. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

TRANSPORT

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

1. Southwark Labour is committed to making the borough a cleaner, greener, healthier and more pleasant place to live for our residents.
2. Council assembly recognises that high quality, accessible and well maintained transport is essential to improve the public realm, expand economic growth and to enable residents to travel and access services as freely and easily as possible.
3. Council assembly also recognises that transport has a significant environmental impact, particularly on air quality, and this administration's priority is to deliver a sustainable transport system, which promotes and encourages walking, cycling and improving public transport access and links.
4. Council assembly welcomes the steps this administration has taken improve transport and make Southwark a more pleasant borough to live, including:

- investing over £30m in cycling over 5 years and launching the Southwark Cycling Strategy to make it easier and safer for people in the borough to travel by bike,
- delivering the new north-south cycle route, the Southwark Spine, to complement Quietway cycling routes and link to the new north-south Cycle Superhighway on Blackfriars Road;
- increasing the number of Play Streets, closing roads to make it easier and safer for children to play outdoors;
- making Southwark an Age Friendly Borough, enabling older people to access a broad range of affordable and accessible transport options to get around the borough easily;
- doubling investment in roads and making Southwark a 20mph borough;
- successfully campaigning for improvements to bus services, such as extending the 42 and 136 bus routes, and improving the C10.

Regeneration

1. Council assembly recognises that effective transport infrastructure is necessary for regeneration, to both unlock new developments and meet existing demand, for example on the Old Kent Road, where the Bakerloo Line Extension will help deliver growth in homes and jobs.
2. Council assembly welcomes the steps that the administration has taken to use infrastructure in new developments to make it safer for people to walk and cycle, for example at Elephant Park;
3. Council assembly calls on the cabinet to continue working with Transport for London (TfL) to extend the Santander Cycle Hire scheme through Bermondsey and Rotherhithe, and bring the scheme to Camberwell, Peckham and Walworth.

Air Quality

4. Council assembly recognises the significant impact transport has on air quality; the most polluted areas in the borough, where national standards for air quality are frequently exceeded, correspond to the major road network.
5. Council assembly therefore welcomes the work the council has done to improve air quality, including working with Tower Hamlets on the Tower Bridge Anti-idling partnership to encourage drivers to turn off engines when stationary, and improving the council's commercial fleet to reduce emissions.
6. Council assembly also welcomes Mayor of London's commitment to improving air quality by:
 - bringing forward the implementation of the Ultra Low Emissions Zone (ULEZ) and extending it to cover more of the borough, following calls led by Southwark Labour;
 - introducing new Clean Bus Corridors, prioritising new, clean buses in the most polluted roads in the city, and setting a target of only buying clean electric or hydrogen buses from 2020;
 - bringing forward plans for the new Rotherhithe pedestrian and cycle bridge following campaigns by Labour councillors, which will bring benefits for the local environment by reducing congestion;

- making cycling easier and safer for more Londoners.
7. Council assembly welcomes the Mayor's commitment to delivering 'Healthy Streets' and calls on the cabinet to continue to put pressure on TfL to deliver public realm improvements in Peckham and Camberwell town centres in line with this vision.

Rail services

8. Council assembly welcomes the consultation on the new Thameslink Programme timetable and the introduction of 4 trains an hour on the Catford Loop, but believes that this should be a 7 day service and should extend the service through the whole Thameslink core;
9. Council assembly notes the continued and unacceptable levels of delays, cancellations and overcrowding on Southern Rail services, and calls on the government to allow TfL to be able to take over rail services in south London;
10. Council assembly welcomes the progress the council has made with TfL on the re-opening of Camberwell station, and calls on the cabinet to continue lobbying TfL and train companies to make the strong case for re-opening the station.

STAND UP FOR LOCAL PHARMACIES

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

1. Council assembly notes that Department of Health has announced it is pushing forward with dramatic cuts of £170 million to the funding of community pharmacies in England this year and that it has not ruled out more cuts to follow.
2. Council assembly notes that this funding cut could result in 3,000 pharmacies (a quarter of all pharmacies) closing across the country. In Southwark, 18 pharmacies could be at risk of closing.
3. Council assembly believes that the government's plans threaten patient access to pharmacies and pharmacy services in Southwark. Our local pharmacies are at risk of closure or being forced to cut services such as free delivery of prescription drugs, family planning advice and advice on medicines. This will put more pressure on GPs and hospitals and impact social services and is at odds with the local Clinical Commissioning Group's desire to increase the use of pharmacists to ease pressure on GPs.
4. Council assembly notes that the Local Government Association (LGA) has criticised the Department of Health for overlooking the role of community pharmacy as a 'much needed social and economic asset' and warned of 'unintended consequences' that will impact elsewhere in the local community.
5. Council assembly therefore calls on the Government to abandon these cuts and maintain a fully-funded community pharmacy service and asks the cabinet member for public health, parks and leisure to write to the Secretary of State for Health, NHS England and Southwark Clinical Commissioning Group expressing this view.
6. Council assembly also asks the cabinet member for public health, parks and leisure

write to the borough's three Members of Parliament asking them to make similar representations on this matter to the Secretary of State for Health.

The cabinet member for adult care and financial inclusion to verify that the Secretary of State for Health and borough's three Members of Parliament had been written to, as set out in recommendation 6.

TACKLING FLYTIPPING IN SOUTHWARK

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

1. Council assembly notes that:
 - Southwark Council proactively collects fly-tips and records these alongside fly-tips reported by the public, which leads to Southwark having a higher recorded rate of flytipping than other boroughs, who do not record data in this way;
 - The council introduced a £16 flat-rate charge for the collection of up to 10 items of bulky waste last year, as part of £30m in budget savings across council services;
 - Over the last 5 years, Southwark Council has had to make savings of over £156m, equivalent to a third of the council's budget, because of cuts from the Liberal Democrat and Conservative governments, and this year the council has to make a further £26.5m savings;
 - 2015/16 data for local authorities has not yet been published, so there is no comparative data available since the introduction of Southwark's bulky waste charge.
2. Council assembly calls on the cabinet to:
 - continue to monitor flytipping in Southwark
 - continue to take proactive steps to reduce incidences of people illegally dumping items in our borough
 - publish the number of flytipping incidents which are cleared by council staff, as well the number of incidents reported by the public.

MAKE FAIR TRANSITIONAL STATE PENSION ARRANGEMENTS FOR 1950'S WOMEN

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

1. Council assembly calls on the government to make fair transitional state pension arrangements for all women born on or after 6 April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.

2. Council assembly notes that:

- Hundreds of thousands of women had significant pension changes imposed on them by the Pensions Acts of 1995 and 2011 with little or no personal notification of the changes. Some women had only two years notice of a six-year increase to their state pension age.
- Many women born in the 1950s are living in hardship. Retirement plans have been shattered with devastating consequences. Many of these women are already out of the labour market, caring for elderly relatives, providing childcare for grandchildren, or suffer discrimination in the workplace so struggle to find employment.
- Women born in this decade are suffering financially. These women have worked hard, raised families and paid their tax and national insurance with the expectation that they would be financially secure when reaching 60.
- It is not the pension age itself that is in dispute - it is widely accepted that women and men should retire at the same time. The issue is that the rise in the women's state pension age has been too rapid and has happened without sufficient notice being given to the women affected, leaving women with no time to make alternative arrangements.

3. Council assembly calls on the government to reconsider transitional arrangements for women born on or after 6 April 1951, so that women do not live in hardship due to pension changes they were not told about until it was too late to make alternative arrangements.

The cabinet member for adult care and financial inclusion to write to the Treasury and to the Department for Work and Pensions.

13. POLICY AND RESOURCES STRATEGY: 2017-18 – 2019-20

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent, because cabinet was required to prepare a budget proposal for submission to council assembly. This meeting was the last cabinet meeting before council assembly on 22 February 2017, and the council is required to set a lawful budget by 11 March 2017.

RESOLVED:

1. That the context of the budget as agreed by cabinet on 24 January 2017, where the following recommendations were agreed, be noted:

“That cabinet:

- 1.1. *Note that the provisional settlement was received on 15 December, and is reflected in the revised 2017-18 draft budget.*
- 1.2. *Note that the key elements for the council arising from the provisional settlement included:*

- *Settlement Funding Assessment (SFA), updated to include the confirmed Revenue Support Grant (£57.79m) and Business Rate Baseline Funding levels (£108.21m)*
- *Confirmed new homes bonus for 2017-18 of £13.053m representing an overall reduction of £2.0m on 2016-17 budgeted funding levels;*
- *Powers to bring forward the timing of the adult social care precept*
- *A one year only Adult Social Care grant of £1.577m for 2017-18, funded by the government through a further reduction in new homes bonus*
- *Confirmed improved better care fund in 2017-18 of £1.658m payable directly to the council and indications of increased funding in 2018-19 and 2019-20;*
- *Confirmed Public Health Grant for 2017-18 of £28.194m which is a reduction of £0.69m from 2016-17.*

- 1.3. *Note the risk transfer of retained business rate funding to local authorities.*
- 1.4. *Note the impact on school funding grants, specifically the cessation of the Education Support Grant.*
- 1.5. *Note the continued uncertainties especially regarding adult social care and children's services cost and demand pressures for 2017-18 and beyond and also ongoing funding risks and uncertainties relating particularly to the new Adult Social Care Grant, New Homes Bonus, Public Health Grant and risks of retained Business Rates.*
- 1.6. *Note the current budget deficit for 2017-18 of £1.822m, reduced from £2.6m on 13 December 2016, and £8.1m presented on 1 November 2016, after the incorporation of a number of budget proposals and updated information following the provisional settlement.*
- 1.7. *Note that the general fund budget proposals for 2017-18 contained within this report include:*
- *grant resources arising from the provisional settlement on 15 December (Appendix A)*
 - *Estimated resources for the Autumn Statement Grant*
 - *An assumed increase in Council Tax of 1.99%, below the cap of 2% laid down by the Department for Communities and Local Government (DCLG);*
 - *An assumed increase in the Adult Social Care (ASC) precept of 3%, in line with the maximum laid down by DCLG*
 - *Estimated council tax revenue of £87.5m in line with the Council Tax Base report agreed by cabinet in December*
 - *Estimated retained business rates growth of £8.7m*
 - *Planned use of balances of £3.7m, subject to reserves and balances being available*
 - *Planned contingency of £4m*
 - *Provision for contractual inflation and 1% pay award*
 - *Proposals for budget changes in 2017-18:*
 - *new commitments £22.916m, of which £5.9m is ASC earmarking*

- *of precept and grant (Appendix C)*
 - *efficiencies and improved use of resources of £18.247m (Appendix D)*
 - *income generation proposals of £2.482m (Appendix E)*
 - *other savings impacting on service delivery of £4.981m (Appendix F)*
- 1.8. *Note that the assumed increase in the Southwark element of the council tax represents the first increase in eight years (paragraph 48) and it is estimated that Southwark will continue to have the seventh lowest council tax in London.*
- 1.9. *Note that this budget proposes to use the flexibility offered by the government to support social care through an increase in the Adult Social Care precept, equivalent to 3% of council tax, on the basis that these additional funds will be used exclusively for adult social care (paragraph 44).*
- 1.10. *Note the current budget options proposed to help achieve a balanced budget 2017-18 as presented in appendices B-D; including ongoing protection for Children's Social Care budgets.*
- 1.11. *Note the departmental narratives setting out the service context and commitments, savings and income generation proposals (Appendix B).*
- 1.12. *Note the proposed approach to address the Children's and Adults' Social care budget pressures, and comparative data. (Appendix G).*
- 1.13. *Note the reducing level of reserves and balances available to the council to help mitigate the risks of funding reductions moving into future financial years.*
- 1.14. *Note the continuing work underway by strategic directors to complete appropriate equality assessments for all budget proposals (reference in Appendix B)*
- 1.15. *Note the consultation that took place prior to agreeing the indicative budget options for 2017-18 and 2018-19 in February 2016 and that further consultation will be undertaken for new budget options where necessary or appropriate.*
- 1.16. *Note that this report will be considered by overview and scrutiny committee on 30 January 2017 and that any recommendations arising will be incorporated into the final report to cabinet on 7 February 2017.*
- 1.17. *Request that officers complete further work in the light of further notifications from government and recommendations from cabinet and overview and scrutiny to present a fully balanced budget position for cabinet on 7 February 2017.*
- 1.18. *Note that on the basis of this range of uncertainties and as reported to cabinet previously, a balanced one year 2017-18 budget will be presented to cabinet in February for approval in advance of council assembly in*

February 2017”

2. That it be noted that the 24 January report was considered by overview and scrutiny committee on 30 January 2017, and that the recommendations arising (paragraph 86 of the report) be agreed.
3. That it be noted that as at 1 February 2017 the final settlement has not been received, and that the revised 2017-18 budget presented in Appendix A of the report reflects the provisional settlement, and that any changes will be reported to council assembly.
4. That it be noted that this report presents the final balanced general fund budget proposals for 2017-18 including:
 - new commitments £22.566m, of which £5.9m is ASC earmarking of precept and grant (Appendix C of the report)
 - efficiencies and improved use of resources of £18.897m (Appendix D of the report)
 - income generation proposals of £2.480m (Appendix E of the report)
 - other savings impacting on service delivery of £5.081m (Appendix F of the report).
5. That this balanced one-year 2017-18 budget be submitted to council assembly for approval.
6. That it be noted that the indicative budgets for 2018-19 and 2019-20 agreed by council assembly in February 2016 are under considerable pressure despite the significant proposals in 2017-18, and that it be noted that work will commence early in 2017-18 to update the Fairer Future Medium Term Resources Strategy to address these concerns.
7. That under Part 3C of the constitution full cabinet is responsible for the approval of new fees and charges and agreement of charging levels in line with the medium term resources strategy, and that the fees and charges presented in Appendix H of the report be agreed, and that the level of those fees which cabinet is not permitted to set (paragraphs 88 to 93 of the report) be noted.

NOTE: In accordance with overview and scrutiny procedure rule 17.2 (a) (budget and policy framework) decisions 1-6 are not subject to call-in.

14. HOUSING REVENUE ACCOUNT - PROPOSED INCREASES IN GARAGE CHARGES FOR 2017-18

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent, because the report could not be delayed, as it formed part of the HRA budget setting process, which requires the HRA to have a balanced budget set before the start of the financial year, and for statutory rent notifications to be issued to tenants 28 days before any variation is implemented.

RESOLVED:

1. That an increase in the standard and concessionary garage rents of £1 per week, to £19.62 and £14.62 respectively be approved. That an increase of £0.50 per week for small sites currently charged at £10 per week and no increase for small sites currently charged £5 per week also be approved.
2. That an increase in the private sector rent of £5 per week to £32.50 be approved.
3. That the ongoing planned maintenance programme to refurbish closed and empty garages be noted.
4. That a further report be provided to the cabinet member for housing during 2017-18 assessing the potential to zone private sector rents based on proximity to public transport links, with the potential to charge in excess of £32.50 for more accessible locations.
5. That officers carry out a borough-wide garage review to assess usage and opportunities for the garage portfolio. That the recommendations in the report titled "Achieving 500 New Affordable Business and Creative Spaces by 2018" which is on the same agenda be noted.
6. That the proposed budget mitigation measure to fund the revenue shortfall arising from the revised fee increase from the HRA contingency budget, as set out in the report, be approved.

The meeting ended at 4.50pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 15 FEBRUARY 2017.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.

Item No. 8.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Cultural Strategy Refresh - 'Creative Southwark 2017 to 2022'	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Johnson Situ, Business, Culture and Social Regeneration	

FOREWORD – COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR BUSINESS, CULTURE AND SOCIAL REGENERATION

The London Borough of Southwark has always been a centre of creative excellence with a vast cultural footprint that sets it on the international stage. All the way from its docks and bridges lining the River Thames, down to its greener edges in the south, there are world-class galleries, museums, colleges, and community libraries with busy events calendars. We are home to makers and creators, film sets and festivals, spaces and studios. The people living, working and studying in Southwark, and our growing visitor numbers, all contribute to this diverse, unrivalled cultural landscape.

Why, then, do we need this strategy? It is precisely because of Southwark's rich cultural and creative heritage that we have a strategy. Times are changing, and as with London and the rest of the UK, the borough is facing a new and ever-shifting set of social and financial challenges.

Examination of these challenges for the cultural and creative sector and the impact of regeneration in the borough have shaped this strategy as a response. Heralding unprecedented levels of co-operation and integration, our aim is to embed culture within our everyday priorities, developing a consistent cross-council approach to culture. It is a framework for us to work with stakeholders and partners across the borough to understand, promote and secure Southwark's cultural and creative landscape for now and for future generations.

With the aim of advancing access for all of Southwark's residents to the wealth of culture on their doorsteps, the borough's children to be able to consider a sustainable career in the arts, this strategy looks at ways of maximising on a strong creative economy through support for businesses and the growing night-time and digital economies. All this is underpinned by the vital recognition and protection of the strong sense of place, often driven by an area's artistic and cultural output, felt across the borough from Elephant and Castle to Peckham Rye.

What follows is a celebration of Southwark's cultural prosperity and a way for us to fully embrace the challenges ahead. "The source of art is in the life of a people" reads the marquetry floor design in the South London Gallery, founded in 1891 in Camberwell: the approach, aims and ambitions of this strategy looks to uphold this maxim. By recognising there is strength in sharing and exchanging our cultural experiences and heritage, we can safeguard the creative future for everyone in Southwark.

RECOMMENDATION

1. That cabinet agree to the proposed Cultural Strategy ‘Creative Southwark 2017 to 2022.’

INTRODUCTION

2. Southwark can be rightly proud of its long standing role as a cultural centre for London, from its rich heritage to modern day ground breaking creative industries, from internationally renowned major institutions such as the Tate Modern and Shakespeare’s Globe, to the grassroots community based arts organisations there are opportunities to enrich lives across the borough. It has also been home to very important events such as the sailing of the Mayflower from Rotherhithe in 1620 to the opening of Britain’s tallest building in 2012.
3. Today Southwark attracts a vibrant creative cultural community who want to live, work, study and set up businesses here. This cultural strategy celebrates this richness and diversity and sets the framework by which culture can be supported to thrive, grow and continue to make Southwark the unique place that it is.
4. In 2013 Southwark Council published a cultural strategy to cover the period from 2013 to 2018. The strategy was developed in partnership with cultural organisations from across the borough, representing all forms of visual and performing arts, and including partners from large employers to sole traders.
5. The consultation for this cultural strategy focused on the council’s role as a deliverer of cultural activities and as a facilitator between the cultural sector and the council. The strategy was approved by the Cabinet on Tuesday 16 July 2013.
6. The original strategy was grouped in five cross cutting themes:
 - Communicating, connecting and navigating
 - Platforms, places and spaces
 - Creativity, quality and innovation
 - Resilience and sustainability
 - People and audiences
7. The cultural sector is one of the fastest growing sectors in the economy and the role of the Local Authority is also changing, not least funding and external grant reductions across the public sector. Southwark as a place also continues to change at an astonishing pace and new opportunity areas have come forward that means it is an appropriate time to review and refocus the strategy. Increasingly the Council sees its role as broker and enabler, supporting the cultural enrichment of the borough through effective partnerships and exploiting the opportunities available through regeneration and growth.
8. In 2015 a mid-term review of progress of the strategy was conducted with the sector. Sixty representatives participated, and this served as a point at which to benchmark the actions taken to date, and develop a direction of travel for the duration of the strategy. Over four years strong progress has been made against many of those targets and this strategy captures some of those successes.

9. The Cultural Strategy (see Appendix 1) aims to:
- Ensure that Southwark continues to be a borough for cultural excellence.
 - Embed a cross-council and partner approach to culture
 - Ensure that cultural priorities are reflected in emerging plans and strategies, including the new Southwark Plan
 - Further align the strategy to the Fairer Future Promises.
 - Protect, preserve and grow our cultural venues, spaces and provision
 - Ensure our cultural sector is resilient in the changing financial and political climate
 - Support the economic prosperity of the borough, including the night time economy.
 - Enable all of our diverse community to have access to cultural opportunities
 - Collect, conserve and celebrate our local history for future generations.
10. The strategy delivers against a number of the Fairer Future Promises which are:
- Promise 1 – Value for Money – By providing best use of the resources available to the council
 - Promise 7 – Safer Communities – By bringing communities together to celebrate and share experiences
 - Promise 8- Education, Employment and Training – We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.
 - Promise 9 – Revitalised Neighbourhoods – By animating public spaces and bringing communities together.
 - Promise 10 – Age Friendly Borough – By ensuring everyone has access to cultural opportunities.

BACKGROUND INFORMATION

11. The current cultural strategy has delivered real change. Additional studio provision has been secured; including Hotel Elephant on Spare Street which was the result of a creative industry provider working with the council and the Greater London Authority. Studio provision has been protected for Southwark Studios and the Drawing Room on the Rich Estate, Bermondsey at below market rent for a further 35 years through a Section 106 agreement.
12. Growth and security of tenure has been achieved for the performing arts, with seven new theatres opening either through refurbishment or new companies opening. In 2016 the council ensured that through Section 106, Theatre Peckham gained a fit for purpose building.
13. The release of existing council property for meanwhile use has created significant opportunities for cultural organisations. This includes the former Wells Way Library, which was let to two companies who have undertaken a range of programmes for community benefit and also the multi story car park in Peckham, which, it is anticipated will lead to the creation of over 600 jobs.
14. A new on line heritage portal has launched and makes public thousands of images from our Southwark art and artefact collections telling stories and histories. The site's social media functions have created a new and growing

online audience.

15. Southwark continues to deliver and commission an exciting events programme across the borough including; Black History Month, the libraries summer reading challenge, poetry festival and the annual fireworks celebration in Southwark Park.
16. In addition Southwark continues to directly fund arts organisations in the borough who deliver cultural programmes and ensure access to all of Southwark's communities.

Consultation 2016-17

17. A number of consultation methods were used to engage with residents, key partner organisations and stakeholders. An e-survey was circulated via council databases and through partners seeking feedback on the key issues for the sector. The research with the sector indicates that there has not been a change in the requirements of the sector, and that concern around financial stability, premises, and needs around skills and networking are still predominant. (See appendix 2)
18. In addition focus groups were held with a cross section of external partners and officers to discuss emerging themes of :
 - Equality, diversity and widening opportunities
 - Business, employment and training
 - Libraries and heritage provision
19. In order to continue the excellent cross council working, internal workshops were held with:
 - Local Economy, Regeneration, Planning and Property
 - Events & Arts, Libraries & Heritage, Parks & Leisure and Communications
 - Education, Youth & Play, Community Engagement and Public Health
20. One of the key areas of research was to know more about the engagement of our residents with culture. The Audience Agency was appointed to design and undertake an in-depth face to face survey. Over 264 residents participated across 60 hours of fieldwork at a selection of Southwark libraries across a range of days and times. Libraries were chosen for the face to face interviews because of their close match to the demographic profile of the borough. It was also circulated as an e-survey via council databases and partners. (See appendix 3)
21. Of the 264 individuals responding, the demographic profile of respondents closely matched those of Southwark residents as a whole. The research carried out by the Audience Agency with our residents showed that there is an appetite to engage more with cultural activities, both in terms of attendance and participation. The main barriers to taking part or attending more cultural activities identified were, knowing what's on, followed by affordability, and having someone to go with.
22. The levels of attendance and participation were found to be relatively high amongst the respondents, across a broad range of cultural activities, indicating regular if not frequent cultural engagement both inside and outside of Southwark.

23. The respondents' level of interest in cultural activities was also high, particularly in comparison to interest in other leisure activities such as taking part or watching sports, and DIY or gardening.
24. The three activities showing the highest levels of engagement were; going to the cinema, visiting a museum or heritage site, and attending a visual art exhibition or event.

KEY ISSUES FOR CONSIDERATION

25. The reduction in funding for local government in the past four years has placed pressure on all council services and activities, including cultural ones. However Southwark recognises the significant part that cultural access and the creative industries plays and will increasingly play to residents. There continues to be strong investment in cultural places and spaces and also a clear recognition of the value in culture at the heart of social regeneration. Future priorities lie in embedding culture in all aspects of the regeneration of the borough and brokering relationships and partnerships to enable the sector to become resilient and prosper. There is an astonishing wealth of provision in Southwark, but the challenge remains to ensure that all our residents are able to access this cultural provision.
26. The growth in the price of commercial and housing property also impacts the creative economy, both in terms of affordable premises to operate from, but, also in terms of access to a local workforce. Significantly at risk are cultural assets which are in decline in London, including music venues, LGBTQI venues and artists studios. Southwark has worked hard to ensure that new creative spaces are affordable and that existing cultural organisations are not left behind with the growth and development across the borough. Paragraphs 11 to 13 above highlight some of the major successes in this area and the focus will remain during the life of this strategy.
27. The creative economy is a major growth area for the UK. At the time of writing this strategy, one in 11 of all UK jobs is in the creative economy.
28. Recent changes in education policy (the decision not to include arts in the EBACC English Baccalaureate) are expected to further exacerbate the skills gap for the creative industries, where a principal concern of employers is that there is a lack of suitable skills for the jobs available.
29. It is expected that the borough population will grow by up to 15% from the current 307,000 residents. The role of the creative sector will continue to grow, as key part of the economy creating and sustaining jobs and skills, as a bridge to bring existing and new communities together, as a way for people to participate as engaged citizens, as a way to improve peoples health and well being, especially mental health and as a catalyst for regeneration.

Support to wider plans and strategies

30. The Cultural Strategy in Southwark supports the following key council plans, statutory documents and strategies:
 - Economic wellbeing strategy 2012 to 2020
 - Activity Strategy for Children and Young People 2017 to 2020

- The developing new Southwark Plan
- The developing Old Kent Road Area Action Plan
- Canada Water Area Action Plan
- Peckham and Nunhead Area Action Plan
- Elephant and Castle Area Action Plan

The Strategy: Creative Southwark

Theme 1: Creative Economy

31. The creative economy is a major growth area for the UK. At the time of writing this strategy, one in 11 of all UK jobs is now a creative economy job. In particular the night time economy supports 1 in 6 jobs for people aged under 18.
32. We need to ensure that Southwark continues to provide the right environment to enable the growth of our current and future businesses and workforce in order to sustain a strong local economy.
33. This means supporting the skills and development needs of creative industries, from start up to maturity, in order for them to be resilient and sustainable within the current challenging landscape.
34. It also means creating clear pathways for our residents to tap into employment and business opportunities. We know that there are challenges to this in an industry where half of all jobs are filled by those with degrees or equivalent and where a principal concern of employers remains a lack of skills suitable for the jobs available.
35. We want to ensure that Southwark continues to provide the right environment to enable the growth and development of the creative economy and that our residents benefit from this both in terms of businesses and employment.
36. We also need to advocate for the cultural sector to employ more residents and that those who work in the creative economy are supported by the London Living Wage and proper rates recognised by unions in recognition of their professional status, skills and experience.
37. Our commitments are to work with partners to:
 - Improve the number of employment opportunities offered through the creative economy which supports the council target of creating 5,000 jobs by 2018.
 - Deliver programmes which reduce barriers for Southwark residents to enter into cultural sector training and volunteering.
 - Advocate for the London Living Wage and union rates for artists in the creative economy
 - Increase the amount of creative industry apprenticeships, which supports the council target of creating 2,000 apprenticeships by 2018.
 - Support the skills and development needs of creative economy enterprises through training and capacity building.
 - Support existing networks and enable networking opportunities.
 - Support and enable businesses to overcome challenges and flourish.

Theme 2: Creative Growth

38. In 2017 it is estimated that 40% of the borough is currently under development, with regeneration value across the borough totaled at £4 billion. With a population of 307,000 it is one of the most densely populated boroughs in London.
39. There are significant areas of development, including, Elephant and Castle, Canada Water, East Walworth, Old Kent Rd. and Blackfriars Road. The population of Southwark is expected to rise by 15% in the next ten years as housing in these areas is developed. We need to ensure that needs of the existing and new communities are met and that we support the local economy by providing the right built environment for the creative economy to thrive. The council recognises the value of retaining existing viable organisations in the borough, alongside supporting new and emerging companies, creative industries and practitioners.
40. Southwark will continue to play a part in London's cultural fabric on a local, national and international level. We need to work with partners to develop the right environment for the creative economy to thrive in and around our town centres. The council recognises the value of retaining viable cultural organisations in the borough, and will support new and emerging creative industries.
41. Key to this will be our work with universities, to enable our current and future business owners and workforce to thrive in the 21st century.
42. We want the cultural sector enable residents to engage in, and benefit from, the social impact of regeneration, ensuring that cultural needs of existing and new communities are met.
43. Our commitments are to work with partners to:
 - Retain viable cultural venues (indoor and out) and creative workspace.
 - To strategically plan and work with partners to create new cultural venues and workspaces. This supports the council target of achieving 500 new affordable business and creative spaces by 2018.
 - To work with developers to make informed decisions about the creation of cultural venues and workspaces.
 - Continue to use Section 106 and CIL to support the provision of cultural assets.
 - Provide opportunities for the cultural sector to engage in regeneration and planning processes.
 - Access and promote opportunities for the meanwhile use of properties.
 - To continue to develop libraries, to include flexible spaces, which can host wider cultural and heritage activity.

Theme 3: Creative People

44. Southwark's community is incredibly diverse, and one of our most valued assets. Culture is for everyone and everyone has the right to access high quality cultural provision through the arts, heritage, libraries and events. These cultural opportunities are regardless of your background, knowledge, skills, needs or

experience. We understand that for equality to be achieved culture must be something that everyone is able to have access to.

45. We need to work together as it requires a collaborative approach to address both real and perceived barriers to participation to drive higher engagement. Recent studies have concluded that the two most influential factors as to whether somebody attends or participates in cultural activities are educational attainment and socio-economic background.
46. To do this we also need to understand what our population is going to look like over the term of this strategy. With the increase in population there is expected to be a demographic shift. At present, 42% of Southwark is populated by 20 to 39 year olds. In the annual Southwark Demography Bulletin, it has been calculated that the 65+ age group will grow the fastest over the next five to ten years, making up 32% of the borough's population. The council has just made a pledge to be an age friendly borough and access to culture is a key part of this.
47. Our commitments are to work with partners to:
 - Deliver cultural opportunities through our libraries, heritage and events programme.
 - Deliver cultural opportunities for young people to engage with, out of school hours.
 - Promote digital inclusion and social media for creative means.
 - Support the development of cultural activities for, and by, all of our communities.
 - Enable access to culture for older people.
 - Support creative programmes that lead to healthier lives for our residents.
 - To improve our communication about cultural activities to residents, especially those which are free and low cost.

Governance and delivery

48. Southwark and the cultural sector is changing at pace and the strategy will need to be flexible and adaptable and this will also need to be mirrored in the governance structure. The cultural sector is large and diverse and it will be impossible to mirror this with a traditional board structure. Therefore it is proposed that we support an annual culture conference that will, amongst other outcomes, review progress against the cultural strategy and seek shared agreement on the priorities for the year ahead.
49. Separately a council officer group will meet every six months to oversee the delivery of the strategy and to develop and deliver against the emerging action plan.

Community impact statement

50. As set out under the Equality Act 2010 and the Public Sector Equality duty (PSED) an equalities impact assessment was carried out during the initial development of the cultural strategy. Extensive early consultation was carried out at this stage with internal providers, external groups and residents, and the aims of the strategy are broadly inclusive, and should foster good relations between people from different communities as well as advancing equality of opportunity.

51. The strategy has no clear detrimental impact to any group or protected characteristic as outlined in the Equalities Act or the PSED, and the broad aims and actions programmed are likely to increase participation, representation and accessibility to cultural provision within the borough. Consultation with both directly funded and active groups, audiences and the wider community is an integral part of delivering this strategy, and data on audiences and visitors is collected for all the directly delivered or funded projects.

Resource implications

52. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.
53. The council will launch its new commissioning strategy early in 2017 and cultural sector. The council will work with Community Southwark and the voluntary sector to engage with organisations to help them understand the requirements for funding.

Legal implications

54. Please refer to the concurrent report of the director of law and democracy below.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

55. This report seeks approval of the new Cultural Strategy entitled “Creative Southwark 2017 to 2022” (the Strategy”). The decision to agree the Strategy is one that can be taken by the cabinet collectively.
56. The report sets out at paragraph 8 the main aims of the strategy. Those aims have been compiled in response to the consultation which has taken place during the last 12 months in accordance with the duties imposed by the Local Government and Public Involvement in Health Act 2007, the details of which consultation are summarised within paragraphs 17 to 24 and the appendices to this report. Paragraph 9 notes that those aims are also consistent with the council’s Fairer Future promises.
57. Cabinet is advised of the need to consider the recommendation in the light of the council's role in public health and its promotion in the borough. Amongst its various duties and powers in this area the Health and Social Care Act 2012 imposes a duty on the council to take such steps as it considers appropriate for improving the health of the people in its area. This would include (but is by no means limited to) the provision of services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way), and making available the services of any person or any facilities. The report advises that the Strategy includes a commitment to delivering and supporting creative programmes to promote and encourage healthy lives and lifestyles within the local community.
58. Where there is no expressly conferred duty or power in relation to any of the objectives and proposals outlined in the Strategy, the council has the power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions (section 111 of the Local Government Act 1972).

The general power of competence conferred by the Localism Act 2011 also grants the council the power to do anything that individuals may do.

59. The use of outside spaces which are owned and maintained by the council would also need to be consistent with the council's powers relating to the provision and management of public spaces, and byelaws made by the council relating to their use.
60. Any commissioning and grant-giving processes related to the implementation of the Strategy and the action plan mentioned in paragraph 44 should take account of the council's duties as a Best Value authority under the Local Government Act 1999. Regarding grants in particular, the council has a general power to incur expenditure in the interests of, and where that will bring direct benefits to, its area (which includes making financial contributions to charities and non-profit making bodies carrying out public services, subject to a prescribed limit). The council has a specific power to make a scheme for making grants to voluntary organisations whose activities will benefit the whole of Greater London or any part of it, subject to a prescribed limit on the total amount of expenditure to be incurred. Officers should seek advice from the director of law and democracy in relation to the form and content of any contracts to be awarded to commercial and voluntary sector organisations.
61. In making its decision Cabinet must be aware of the Public Sector Equality Duty imposed by section 149 of the Equality Act 2010, which requires that due regard must be given to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; to advance equality of opportunity between persons who share a "protected characteristic" and those who do not; and foster good relations between persons who share a "protected characteristic" and those who do not. The relevant "protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Cabinet is referred to the community impact statement in this report and, in particular to the equalities impact assessment and the extensive consultation which have been undertaken in order to inform the development and detail of the Strategy.

Strategic Director of Finance and Governance (FC16/042)

62. The report is requesting cabinet to approve the refreshed Cultural Strategy 'Creative Southwark 2017 to 2022.' Full details are provided within the main body of the report.
63. The strategic director of finance and governance notes that staffing and any other costs connected with this report will be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cultural Strategy 2013 to 2018	160 Tooley Street, (Hub 2, 3 rd Floor) London SE1 2QH	Paul Cowell – Events and Arts Manager: Paul.cowell@southwark.gov.uk
Link: http://www.2.southwark.gov.uk/download/downloads/id/12629/cultural_strategy_2013_to_2018		
Cultural Strategy 2013 to 2018 action plan	As above	As above
Link: http://www.2.southwark.gov.uk/download/downloads/id/9828/cultural_strategy_action_plan		
Cultural Strategy 2013 to 2018 mid term review	As above	Paul Cowell, Events and Arts Manager
Link: http://www.2.southwark.gov.uk/download/downloads/id/12628/cultural_strategy_progress_report_2015		

APPENDICES

No.	Title
Appendices circulated separately	
Appendix 1	Cultural Strategy 'Creative Southwark 2017 to 2022'
Appendix 2	Cultural Organisations Consultation Survey
Appendix 3	Cultural Strategy Residents Research

AUDIT TRAIL

Cabinet Member	Councillor Johnson Situ, Business, Culture and Social Regeneration	
Lead Officer	Deborah Collins, Strategic Director of Environment & Leisure	
Report Author	Fiona Dean, Director of Leisure, Department of Environment & Leisure	
Version	Final	
Dated	9 March 2017	
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	9 March 2017	

Item No. 9.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Approval to go out to Public Consultation for the Introduction of Public Space Protection Orders (PSPOs) to Tackle Dog Related Anti-Social Behaviour (ASB)	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Barrie Hargrove, Communities and Safety	

FOREWORD - COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR COMMUNITIES AND SAFETY

Southwark Council is committed to providing services that create a cleaner, greener, safer borough for all. Southwark has continued to invest in services to keep our streets clean and worked hard to create parks and open spaces we can be proud of, receiving the second highest Green Flag awards (25) in the UK.

Most of our residents behave responsibly, however, there are still concerns raised by local residents with regards to dog related anti-social behaviour (ASB) and irresponsible dog ownership. Dog related ASB is currently dealt with borough-wide through byelaws which can be enforced through prosecution only.

In order for us to meet our Cleaner, Greener, Safer commitment to 'Encourage People to keep Southwark clean and use enforcement powers proportionately, where people litter or do not clean up after their dogs', it is necessary to re-evaluate our powers for dealing with dog related ASB and improve on these where possible.

The introduction of a Public Space Protection Order (PSPO) for dog related ASB would improve officers enforcement capability, providing powers for them to issue fixed penalty notices to those dog owners who behave irresponsibly and prosecute those owners who persistently offend.

If a PSPO is not implemented for dog related ASB (including not picking up after their dogs), authorised officers will be unable to issue fixed penalty notices to those dog owners who behave irresponsibly.

As cabinet member for communities and safety I am asking that cabinet, after consideration, approve the recommendations as set out in this report.

RECOMMENDATIONS

1. That cabinet approves the recommendation to begin public consultation with the intention to gain public view on the introduction of PSPOs to tackle dog related Anti-social behavior, as prescribed under The Anti-Social Behavior (ASB) Crime and Policing Act 2014.

2. That cabinet notes that the consultation will be for a period of six weeks and will seek public view on the following proposed PSPO provisions:-

Proposed PSPO provision	Proposed Area
Dog faeces must be cleaned up by those responsible for their dog(s)	Borough Wide
Dogs must be put on lead when instructed to do so by and authorised officer	Borough Wide
Dogs must be kept on a lead or Dog Exclusion Areas	Nunhead Cemetery Camberwell Old Cemetery Camberwell New Cemetery
Dog exclusion areas	Children's Play areas within Parks and Open Spaces Children's play areas within housing estates
A maximum number of dogs with one handler (four maximum)	One Tree Hill (Replacing current Dog Control Order provision)

BACKGROUND INFORMATION

3. Dog related ASB still remains a concern for Southwark residents, being the greatest source of complaint from communities received by the community wardens' service. Concerns range from dog faeces not being picked up by dog owners, dogs being out of control and dog attacks on both residents and animals.
4. There have been increasing concerns raised by local residents with regards to dog related Anti-social behavior within Southwark's Cemeteries and Crematoria.
5. Between October 2015 to September 2016 there have been the following reports with regards to dog related crime and ASB:
- 5 dog attacks against members of the public
 - 1 incident of a dog attacking a member of staff
 - 6 incidents of dogs attacking other dogs
 - 1 incident of a cat being killed by a dog
 - 136 incidents of offences against park byelaws of dogs of leads in 'dogs on lead areas' and dogs within 'dogs prohibited areas', reported by community wardens
 - 42 incidents of dog related ASB, reported by community wardens
 - 12,686 incidents of dog mess have been removed by hand by Southwark's contracted staff within Parks and surrounding areas
 - 9,120kg has picked up by Southwark's FIDO (dog mess clearing vehicle)

- 475 incidents of dog mess have been recorded through to the call centre or via the online reporting form for clearance.
6. Southwark Council's current provision for dealing with dog related ASB is mainly through byelaws, breach of which can only be dealt with via warning and prosecution but not by fixed penalty notices.

Public health concern

7. Toxocariasis is a rare infection caused by roundworm parasites. It's spread from animals to humans through contact with infected faeces. Roundworm parasites are most commonly found in cats, dogs and foxes, and usually affect young children. This is because children are more likely to come into contact with contaminated soil when they play and put their hands in their mouths. However, cases have been reported in people of all ages.

Public Space Protection Orders (PSPOs)

8. The ASB Crime and Policing Act 2014 was introduced to provide simpler, more effective powers to tackle ASB providing better protection for victims and communities.
9. PSPOs were introduced under the ASB Crime and Policing Act 2014, giving provisions to deal with a particular nuisance or problem in a particular area that is detrimental to the local community's quality of life by imposing conditions on the use of that area that apply to everyone.
10. A local authority may make a public spaces protection order if satisfied on reasonable grounds that two conditions are met.

The first condition is that:

- activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or
- it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

The second condition is that the effect, or likely effect, of the activities:

- is, or is likely to be, of a persistent or continuing nature
- is, or is likely to be, such as to make the activities unreasonable, and
- justifies the restrictions imposed by the notice.

Implementation of a PSPO

11. Once a local authority is satisfied that the conditions for introducing a PSPO (as above) have been met then it must carry out the necessary consultation before introducing a PSPO. Necessary consultation means consulting with:
- Mayor's Office for Policing and Crime
 - the chief officer of police, and the local policing body, for the police area that includes the restricted area
 - whatever community representatives the local authority thinks it appropriate to consult

- the owner or occupier of land within the restricted area
12. Appendix 1 outlines the draft public consultation document.
 13. Appendix 2 outlines the draft consultation plan which demonstrates that the 'necessary consultation' requirements would be met.
 14. Introducing a PSPO to tackle dog related ASB meets the conditions as set out by the PSPO legislation in that:
 - Dog related ASB has a detrimental effect on the quality of life on those in the locality. Any dog related ASB is considered unreasonable and justifies the restrictions proposed.
 - Irresponsible dog ownership and dog related ASB has and can have a detrimental effect on others within the community.

KEY ISSUES FOR CONSIDERATION

15. Southwark is committed to creating a Cleaner, Greener, Safer Borough for residents, businesses and visitors and has a council plan commitment (CGS4) to 'Encourage People to keep Southwark clean and use enforcement powers where people litter or do not clean up after their dogs.
16. Southwark Council has no borough wide provision to issue fixed penalty notices specifically to those who do not pick up after their dogs.
17. Southwark Council has no borough wide provision to issue fixed penalty notices specifically to those who breach byelaws in parks and open spaces for dog prohibited areas and dogs on leads areas.
18. Southwark Council has no borough wide provision to issue fixed penalty notices specifically to those who breach the Local Authorities' Cemeteries Order 1977 within its cemeteries and crematoria for dog related ASB.
19. A recent survey of restrictions on dog owners within cemeteries and crematoria across 33 London boroughs highlighted that only four boroughs (including southwark) allowed professional dog walkers into their grounds. The survey also highlighted that just over half of all London boroughs required dogs to be on leads in cemeteries at all times.
20. Residents have reported being attacked and frightened by 'packs of dogs', dogs knocking over children, disrupting funeral services and attacks on animals within Southwark's cemeteries and parks and open spaces.
21. Southwark Council has two areas (One Tree Hill and Aylesbury Estate) designated as Dog Control Order (DCO) Areas, introduced under the Clean Neighbourhoods and Environment Act 2005. The DCO areas will automatically become a PSPO within three years of the Anti-Social Behaviour Crime and Policing Act 2015 coming into force, unless incorporated into any PSPO for dog related ASB that is introduced before this time.

22. The DCO in One Tree Hill prescribes:
- Dog faeces must be cleaned up by those responsible for the dog/s
 - A maximum number of dogs with one handler (four maximum).
23. The DCO for the Aylesbury Estate prescribes:
- Dog faeces must be cleaned up by those responsible for the dog(s)
 - Dogs must be kept on leads.
24. It is proposed that any PSPO for dog related ASB introduced covers the provisions as set out in One Tree Hill DCO.
25. It is proposed that the provision for picking up after your dog within the Aylesbury Estate is covered within any PSPO introduced to tackle dog related ASB. The DCO provision for 'Dogs must be kept on leads' was introduced due to community and officer concerns of dogs being dangerously out of control on the estate. Dogs being dangerously out of control is no longer a concern for officers and residents and therefore it is proposed that the provision for keeping dogs on a lead on the Aylesbury Estate is not provided for within any PSPO for dog related ASB, but will be covered by PSPO provisions for 'dogs to be on placed on leads when instructed to do so by an authorised officer' and 'dog exclusion areas' within any children's play areas on the estate.
26. Any PSPO for dog related ASB introduced will repeal any similar provision held within byelaws for the duration of the PSPO.
27. The Secretary of State stipulates that any local authority introducing a PSPO must:
- (a) publish the order as made, extended or varied (as the case may be) on its website; and
 - (b) to be erected on or adjacent to the public place to which the order relates such notice (or notices) as it considers sufficient to draw the attention of any member of the public using that place to-
 - (i) the fact that the order has been made, extended or varied (as the case may be); and
 - (ii) the effect of that order being made, extended or varied (as the case may be).
28. Breach of a PSPO is a criminal offence subject to up to a level 3 fine on prosecution, which is a maximum of £1,000.
29. A breach occurs when a person without reasonable excuse:
- does anything that the person is prohibited from doing by a PSPO
 - fails to comply with a requirement of a PSPO.
30. A Fixed Penalty Notice (FPN) can be issued, which discharges liability to conviction for the offence, unless unpaid. The FPN can be issued by a police officer or council officer up to a maximum value of £100.

31. Table 1 - Key activities and associated timescales for implementation of PSPO for dog related ASB.

Activity	Timescale
Approval by cabinet to go out to consultation.	March 2017
Six week consultation as set out in the consultation plan.	April/May 2017
Evaluation of public consultation responses	May 2017
Cabinet report seeking approval of any PSPOs in line with public consultation.	July 2017
Production of appropriate signage, training of authorised officers and printing of fixed penalty notice documents.	August 2017
Implementation of PSPO for dog related ASB including education	Sept 2017

Policy implications

32. Southwark aims to deliver the very best services so the borough is clean, green and a safe place to be. Implementation of any PSPO for dog related ASB will support service delivery in this area and aid officers to deliver against the council commitment (CGS4) to 'Encourage People to keep Southwark clean and use enforcement powers where people litter or do not clean up after their dogs.
33. In 2016 Southwark Council adopted the Animal Welfare Charter which outlines its commitment to promoting animal wellbeing and providing information and guidance on animal care and legal responsibilities.
34. Any introduction to a PSPO to tackle dog related ASB will involve an education on the provisions as well as responsible dog ownership. This will support Southwark's delivery against the Animal Welfare Charter.
- Introduction of any PSPO provision to tackle dog related ASB will not impact negatively on the Animal Welfare Charter and encourage responsible dog ownership which is highlighted as a requirement under the charter for dog owners who are council tenants.

Community impact statement

35. To ensure compliance with requirements as set out in the Public Sector Equality Duty (PSED), a full equality and health analysis will be undertaken on completion of the public consultation, forming part of any future cabinet report seeking approval to introduce PSPOs for dog related ASB within the borough.
36. Initial consideration has been given on the impact of the proposed PSPO restrictions and requirements outlined in this report on the "protected characteristics" groups as set out in the Equalities Act 2010. It is envisaged that dog related ASB negatively impacts on the disabled "protected characteristics" group, specifically those with visual impairment. As such any person who is disabled and in charge of an assistance dog will be exempt from any PSPO provision requiring them to pick up after their dog.
37. The consultation will seek to be inclusive and will seek views from those who may be affected by the introduction of any PSPOs for dog related ASB. This includes identified dog walkers, professional dog walkers, 'friends of' groups, animal welfare organisations.

Resource implications

Finance

38. The cost for to go out to consultation will mainly be through online forms and paper copies of the consultation surveys placed in libraries and parks offices. The cost for this is envisaged to be minimal and will be delivered within the existing budget of Regulatory Services.
39. The majority of costs for implementing any PSPO within the borough will be from the erection of signage. Initial survey work with regards to signage is that the estimated costs will be around £20,000. This cost will be met within the existing budget of Regulatory Services with the Environment & Leisure Department.

Staffing

40. Resource implications for the delivery of public consultation, education and enforcement of any PSPO will be met within the current staffing resources across Environment and Leisure and Housing departments.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

41. Section 59 of the ASB, Crime and Policing Act 2014 ('the 2014 Act') provides a power for local authorities to designate a Public Spaces Protection Order ("PSPO"). A PSPO is designed to tackle a range of activities which have a detrimental effect on a local community's quality of life and may in respect of a specified area, either prohibit specified things being done in that location and/or require specified things to be done by persons carrying on specified activities in that place. Once made, a PSPO empowers a Constable (or other authorised persons as defined in the 2014 Act) ("Officers") to enforce a prohibition or requirement set out in the PSPO.
42. Anyone breaching the terms of this Order without reasonable excuse commits an offence punishable by a fine set at level 3 on the standard scale (currently £1000). Officers may issue an offender with a Fixed Penalty Notice (FPN) in lieu of prosecution, in which case payment of the FPN would discharge the offender from any criminal liability.
43. Before a PSPO can be made Members must be satisfied (on reasonable grounds) that the following two conditions are met:
 - i. That the activities carried on in a public place within the authority's area (namely the supply and use of legal highs) have had a detrimental effect on the quality of life of those in the locality, or that it is likely that these activities will be carried on in a public place within that area and that they will have such an effect.
 - ii. That the effect, or the likely effect, of the activities is (or is likely to be) of a persistent or continuing nature and which is such as to make the activities unreasonable and that this justifies the restrictions set out in the PSPO. Members must be satisfied that they are reasonable to impose in order to

prevent the detrimental effect on those in the locality or reduce the likelihood of the detrimental effect continuing, occurring or recurring.

44. Following consultation, if Members are satisfied that all of the above conditions are made out then subject to the procedure being followed to implement a PSPO, a PSPO can be put into effect following authorisation. Once authorised, the ASB, Crime and Policing Act 2014 (Publication of Public Spaces Protection Orders) Regulations 2014, sets out the manner in which a PSPO must be publicised and requires that once the Order is made it:
 - a. the order must be published on the council website; and
 - b. cause to be erected on or adjacent to the public place to which the order relates such notice (or notices) as it considers sufficient to draw the attention of any member of the public using that place to:
 - publicise the fact that the order has been made; and,
 - the effect of that order being made.
45. Further guidance in relation to the making of a PSPO is set out in the Home Office Guidance Document (ASB, Crime and Policing Act 2014: reform of ASB powers) July 2014
46. A challenge to a PSPO can be made in the High Court within 6-weeks of the PSPO being made only by those interested persons directly affected by the restrictions on the on the following grounds:
 - i. the local authority did not have the power to make the order, or to include particular prohibitions or requirements; and,
 - ii. the local authority did not fulfil its requirements in making the order (i.e. no consultation).
47. Pending the outcome of the appeal, the High Court can suspend the PSPO in whole or part.
48. Section 149 of the Equality Act 2010 sets out the public sector equality duty replacing the previous duties in relation to race, sex and disability and extending the duty to all the protected characteristics i.e. race, sex, disability, age, sexual orientation, religion or belief, pregnancy or maternity, marriage or civil partnership and gender reassignment.
49. The public sector equality duty requires public authorities to have due regard to the need to:

Eliminate unlawful discrimination, harassment and victimisation:

 - Advance equality of opportunity
 - Foster good relations between those who share a protected; and, characteristic and those who do not.
50. Part of the duty is to have “due regard” where there is disproportionate impact will be to take steps to mitigate the impact and the Council must demonstrate that this has been done, and/or justify the decision, on the basis that it is a proportionate means of achieving a legitimate aim. Accordingly, there is an expectation that a decision maker will explore other means which have less of a

disproportionate impact. The equality duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the equality duty by justifying a decision after it has been taken. An impact assessment will need to be carried out following consultation.

Strategic Director of Finance and Governance (FC16/041)

51. This report is requesting cabinet to approve the recommendation to begin public consultation with the intention to gain public view on the introduction of Public Space Protection Orders to tackle dog related Anti-social behavior, as prescribed under The Anti Social Behaviour Crime and Policing Act 2014. The consultation will be for a period of six weeks and will seek public view on the proposed PSPO as outlined in paragraph 2. Full details and background is provided within the report.
52. The strategic director of finance and governance notes that the cost of the consultation and any subsequent implementation of the PSPO will be contained within existing budgets.
53. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

No.	Title
None	

APPENDICES

No.	Title
Appendix 1	PSPO for dog related ASB Questionnaire
Appendix 2	PSPO draft consultation plan

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Communities and Safety	
Lead Officer	Deborah Collins, Strategic Director of Environment & Leisure	
Report Author	Tracy Umney, CCTVG & DABS Unit Manager, Environment and Leisure	
Version	Final	
Dated	9 March 2017	
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	9 March 2017	

APPENDIX 1



Proposal for a Public Space Protection Order for Dog Related Anti-social Behaviour (ASB)

Consultation questionnaire

Introduction

Southwark Council is committed to providing services that create a cleaner, greener, safer borough for all. As part of this commitment, Southwark Council would like to introduce a Public Space Protection Order to reduce dog related Anti-social behaviour (ASB) and encourage responsible dog ownership.

What is a Public Space Protection Order?

Public Space Protection Orders (PSPOs) were introduced under the Anti-Social Behaviour Crime and Policing Act 2014, giving provisions to deal with a particular nuisance or problem in a particular area that is detrimental to the local community's quality of life by imposing conditions on the use of that area that apply to everyone.

In order to reduce dog related ASB and encourage responsible dog ownership Southwark Council would like to introduce a PSPO to include the following:

- For those responsible for a dog(s) to pick up and dispose of any dog mess.
- To exclude dogs from children's play areas.
- To keep dogs on leads at all times within cemeteries and burial grounds.
- To put a dog on a lead when instructed to do so by an authorised officer
- To limit the number of dogs under the control of one owner within One Tree Hill site to four – replacing the current Dog Control Order provision.

The majority of dog owners and walkers in Southwark behave responsibly, but dog related anti-social behaviour is still a concern for Southwark residents and is one of the greatest sources of complaints from communities received by the Community Warden's Service. Residents have reported being attacked and frightened by 'packs of dogs', dogs knocking over children, disrupting funeral services and attacks on animals within Southwark's Cemeteries and parks and open spaces.

Dog mess is an unpleasant deposit which, if not picked up, can pose a health risk from Toxocariasis. This disease is caused by coming into contact with the dog mess of dogs that haven't been properly wormed. Symptoms of Toxocariasis can include fever, headaches, a cough and more rarely, seizures and blurred vision which can lead to blindness if not treated.

Southwark Council has no borough wide provision to issue fixed penalty notices specifically to those who do not pick up after their dogs. Introduction of a PSPO for dog related ASB will mean that officers can issue fixed penalty notices to dog owners who behave irresponsibly.

We would be grateful if you could fill in the questionnaire below to give us your view on the proposals detailed above and to make any further recommendations that might help us deal with dog related ASB within Southwark.

Questions

- 1) Do you support a borough-wide Public Space Protection Order to make it a **requirement for dog walkers to pick up after their dog/s**?
 - Agree strongly
 - Agree
 - Disagree
 - Disagree strongly

- 2) Do you support to proposal to **exclude dogs from children's play areas**?
 - Agree strongly
 - Agree
 - Disagree
 - Disagree strongly

- 3) Do you support the proposal for **dogs to be on leads within cemeteries and burial grounds** at all times
 - Agree strongly
 - Agree
 - Disagree
 - Disagree strongly

- 4) Do you think that dogs should be excluded from cemeteries and burial grounds?
 - Agree strongly
 - Agree
 - Disagree
 - Disagree strongly

- 5) Do you think that dogs should be put on a lead when instructed to do so by an authorised officer?
 - Agree strongly
 - Agree
 - Disagree
 - Disagree strongly

- 6) Do you think that a PSPO should be introduced limiting the number of dogs under the control of one walker to a **maximum of four** within Southwark's Cemeteries
 - Agree strongly
 - Agree
 - Disagree

- Disagree strongly
- 7) Do you think that a PSPO should be introduced limiting the number of dogs under the control of one walker to a **maximum of four** within Southwark's Parks and Open Spaces?
- Agree strongly
 - Agree
 - Disagree
 - Disagree strongly
- 8) Do you think that a PSPO should be introduced limiting the number of dogs under the control of one walker to a **maximum of four** borough wide?
- Agree strongly
 - Agree
 - Disagree
 - Disagree strongly
- 9) Do you think that a PSPO should be introduced requiring dogs to be on leads at all times in Southwark's designated nature reserves? i.e.
- Agree strongly
 - Agree
 - Disagree
 - Disagree strongly
- 10) Do you think that a PSPO should be introduced requiring dogs to be excluded from Southwark's designated nature reserves? e.g. Sydenham Hill Woods
- Agree strongly
 - Agree
 - Disagree
 - Disagree strongly
- 11) Do you have any other ideas or comments on the dog related ASB PSPO proposal that are not covered by the above questions?

12) Please tell us about any locations or areas where you feel dog mess is a particular problem.

--

Thank you for your views.

Equality monitoring template

Please confirm if you are filling in this form as;

- 1) Individual
- 2) Dog owner
- 3) Professional dog walker
- 4) On behalf of a group (please tell us which group)

(Please circle most appropriate option above)

Age		
Are you...		
<input type="checkbox"/> Under 16	<input type="checkbox"/> 35-44	<input type="checkbox"/> 75-84
<input type="checkbox"/> 16-17	<input type="checkbox"/> 45-54	<input type="checkbox"/> 85-94
<input type="checkbox"/> 18-24	<input type="checkbox"/> 55-64	<input type="checkbox"/> 95+
Disability and health		
Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?		<input type="checkbox"/> Yes, limited a little <input type="checkbox"/> Yes, limited a lot <input type="checkbox"/> No, not limited
Please tick a box or boxes below which best describes the nature of your impairment(s):		

<input type="checkbox"/>	Hearing / Vision (e.g. deaf, partially deaf or hard of hearing; blind or partial sight.)	
<input type="checkbox"/>	Physical / Mobility (e.g. wheelchair user, arthritis, multiple sclerosis etc)	
<input type="checkbox"/>	Mental health (lasting more than a year. e.g. severe depression, schizophrenia etc)	
<input type="checkbox"/>	Learning difficulties (e.g. dyslexia, dyspraxia etc)	
<input type="checkbox"/>	Memory problems (e.g. Alzheimer's etc)	
If you wish to specify your impairment, please do so here:		
National identity		
What do you consider to be your national identity?:		
Ethnicity		
What do you consider to be your ethnicity? Please pick one section below and tick one box.		
White or White British		
<input type="checkbox"/> British	<input type="checkbox"/> Northern Irish	
<input type="checkbox"/> English	<input type="checkbox"/> Irish	
<input type="checkbox"/> Scottish	<input type="checkbox"/> Gypsy, Roma or Irish Traveller	
<input type="checkbox"/> Other White (please specify if you wish):		
Black or Black British		
<input type="checkbox"/> Black British	<input type="checkbox"/> Sierra Leonean	
<input type="checkbox"/> Caribbean	<input type="checkbox"/> Somali	
<input type="checkbox"/> Nigerian	<input type="checkbox"/> Other African	
<input type="checkbox"/> Other Black (please specify if you wish):		
Asian or Asian British		
<input type="checkbox"/> Asian British	<input type="checkbox"/> Pakistani	
<input type="checkbox"/> Indian	<input type="checkbox"/> Vietnamese	
<input type="checkbox"/> Bengali	<input type="checkbox"/> Filipino	
<input type="checkbox"/> Any other Asian (please specify if you wish):		
Mixed Background		

<input type="checkbox"/> White and Black Caribbean
<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian
<input type="checkbox"/> Other mixed background (please specify if you wish):
Other Ethnicities
<input type="checkbox"/> Arab
<input type="checkbox"/> Latin American (please specify if you wish):
<input type="checkbox"/> Any other ethnicity (please specify if you wish):

Preferred language	
What is your preferred language?	<input type="checkbox"/> English <input type="checkbox"/> Other (please specify if you wish):

Religion or belief		
What is your religion or belief?	<input type="checkbox"/> Christian <input type="checkbox"/> Sikh <input type="checkbox"/> Hindu	<input type="checkbox"/> Jewish <input type="checkbox"/> Buddhist <input type="checkbox"/> No religion
<input type="checkbox"/> Other religion or belief (please specify if you wish):		

Marriage or civil partnership status	
Are you married or in a civil partnership?	
<input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	<input type="checkbox"/> Registered in a civil partnership <input type="checkbox"/> Formerly in a civil partnership which is now legally dissolved <input type="checkbox"/> Surviving member of a civil partnership

Sex		
Are you...	<input type="checkbox"/> Male	<input type="checkbox"/> Female

Gender reassignment	
Is your gender identity the same as the gender you were assigned at birth?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Pregnancy or maternity	
Are you currently pregnant and / or on maternity leave?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Sexual orientation		
Are you...	<input type="checkbox"/> Heterosexual/straight <input type="checkbox"/> Lesbian/Gay woman	<input type="checkbox"/> Gay man <input type="checkbox"/> Bi-sexual
If you prefer to use your own term please specify this here:		



APPENDIX 2

CONSULTATION PLAN – Public Space Protection Order for Dog Related Anti-social Behaviour

Community conversation

Residents, businesses and voluntary organisations will be engaged in the above consultation by:-

- Public consultation on the Southwark Consultation Hub supported by:-
 - Social media posts on Twitter & Facebook
 - Council news article on website
 - Press release

- Resident Involvement Officers for discussion at TRA's
- Area housing forums
- Friends of parks groups

- Paper copies of surveys in libraries & park offices

- Email link to on-line consultation to specific relevant groups including:-
 - Friends of various parks, open spaces and cemeteries (List attached)
 - Dog clubs in Southwark
 - Neighbourhood Watch groups
 - Safer Neighbourhood Policing Teams
 - Mayors office for Policing and Crime

Consultation Campaign

What	How	Date	Who
Information on relevant Southwark Council webpages	Update Parks & open spaces webpage w link to consultation Update Cemeteries and crematorium webpage w link to consultation Update Animal Welfare webpage w link to consultation	tba	Regulatory Services & Customer Experience Team
Southwark Council Website	Consultation Hub goes live News article on Southwark website and The Source	tba	Regulatory Services & Community Engagement Team Comms & Customer Engagement teams
Social media campaign to raise awareness of consultation	Twitter & Facebook launch on day consultation opens including link to on line consultation Re-tweet & Facebook activity once a fortnight for duration of consultation	tba	Comms Team
Residents e-bulletin (about 6,000 residents) including link to on line consultation	Explanatory e-bulletin mentioning the consultation including a link to online questionnaire	tba	Comms & Community Engagement Teams
Email to Resident Involvement Officers	Including a briefing paper for discussion by residents groups and TRA's	tba	Regulatory Services & Housing Services
Email to specific consultee groups, Neighbourhood Watch & other groups listed	Explanatory email including a link to the on line consultation	tba	Regulatory Services & Comms Team
Post on local on line forums	Explanatory e-bulletin including a link to the on line consultation	tba	Comms Team
Press release	To Southwark News including a link to on line consultation	tba	Regulatory Services & Comms Team
Paper consultation surveys and a posting box in Libraries & Park Offices	Paper consultation surveys and a posting box in Libraries	For duration of on-line consultation	Regulatory Services



Community Council and other Meetings

Community Council	Venue	Date & time	What & how	Facilitator
Safer Neighbourhood Board	tba	tba	Explain PSPO and leave information with link to the online survey	Tracy Umney
Community Council Meetings	Various	Various	Explain PSPO and leave information with link to the online survey	Tracy Umney
Multi-faith Forum	tba	tba	Explain PSPO and leave information with link to the online survey	Tracy Umney

Other Outreach

What	Venue	Date & time	How	Facilitator
Neighbourhood Watch	n/a	tba	Briefing information disseminated to all areas leads via on online forum with link to survey.	Tracy Umney
Brief TRA leads/heads to disseminate to respective TRAs	tba	tba	Briefing paper/email and information with link to the online survey	Tracy Umney
Brief Cllrs to disseminate at Ward Partnership Meetings	Various	Various	Briefing paper/email and information with link to the online survey	Tracy Umney
Neighbourhood Policing Teams to disseminate at local meetings	Various	Various	Briefing paper/email and information with link to the online survey	Tracy Umney

Appendix 1 – consultation questionnaire

This aims to enable officers to gather a narrative, assess the problem and, very importantly, be aware of the level of community support for proposed PSPO. The questionnaire contains an introduction with open and multiple choice answers to gather information on participant views, experiences and priorities.

Item No. 10.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Customer Access Strategy Refresh	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

The progress made by Southwark since its first Customer Access Strategy was published in November 2012 is significant. In barely four years the council has transformed its customer access and continues to do so at an impressive rate.

We listened to our customers who expressed dissatisfaction with our outsourced services, including the call centre, One Stop Shops, website and Revenues and Benefits service. We brought these services back into direct management of the council in 2013 and customer satisfaction has improved and the council has also realised significant savings.

In the previous strategy, we recognised that “the spread of the internet and mobile technology has presented new opportunities for delivering services more effectively and at a lower cost”. Today 80% of adults in the UK have a smart phone and widespread online access has changed customer expectations and enabled customers to access services 24 hours a day, seven days a week.

In other industries, we take for granted and expect services to be delivered online and be able to access them whenever we want; whether we are booking a holiday, using a comparison site to find a best value deal, or to do our shopping. These have become a way of life and we live in a world now where technology allows us to keep in touch, be more connected and receive updates more frequently than ever - and we need to make sure our services reflect this.

Since we launched our online platform, My Southwark, it has grown to over 100,000 registered accounts. Whilst this platform offers a great variety of online services, we will continue to consult widely on our plans and changes to services, to ensure the needs of local people and businesses are understood and customer feedback is used to help shape future priorities.

We remain committed to delivering excellent customer services for all of our customers and will ensure that no one is left behind. For instance we aim to have 5,000 ICT training places in our libraries in 2017 as part of our digital inclusion plans.

This requires us to think differently about the way we provide services. To develop and encourage self-service, work better with our partners to save money and join up services so that customers can access all of their information in one place.

This strategy is the latest of a number of new and refreshed strategies which together, aim to deliver improved IT and digital services and an improved customer experience for all. The customer access strategy, along with the complementary digital and modernisation strategies, set out our approach to these challenges over the next four years.

Our vision for the strategy is clear. We aim to deliver modern, digital customer services that provide easy access and value for money whilst placing our customers at the heart of everything we do.

RECOMMENDATIONS

1. That cabinet note and endorse the refreshed customer access strategy contained within Appendix 1 of the report.
2. That cabinet notes the equality and health analysis as per Appendix 2.
3. That cabinet notes that progress and delivery of the refreshed customer access strategy will be reported through an action plan based on the commitments set out in the strategy and at regular annual reporting on the council plan itself.

BACKGROUND INFORMATION

4. Southwark Council published its first Customer Access Strategy in November 2012. That strategy set out to transform how our customer services operated and took significant steps towards modernising how customers access services in Southwark.
5. Notably, customer services functions, including the telephone contact centre were brought back in house in 2013 following termination of the outsourced contract, delivering £4.5m in savings to date. In addition, customer satisfaction with customer services has increased year on year.
6. The number of registered My Southwark personalized account holders continues to grow and has now passed the 100,000 mark. This established the beginning of an online hub for customer services, where customers can, for example, find information about their local libraries or view their rent or service charge account if they are a council tenant or homeowner.
7. In the years since the 2012 strategy was published, technology has continued to infiltrate people's lives. A UK survey conducted by Deloitte in 2016 showed that over 80% of adults have a touch screen smart phone. There has been an ongoing channel shift with online services such as shopping and banking resulting in changing customer expectations.
8. New technologies, such as smart phones and tablets, have enabled customers to access information and carry out transactions at a time and place that is convenient to them.
9. The refreshed 2017 strategy analyses these trends and focuses on this "channel shift" with the intention to continue to grow and improve the council's online services. In order to successfully achieve this and encourage customers to access services online instead of relying on traditional services such as the service points and contact centre, the council must deliver an excellent user experience. In

addition to improving the customer experience, the council's channel shift ambitions will deliver efficiency savings.

10. The strategy therefore sets out a vision for future service improvements based on a five point plan taken from a number of themes emerging from the strategy.
 - The first of these is **Transformation**, which includes proposals for the future role of the contact centre, the website and digital alternatives.
 - The second theme is **Understanding**, which provides details and commitments about how we plan to consult with and listen to our customers to inform our decision making processes.
 - Thirdly, **Enhancement**, which recognises the progress made in the previous strategy and looks to further build on these. In particular, the My Southwark refresh and improvements to our services for businesses.
 - Fourth is **Awareness**, which explores how we will inform our customers of the services available to them as part of our plans for channel shift and to encourage them to adopt self-serve. This refers specifically to our recent procurement of GovDelivery which will assist us with sending out targeted electronic communications through My Southwark and other mediums.
 - The final and equally important theme is **Inclusion**. This sets out our commitments to ensure all of our customers can easily access information and have all of their needs considered. We will ensure that, in the event of emergencies and in order to meet the needs of our vulnerable customers, a telephone service is available.
11. The strategy therefore aims to transform how the council works in order to better serve our customers. The 2017 refresh sets out a new four year strategy that focuses on channel shift, customer experience and raising the awareness of available services to meet business needs and our strategic vision.
12. This refreshed strategy is closely linked with the Modernisation Programme and the Digital Strategy. It ties in with the council's fairer future key principles and is informed by the latest version of the 2014-2018 Council Action Plan.
13. The new strategy also continues to meet the requirements of Equality Duty 2010, which requires public bodies to publish relevant, proportionate information annually demonstrating their compliance with the Equality Duty.

KEY ISSUES FOR CONSIDERATION

14. The Customer Access Strategy Action Plan will be the corporate mechanism for coordinating and monitoring projects resulting from this strategy across the council as delivered by service areas.
15. Monitoring and evaluation metrics to measure the impact of the Customer Access Strategy on internal and external customers will be identified and implemented.
16. The Customer Experience division will provide support and expertise to enable services to design and implement service improvements. These improvements

will enable service areas to realise efficiencies and financial savings and improve customer experiences.

Policy implications

17. The customer access strategy supports our overall priority to be a council that is fit for the future, as set out in the refreshed council plan 2014-18. The progress and delivery of the strategy will be reported through an action plan based on the commitments set out in the strategy and at regular annual reporting on the council plan itself.

Community / equality impact statement

18. Analysis and ongoing evaluation of the equality impact is fundamental to the customer access strategy. The Equality and Health Impact assessment for the Digital Strategy is attached as Appendix 2.
19. The impact assessment is a living document and will be updated as more data and evidence is collated on the protected characteristics. It will be a requirement of all major projects established as a result of the strategy, to conduct impact analyses, as led by service areas, in order to mitigate any potential negative impacts of introducing changes.
20. As the Strategy is far reaching across the entire organisation, for all major existing and future customer access projects, service areas will be required to carry out an impact assessment to fully understand how various parts of our communities will be affected by the introduction of redesigned services. Greater emphasis will be placed on those projects looking to phase out and close traditional engagement methods, the implications of such changes and the measures to be put in place to support the vulnerable in our communities to continue to access services.
21. A detailed trend analysis will take place from March 2017 onwards to monitor and assess any changes or impacts to protected characteristic groups over time.

Resource Implications

22. There are no specific implications arising from this report. Existing resources are already in place to meet the strategic aims. Any actions arising which have resource effects will be subject to separate decision-making process and reallocation within existing budget.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law & Democracy [NBC/20170220]

23. The Director of Law & Democracy notes the content of the report.
24. The report asks cabinet to note and endorse the strategy and to note the vision, objectives and deliverables contained in the strategy. This is in accordance with Part 3B of our constitution.
25. Cabinet are reminded of the PSED General Duty under section 149 of the Equality Act 2010 to have due regard to the need to:

- a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c. Foster good relations between person who share a relevant protected characteristic and those who do not share it.
26. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
27. Paragraph 18 of the report advises that a documented equality analysis was carried out as part of the requirement to have due regard to the PSED General Duty in these recommendations. Cabinet must read the documented equality analysis (see background documents) and should satisfy itself that the PSED General Duty has been complied with when considering these recommendations.
28. The PSED General Duty is a continuing one; the report details in paragraph 21 that detailed trend analysis will take place from March 2017 onwards to monitor and assess any changes or impacts to protected characteristic groups over time.

Strategic Director of Finance and Governance (FC16/040)

29. The Strategic Director of Finance and Governance notes the recommendations in this report. Where the customer access strategy has financial implications, these will be managed within the existing agreed budgets for 2017-18 and subsequent years for the council's general fund and housing revenue account.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None.		

APPENDICES

No.	Title:
Appendices circulated separately	
Appendix 1	Customer Access Strategy Refresh
Appendix 2	Customer Access Strategy Refresh 2017: Equality and Health Analysis

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Cabinet Member for Finance, Modernisation and Performance	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Richard Selley, Director of Customer Experience	
Version	Final	
Dated	8 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law & Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	8 March 2017	

Item No. 11.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval: Door Entry and Warden Call Contract	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING

This report sets out the council’s procurement strategy for the door entry and warden call responsive repair services and provides an essential service to some of the boroughs most vulnerable residents. The contract covers the entire borough, and each year the service spends in the region of £1.2 million.

This report recommends a strategy where the previously combined “fire fighting equipment, fire alarms, emergency lighting and warden call systems plus door entry” contract is split into two separate contracts to reflect market specialisation needed across the borough. The current contract expires on 31st May 2018 and this report asks cabinet to agree a new procurement strategy for the Door Entry and Warden Call contract.

RECOMMENDATION

1. That cabinet approves the procurement strategy outlined in this report for a door entry and warden call contract at an estimated annual cost of £1,210,000 for a period of four years from 1 June 2018 with the option of one or more extensions for a maximum of two years, making a total estimated contract value of £7,260,000.

BACKGROUND INFORMATION

2. Currently, there is a Fire Fighting Equipment, Fire Alarms, Emergency Lighting, Warden Call and Door Entry contract in place which delivers the following services:
 - (a) periodic testing of fire alarm systems to meet statutory obligations;
 - (b) responsive repairs and maintenance to door entry systems;
 - (c) responsive repairs and testing of warden call systems;
 - (d) testing and repairs to fire fighting equipment;
 - (e) periodic testing of emergency lighting installations;
 - (f) automatic opening ventilation systems;
 - (g) some passive fire protection works; and
 - (h) builders work in connection with services.
3. The current contract commenced on 1 June 2013 for an initial term of three years with the option to extend for two 12-month extensions.

4. A Gateway 3 report seeking the first 12-month extension was approved on 19 June 2015. This report identified the need to review the existing service packaging in relation to managing corporate risks and obtaining best value.
5. A Gateway 3 report seeking the final 12-month extension will be approved shortly. This contract will therefore expire on 31 May 2018 and there is a requirement to ensure that arrangements are in place for these services.
6. The current contract scope was based upon market evaluation carried out by consultants in 2010 that recommended that bringing the services together in single contract would deliver benefits, and was in accordance with the engineering contracts strategy.
7. In 2016 asset management engineering reviewed the market in the London area and engaged with the current contractor to consider how future services should be delivered. They concluded it would be beneficial to procure two separate contracts that group entry systems and warden call into one contract and fire safety systems and equipment into another, as this reflects market specialisation.
8. The door entry and warden call services are weighted heavily towards responsive repairs, whereas fire systems and equipment services are weighted to planned cyclical maintenance and inspection. These differences require different organisational structures to deliver services efficiently and effectively.
9. The responsive door entry and warden call services can be delivered by general electrical contractors that have the appropriate call centre facilities. The fire systems and equipment sector is a niche market, where skilled maintenance engineers are scarce. General electrical contractors struggle to recruit and retain competent fire systems and equipment staff.
10. A separate Gateway 1 report for fire alarms, emergency lighting and fire fighting equipment will be presented in due course.

Summary of the business case/justification for the procurement

11. The services performed under the proposed new contract are essential to council residents housing blocks, sheltered housing units, temporary accommodation hostels and tenant's halls in all wards. It is anticipated that the contract would mainly used for housing and modernisation purposes.
12. Residents rely on the council to ensure that warden call and door entry systems are in place and properly maintained across the wards. These services form part of the safety and risk management strategy to safeguard the residents and the council's assets, and to create a safe environment for all premises users and further the council's objectives for safer communities.
13. The existing arrangements were reviewed by asset management engineering and it was concluded that an improved service would be obtained through two contracts that separated the fire alarms, emergency lighting and fire fighting equipment repairs and maintenance into one contract, and warden call and door entry systems repair and maintenance into the other. The proposed contract should elicit better competition as many contractors do not provide the whole range of services required under the current contract.

14. This proposed new contract creates a coherent approach to ensuring the safety of residents and compliance with regulations, reflecting that these customer-facing services are high volume responsive repairs services where resident satisfaction, right first time and response times are paramount. The scope of works shall include the following;
- responsive repairs and maintenance to door entry systems;
 - responsive repairs and testing of warden call systems;
 - builders work in connection with services
 - door entry upgrades and replacement for major works projects;
15. The total estimated value of the proposed contract stands at £7.2m broken down as follows:
- (i) Total estimated cost for four year term = £4.8m
 - (ii) Total estimated cost of additional two year term = £2.4m
16. The rationale for the contract duration, composed of a four year initial term and extensions of up to two years, is that it allows asset management to objectively review the effectiveness of the new contract after two years in the second annual performance review. This will leave sufficient time to re-procure should the contract not be performing as expected.
17. The contract duration of up to six years is to ensure that the door entry and warden call contract is an attractive proposition to the marketplace, stimulating competition and therefore to achieve the best possible response from tenderers.

Market considerations

18. The London market is very active and the proposed contract should attract a high level of interest from across the sector. Desk-based research of business databases, including Exor, carried out by the commercial team indicates that there are around 70 companies providing these services based within 15 miles of Southwark.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

19. The asset management division considered the following options before determining the procurement strategy set out in this report:
- A. Do nothing - this is not an option available to the council. As a landlord and employer it is essential that the council ensures that the door entry and warden call systems are functional.
 - B. The council provides these works in-house - council's traded services (TS) division has been consulted and confirm that it does not currently have the in-house services. However, should the council's traded services (TS) division establish such a team, TS would be invited to tender for these works.
 - C. Shared Services - neighbouring boroughs already have their own contracts in place which have not been opened up for other boroughs to use.

D. The use of internal or external frameworks - there are no existing frameworks that meet the service requirements.

20. As none of the above options are viable and these services are estimated above the EU threshold for services, it is proposed that an EU restricted tender process is carried out to procure these services.

Proposed procurement route

21. This procurement will be carried out in accordance with an EU restricted procedure via the council's e-procurement system "Pro-contract". In response to the portal advert and OJEU notice, organisations interested in tendering will be required to formally express an interest online in order to receive a PAS91 pre-qualification questionnaire (PQQ) and to view the tender documents.
22. Up to five organisations will be selected for the tender list, subsequent to the PQQ process. In the event that any tenderer achieves a score within 2% of the ranked fifth tender it would be included in the shortlist. This will meet the EU restricted procurement process.
23. The PQQ and tender evaluation will set out minimum quality and financial thresholds.

Identified risks for the procurement

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

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

25. An ultimate holding/parent company guarantee will be required if the successful contractor has a parent company. A performance bond will not be required as retention will be held on all interim payments

Key /Non-key decisions

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

Policy Implications

27. This contract will provide an essential service to the community. It supports the council's statutory obligations as a landlord to comply with the Building Regulations 2010 and the Housing Act 2004.

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	Dec 2016
DCRB Review Gateway 1	23 Jan 2017
CCRB Review Gateway 1	02 Feb 2017
CMT Review Gateway 1	06 Feb 2017
Notification of forthcoming decision - Cabinet	09 March 2017
Approval of Gateway 1: Procurement strategy report	21 March 2017
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29 March 2017
Issue Notice of Intention (Applies to Housing Section 20 Leaseholder consultation only)	30 March 2017
Completion of tender documentation	03 March 2017
Publication of OJEU Notice	22 May 2017
Publication of Opportunity on Contracts Finder	24 May 2017
Closing date for receipt of expressions of interest	26 June 2017
Completion of short-listing of applicants	21 July 2017
Invitation to tender	24 July 2017
Closing date for return of tenders	12 Sept 2017
Completion of evaluation of tenders	11 Oct 2017
Issue Notice of Proposal (Applies to Housing Section 20 Leaseholder consultation only)	25 Oct 2017
Forward Plan (if Strategic Procurement) Gateway 2	Oct 2017
DCRB Review Gateway 2:	11 Dec 2017
CCRB Review Gateway 2	14 Dec 2017
CMT Review Gateway 2 (if applicable)	11 Dec 2017
Notification of forthcoming decision – despatch of Cabinet agenda papers	16 Jan 2018
Approval of Gateway 2: Contract Award Report	06 Feb 2018
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	13 Feb 2018
Debrief Notice and Standstill Period (if applicable)	26 Feb 2018

Activity	Complete by:
Contract award	01 Mar 2018
Add to Contract Register	02 Mar 2018
TUPE Consultation period (if applicable)	30 May 2018
Place award notice in Official Journal of European (OJEU)	05 Mar 2018
Place award notice on Contracts Finder	07 Mar 2018
Contract start	01 June 2018
Initial contract completion date	31 May 2022
Contract completion date – (if extension(s) exercised)	31 May 2024

TUPE/Pensions implications

28. The appointment of a new contractor for the existing services in this proposed retender is likely to amount to a Service Provision Change under The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). There should be no TUPE implications for the council as an employer because the council's contract management and administrative function will remain with the council and these activities do not appear to form part of the contract specification. TUPE is therefore only likely to apply in relation to any incumbent and new contractor. There should be no pension implications for the council unless there is a transfer from any incumbent provider of any staff who were originally employed by the council to deliver the service(s). However until due diligence is carried out definitive advice on the full TUPE and pensions implications cannot be determined. This due diligence work needs to be carried out before the tender process commences as the results need to be included in the tender pack.

Development of the tender documentation

29. A project team and project board will be set up for this procurement. The project team will be responsible for producing the tender documentation and the project board will provide governance. The form of contract to be used will be JCT Measured Term Contract 2011, which will be subject to amendment as directed by the council's legal services department.

Advertising the contract

30. The contract will be advertised by way of an official notice that will be published in the official Journal of the European Union (OJEU).
31. After publication of the OJEU notice, an advert will also be placed on the council's website as well as the Contract Finder website. The contract will also be advertised to all relevant suppliers on the London Tenders Portal via Pro-Contract, the council's e-procurement system.

Evaluation

32. The PQQs returned will be evaluated by officers in the council's asset management division. The selection process will be an evaluation of each

contractor's economic and financial standing, technical knowledge, accreditation, experience and its ability and capacity to do the work. Five tenders, to be agreed by the project board, will be shortlisted and invited to tender.

33. Tenderers will be evaluated on the basis of M.E.A.T (most economically advantageous tender) using a weighted model of 70:30 price and quality. This achieves a balance between cost and the quality of service delivery.
34. Price evaluation will be undertaken by officers in the council's asset management team and checked by the finance and governance department.
35. Quality evaluation will be undertaken by officers in the council's asset management team. Tenderers will be evaluated based on the method statements for:
 - Mobilisation and quality of resources available.
 - Service delivery in achieving specification, customer care, health and safety and key performance indicators.
 - Response to a scenario.
 - London living wage.
36. The evaluation methodology will be developed by the project team and approved by the project board.

Community impact statement

37. The contract is borough wide and supports the council's commitment to providing safe homes by ensuring the security of tenants and leaseholders in communal areas and also the safety and security of those residents living in sheltered housing units.

Social Value considerations

38. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

39. It is envisaged that expressions of interest will be submitted by interested parties within the EU in response to the published OJEU advertisement.
40. The successful contractor will be encouraged to develop a local supply chain where possible, however a significant proportion of components are highly specialised and only available from national suppliers.

41. The successful contractor will be required to provide apprenticeship opportunities to Southwark residents through the Southwark apprenticeships standard. The contract manager will monitor the contractor and report on progress. The standard addresses four key areas that the council has learnt are central to the success of any apprenticeship:
- Minimum contract of 12 months
 - Payment of the London Living Wage
 - Quality training provision
 - Mentoring and support.

Social considerations

42. The successful contractor will be required to demonstrate that they operate an Equal Opportunities Policy, comply with the provisions of the Equalities Legislation and the Employment Relations Act 1999 (Blacklists) Regulations 2010, and make guidance or policy documents concerning how the organisation embeds equality and diversity available to employees/ sub-contractors, recognised trade unions or other representative groups of employees.
43. The successful contractor is expected to meet the London Living Wage (LLW) requirements. For this contract, the quality improvements are expected to include a high calibre of staff that will contribute to the delivery of the services on site and it is therefore considered that best value will be achieved by including this requirement. As part of the tender process, tenderers will be required to confirm that they pay the staff, who will be engaged on the contract, equal to or more than the minimum LLW hourly rate and will continue to do so through the contract term and confirm how productivity will be improved by payment of LLW. On award, any associated quality improvements and cost implications will be monitored as part of an annual review of the contract.
44. The successful contractor will be encouraged to register with and seek to secure accreditation through the TfL Fleet Operator Recognition Scheme (FORS).

Environmental/Sustainability considerations

45. This contract will encourage the use of low emission vehicles and the minimisation of journeys needed.
46. All electrical equipment being replaced will be disposed of in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE). All new equipment will be low energy rated to meet current regulations.
47. All recyclable packaging will be set aside and disposed of via a recycling centre.
48. No hazardous materials will be used.
49. The successful contractor will be issued with the council's current asbestos register to avoid any risk of exposure to contractor staff or the council's residents.

Plans for the monitoring and management of the contract

50. The contract will be let and managed by the asset management division.
51. Key performance indicators will be set and challenged to ensure the successful contractor's performance. In particular, targets will be set to ensure survey data is uploaded to the council's Apex asset management system.
52. The council's commercial team will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
53. To ensure robust contract management arrangements are in place, officers will undertake audit site inspections to ensure that method statements are adhered to and surveys, sampling and air monitoring results are accurate.
54. Monthly progress meetings, to be attended by officers will be arranged and recorded to review performance and compliance.

Staffing/procurement implications

55. There will be no impact on staff as the existing engineering and compliance management team are already performing the contract management functions.

Financial implications (FIN0934)

56. The estimated cost of the proposed Door Entry and Warden Call contract can be met from the current Door Entry maintenance and refurbishment budget.
57. The refurbishment element of this contract was identified as an area of potential savings in future years, yet to be agreed, and will need to be considered as part of the gateway 2 contract award.
58. The maintenance element is recovered through service charges (both tenants and leaseholders) dependent on the conditions of the lease and will need to remain a separately identifiable budget.

Investment implications

59. None.

Legal implications

60. Please see concurrent from the Director of Law and Democracy.

Consultation

61. This contract will be subject to statutory consultation under the Commonhold and Leasehold Reform Act.

Other implications or issues

62. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (H&M16/059)

63. The strategic director of finance and governance notes the procurement strategy for the door entry and warden call contracts.
64. The financial implications identify the budgets for these contracts, and emphasise the need to maintain separately identifiable budgets for service charge purposes and any savings highlighted will be addressed as part of the award of the contract.

Head of Procurement

65. This report seeks the approval of cabinet for the procurement strategy for the door entry and warden call contract that is the subject of this report. The contract is for a period of four years with the option of one or more extensions for a maximum of two years, commencing on 1 June 2018. The estimated annual cost of the contract is £1,210,000, making a total estimated contract value of £7,260,000.
66. The covers warden call and door entry part of the current contract that sees the needs delivered as part of a single contract combined with Fire Fighting Equipment, Fire Alarms and Emergency Lighting. The report sets out the basis of market arrangements that have lead to the recommendation to split these requirements into two separate contracts.
67. The procurement strategy is for a two-stage procurement process to be undertaken via advertisement in the Official Journal of the European Union (OJEU) in line with the Public Contract Regulations 2015 and to be evaluated on the Most Economically Advantageous Tender (Meat) basis of a 70:30 price and quality.
68. Social value will be taken into account, measuring the contract delivery and ensuring that London Living Wage and other factors are taken into account as part of this contract opportunity.

Director of Law and Democracy

69. This report seeks the approval of cabinet for the procurement strategy to procure a contract as further detailed in paragraph 1.
70. The nature and value of these services are such that they are subject to the tendering requirements of the Public Contract Regulations 2015 (PCR 2015). Paragraphs 21 to 23 of this report confirm that an EU restricted procedure will be followed which will comply with PCR 2015 and contract standing order (CSO) tendering requirements.
71. As this procurement strategy falls within the circumstances noted in CSO 4.5.2 a), the decision to approve the procurement strategy is reserved to the cabinet or cabinet committee, after consideration of this report by the corporate contracts review board.

Director of Exchequer (For Housing contracts only)

72. This contract is a qualifying agreement within the terms of the Commonhold and Leasehold Reform Act 2002 and is subject to consultation under Schedule 2 of the regulations in respect of the door entry.
73. Notice of Intention is required to be served, before tenders are invited, on all leaseholders who may be affected by the charges in the course of the contract. Following analysis of tenders further Notice of Proposal will be required, detailing the tender schedule of rates, before the agreement is entered into. Once the agreement is in place, further notices under Schedule 3 will be required before carrying out an individual piece of work that will cost any leaseholder more than £250.
74. The Schedule 2 Notice of Proposal will require that the unit costs of the schedule of rates are available for leaseholders to view, so the procurement model for pricing must ensure that this is possible. Costs incurred under the contract will be service charged on costs picked up from iWorld so it will be necessary to ensure that orders are raised from that system or are drawn to our attention if they are paid through any other system.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 2 - Contract Award Approval Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry Contract – March	Engineering and Compliance 3 rd floor, Hub 4, 160 Tooley Street London SE1 2QH	Rod Davies 020 7525 5097
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3609		
GW3 Contract Extension Approval Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry Contract – 19 June 2015	Engineering and Compliance 3 rd floor, Hub 4, 160 Tooley Street London SE1 2QH	Rod Davies 020 7525 5097
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=5333		
GW3 Contract Extension Approval Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry Contract – 15 December 2016	Engineering and Compliance 3 rd floor, Hub 4, 160 Tooley Street London SE1 2QH	Rod Davies 020 7525 5097
Link: http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50011745&Opt=0		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Rod Davies, Procurement Manager	
Version	Final	
Dated	10 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (For Housing contracts only)	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		9 March 2017

Item No. 12.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Response to Central London Area Based Review of Skills 2016	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

Giving a young person, in fact anybody, the gift of learning so they go on and excel in life is priceless. I am still humbled when I hear individual stories of success from people who live and work in Southwark. Whether that's the progress of our own apprentices which we celebrated recently as part of national apprenticeship week or one of the 1000 people who've gone through the door of our new construction skills centre or the students who will graduate this year from our stage business programme with the Old Vic. The common theme being that with the right skills and support, and access to opportunities created through regeneration and a strong Southwark economy everyone has the chance to realise their potential.

That's why a strong local economy and giving residents the best start in life is of critical importance for the council. Our schools are among the best in the country and we have above average Key Stage 4 results across Central London. The council continues to invest in the skills and employability of Southwark residents, particularly where they need extra help to get over barriers holding them back from work. Yet there remains a gap in skills provision and the local further education offer still requires improvement. Still too many learners leave the borough to access suitable further education training elsewhere. This is unacceptable.

The Area Based Review was set up by the government to review further education in different regions across the country. It took place in the context of reduced budget with the primary aim to create more financially viable institutions. It remains of significant concern to the council that we have a wealth of local jobs but lack the high quality local FE offer needed to ensure our residents take full advantage. That's partly why I took the opportunity to chair the Central London Steering Group, which met between March and November 2016 and whose comprehensive report we are now presented with.

Our response whilst noting the content and recommendations of the Area Based Review report recognises that for Southwark the review has not yet gone far enough to address the specific concerns the council has with the state of the local FE offer. It proposes that the council continue the work to influence and build a local skills offer that focuses on the needs of all residents, particularly those who wish to follow more vocational routes, our most vulnerable learners, and our employers. It proposes that this ambition is taken forward through the development of a local skills strategy, informed by local need. It seeks to take new opportunities to influence skills planning and spend as part of the devolution of the Adult Skills Budget from 2019/2020 and the development of sub-regional skills and employment boards.

The council's ambition is to work hard with local businesses and other partners to support a high quality FE and skills offer in the borough. As Leader and as London Council's lead skills representative I hope we can now collectively take the review's findings and genuinely reshape, innovate and deliver a local skills offer that's as priceless as the gift it should be giving.

RECOMMENDATIONS

That the Cabinet:

1. Note the recommendations of the Central London Area Based Review of Skills Report (Appendix 2).
2. Note that the council does not support a merger of Lewisham and Southwark College with the Newcastle College Group, as in our view the best interests of Southwark's learners are served by a local solution involving a merger with another London provider.
3. Note that the council will expect the outcomes of college mergers proposed locally to deliver a secure and improved quality offer for Southwark learners especially those with additional needs and support. This will include addressing basic skills provision in literacy and numeracy, working with schools and ensure quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets and real property.
4. Note the proposals for implementation of the area review through sub-regional skills and employment boards and the proposal to devolve the 19+ Adult Education Budget (circa £400m per annum) to London with the associated funding streams and powers devolved to the GLA from 2019-2020.
5. Agree the council use the opportunity of the devolution of the Adult Education Budget to influence local and regional skills provision, in a way that best serves the needs of Southwark learners and local employers.
6. Agree to the development of a local skills strategy, working alongside further and higher education providers, the council's Business Forum as well as schools to support the delivery of a high quality FE and skills offer in the borough.
7. Agree to a report back to cabinet on progress in summer 2017.

BACKGROUND INFORMATION

8. In the [guidance](#)¹ on area reviews published in March 2016 the government set out the purpose for the Area Based Review process, *to offer high quality provision based on the current and future needs of learners and employers within the local area.*
9. The Department for Business, Innovation and Skills (BIS) and the Department for Education (DfE) are responsible for the area reviews and worked closely with the Greater London Authority (GLA) and London Councils to plan the London review.

¹ [BIS, March 2016 Reviewing post 16 education and training institutions, updated guidance on area reviews](#)

10. Set in the context of 25% budget cuts proposed to the Skills Funding Agency (SFA) in the Spending Review, the Area Based Reviews are designed to deliver:
- Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment
 - An offer that meets each area's educational and economic needs
 - Providers with strong reputations and greater specialisation
 - Sufficient access to high quality and relevant education and training for all
 - Colleges well equipped to respond to the reform and expansion of the apprenticeship programme.
11. The area reviews were essentially designed to enable all colleges to be financially secure for the long term. In his introduction to the above mentioned guidance the Minister of State for Skills made it clear that the Reviews were an opportunity for *post-16 providers to put themselves on a strong footing for the future*. The government has offered to facilitate this with substantial, but time-limited support, which includes restructuring facility funding, and advice and support on implementation.
12. The guidance explained that *once the restructuring is complete no college should be dependent on, or request any additional support from Government*. Instead funding agencies, local areas with devolution powers and Local Enterprise Partnerships are expected to fund institutions that are taking action to ensure they can provide a good quality offer to learners and employers, which is financially sustainable for the long term.
13. In London there is much need for change to a skills system that is not adequately set up to respond to the current and future education and training needs of learners and local employers. In Southwark, local FE college provision has for years been substandard with the current Ofsted reports rating both Lewisham Southwark College and Lambeth College as 'Requires Improvement'. Lambeth College is subject to a financial notice of concern issued by the SFA, Lewisham Southwark College is subject to a notice of concern for both financial health and minimum standards (apprenticeships).
14. In taking a leading role in the Central London Area Based Review the council has therefore been primarily concerned with creating a local *FE offer that meets each area's educational and economic needs*; another key aim of the review but one which has not been fully addressed by the Review.
15. The council has made a concerted effort over the years to address local issues in regards to skills provision and has been advocating for a local solution to quality and sustainability concerns of Lewisham Southwark College in particular. The refresh of the Council Plan further established this ambition stating that the council, *with local business and other partners will make sure our residents are equipped with the skills and knowledge to access the many exciting opportunities that being in Southwark brings and support a high quality FE and skills offer in the borough*.
16. The council has already taking steps to achieve these ambitions by creating the Southwark Construction Skills Centre in partnership with Lendlease, ensuring more local people are trained in construction skills to work in this key sector in the borough. The council has also focused on the local apprenticeship offer,

developing the Apprenticeship Standard for businesses to adopt or work towards, focusing on high quality, secure apprenticeships that pay the London Living Wage and has recently been listed in the Centrica Top 100 Apprenticeship Employer list, the only council in London to make the list.

17. The council continues to work in partnership with London South Bank University and recently committed a £5m growth bid from the capital programme that will fund the redevelopment of the old Passmore Library to develop an Institute of Professional and Technical Learning offering technical and higher level apprenticeships. The council continues to recognise the value of regional collaboration, working alongside Lambeth and Lewisham in the delivery of the Pathways Employment programme and other central London boroughs on construction and employment programmes managed through Central London Forward.

Central London Area Based Review

18. The London review covered 12 local authority areas (Camden, City of London, Westminster, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets and Wandsworth), 46 colleges, including twelve Sixth Form Colleges, 3 special designated institutes and 1 land-based provider. Due to the large number of colleges in London, the London Area Review was divided into four sub-regional reviews. Each sub-region had its own steering group and completed its own review.
19. The Central London steering group, chaired by Councillor Peter John OBE, met on 6 occasions between 17 March 2016 and 4 November 2016, and additional informal meetings also took place to consider and develop options in greater detail.
20. Membership of the Central London steering group comprised each college's chair of governors and principal, representatives from the GLA, CLF and local authorities; 2 business representatives; the FE Commissioner; the Deputy FE Commissioner; the Sixth Form Commissioner, the Regional Schools Commissioner, and representatives from the SFA, the Education Funding Agency (EFA), and the (DfE).

London Priorities for Skills

21. At the start of the review the London Enterprise Panel (LEP) set out priorities for skills provision in central London. These were:
 - Meet the future needs of London's employers, in particular demand for employees with higher level skills in science and maths, construction, ICT and engineering and manufacturing technologies
 - Increase colleges' market share in apprenticeships, including at intermediate level as well as developing progression and a college-backed offer of Level 3 and Level 4 apprenticeships
 - Put in place improved arrangements for dialogue between colleges, employers, and London government, to enable swifter responses to changing demand and any requirement for bespoke provision

- Improve the quality and accessibility of Information Advice and Guidance for students of all ages.

Central London Forward

22. In addition, CLF (a strategic sub-regional partnership of eight central London local authorities: Camden, Islington, Kensington and Chelsea, Lambeth, Southwark, Wandsworth, Westminster and the City of London Corporation) has identified the following priority areas:

- ensuring local access to basic skills training including literacy and numeracy, and English for speakers of other languages (ESOL) provision explicitly geared to helping learners find jobs and wider employability
- development of access routes to higher education including from A level, access courses and level 3 BTECs, to increase opportunities for graduate level employment
- deepening understanding of occupational trends, skills needs and technological developments relating to the 900,000 entry level and intermediate jobs in the review area, and their implications for the post-16 curriculum
- investment in higher learning including introducing greater inter-institutional collaboration, curriculum clusters (either geographically or sectorally) and a differentiated approach to specialisation according to institutions' capability and quality.

23. For Southwark the review has presented an opportunity to further address the long standing need to secure a high quality FE offer in South London for the benefit of Southwark learners and employers. Whilst the review has focused primarily on the financial stability of institutions it has provided a strong framework to deliver a broader range of local improvements through the proposed development of a sub-regional Skills and Employment Board in London to implement the Area Based Review recommendations.

KEY ISSUES FOR CONSIDERATION

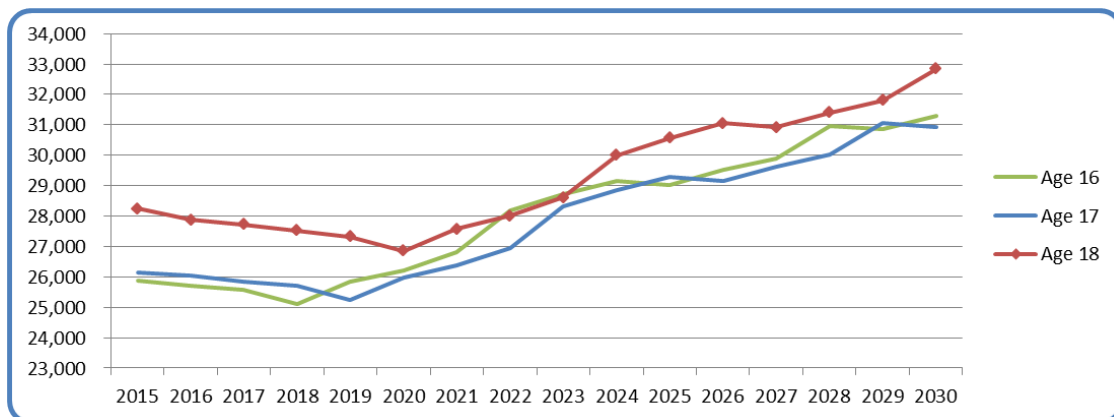
Area Based Review Report

24. The report sets on the demographics of the central London area and presents information on the supply and demand for skills across the region. It provides information of about the college and sixth form offers, their Ofsted ratings and their financial standing. It presents performance information by borough and gives an overview of the apprenticeship and special educational needs and disability (SEND) offers. It presents the key areas for change as discussed at the steering group meetings and makes recommendations for changes, largely concerns with the mergers or non-mergers of the colleges. The following provides a summary of the report content.

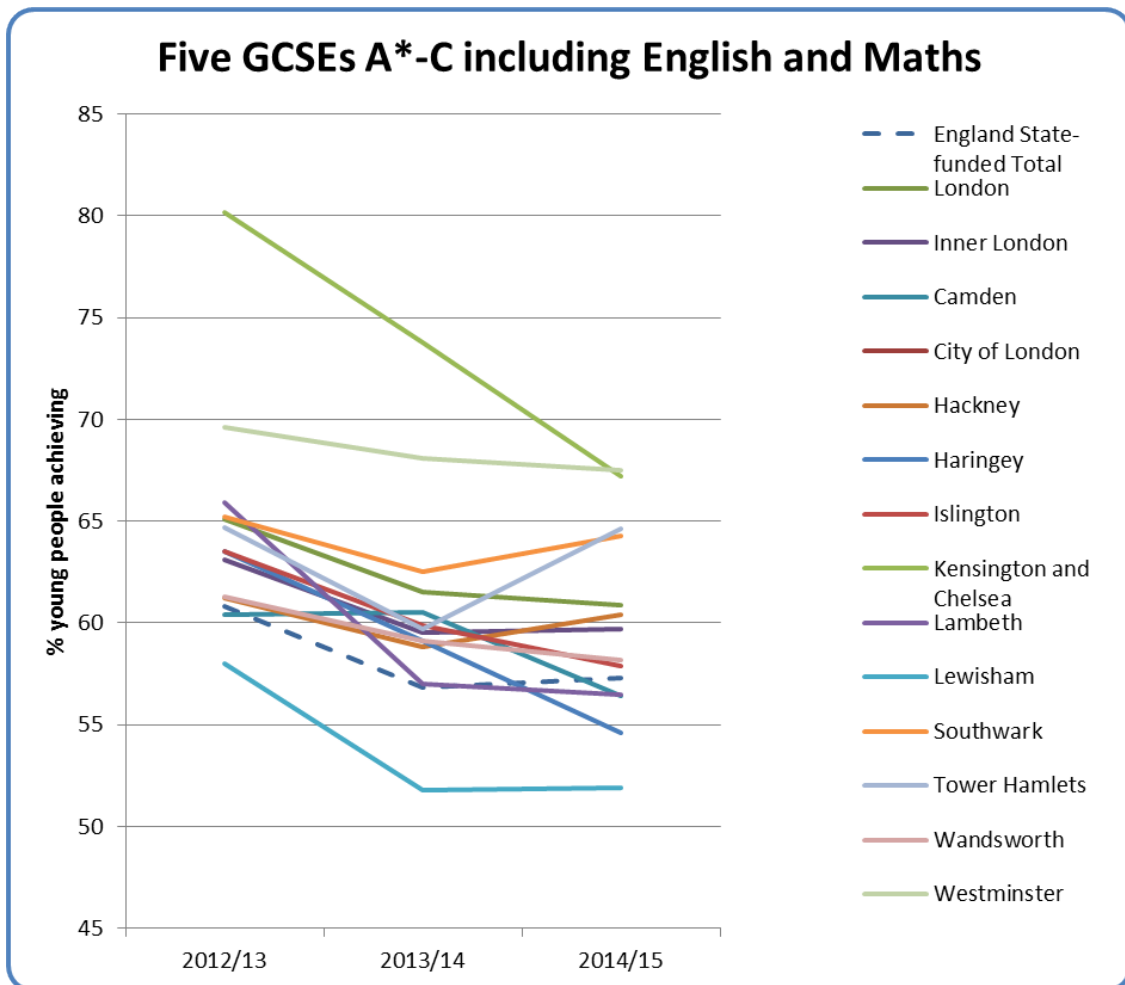
25. **The demographics of central London:** 12.7% more residents with higher education qualifications than the national average, out-of-work benefit claimants comparable with the national average; the gross weekly pay, as recorded for residents and for workplaces, higher in most of the Central London boroughs

than the London and national average.

26. **The patterns for employment growth:** The Central London area is estimated to account for more than half of London's gross value added (GVA) and 12% of the UK's. The industry sectors in the central review area providing the highest share of total employment in London in 2014 were finance and insurance, professional, real estate, scientific and technical activities and information and communication. The other largest industry sectors in the Central boroughs in terms of the number of jobs were accommodation and food services, administrative and support services, and health and social work.
27. **Highest growth** is forecasted in the following sectors, ranked by increase:
- professional, real estate, scientific and technical
 - administration and support
 - health and care
 - ICT
 - accommodation and food service
 - retail
 - construction
 - education
28. **Quantity of learners:** In the Central London review area, the numbers of young people aged 16-19 is in general decline until 2018, after which the number of young people aged 16 is projected to increase. From 2019 the number of young people aged both 16 and 17 are projected to increase and from 2020, the number of young people aged 16-19 are projected to increase again. However, there may be variations within individual boroughs such as Hackney, for example, has had a steadily increasing population of 16-19 year olds.



29. **Performance at key stage 4** in Lewisham was significantly lower than all other boroughs in the review area for the 3 years between 2012 to 2013 to 2014 to 2015. Key stage 4 performance for most boroughs in the Central London review area has remained consistently below the average for London, although Southwark, Westminster and Kensington and Chelsea were higher than the London average between 2012 to 2013 to 2014 to 2015.



Sixth forms

30. There are currently 111 funded schools with sixth-forms in the review area, including 53 local authority maintained, 52 academies, 5 free schools and a university technical college. Most school pupils in the age range 16 to 18 are enrolled on A level courses.
31. Overall funded student numbers in mainstream school sixth-forms increased by 1,860 between 2013 and 2016, with a total of 23,912 young people funded in a mainstream sixth-form setting in 2015 to 2016.
32. The majority of schools with sixth-forms were graded by Ofsted as good or better.

Current offer from colleges

33. **Apprenticeships:** All 10 general further education colleges included in the review offer apprenticeships. The most popular subjects are business administration, health and social care and service enterprises. There is limited apprenticeships delivery in other key high growth sectors such as information and communication technology, leisure, travel and tourism, and education. There is also a very limited offer for higher apprenticeships from general further education colleges.

34. **A-Level provision:** Eight further education colleges deliver A level provision in the Central London review area. Only Lambeth College and College of Haringey, Enfield and North East London do not offer A levels. Of the 8 colleges, City and Islington College, now part of the WKCIC Group, delivers the most A level provision. All 4 sixth-form colleges in the Central London review area offer A levels, of which, Christ the King Sixth Form College delivers the most A Level provision. A range of subjects are offered by both further education colleges and sixth-form colleges for A level provision with the most popular subjects being mathematics, sociology, psychology, business studies, art and design, media studies and history.
35. **Non-A level provision:** A wide range of non A level provision is offered by the colleges, mostly at level 2 and below, with the most popular provision being functional skills, employability skills and ESOL. However, there is still a widespread offer of provision at level 3 and above including access to higher education. Each of the colleges offers some provision at level 4+.
36. **Technical provision:** All ten further education colleges, four sixth form colleges and the three specialist designated institutions in the review area also deliver technical provision in the review area. Of the further education colleges, City and Islington College delivers the most technical provision. St Charles Sixth Form College delivers the least technical provision from all of the colleges within scope of the area review.

See **Appendix 1** for details of the quality of provision and financial sustainability of colleges.

Progression to higher education

37. Progression of young people to higher education across London is the highest of all regions in England (greater than 38.1%) compared to a national progress rate of 32.6% for the United Kingdom². All of the boroughs in the Central London review area have a higher rate of progression of young people to higher education than the national average except for Haringey. The majority of the boroughs in the Central London review area have in excess of 40% progression rate of young people progressing into higher education.

Provision for students with SEND and high needs³

38. In 2015 to 2016, the EFA funded 1,080 post-16 places across the 12 local authorities in colleges, special schools and specialist post 16 institutions. Colleges delivered 997 funded places between them. The colleges delivering the highest numbers of funded places were Lewisham Southwark College, Lambeth College, Tower Hamlets College, and The College of Haringey, Enfield and North East London.
39. During the London reviews, representatives nominated by each of the 4 sub-regional steering groups came together to discuss SEND and high needs provision. Group members agreed that examples of good practice in planning, commissioning and delivery of services to SEND and high needs learners existed across London, but that there was potential to improve efficiency and

² Derived from HEFCE POLAR 3 – see data annex: Higher education progression

quality through a wider, collegiate approach, including schools, private and community services and, ideally, health and employment services.

Apprenticeships and apprenticeship providers

40. In 2014 to 2015, there were 12,820 apprenticeship starts delivered by providers based in the Central London area review area⁴. Overall, the most popular frameworks were business, administration and law (36% of all starts), health, public services and care (25% of all starts) and retail and commercial enterprise (17% of all starts).
41. The colleges in the Central London review area delivered between them 8,690 apprenticeship starts in 2014 to 2015. Of these starts, 58% were for intermediate level and 41% for advanced level. There was a total of 280 higher level apprenticeship starts delivered by the colleges during the same period. The largest contributors of higher level apprenticeship starts were Lewisham Southwark College, The College of Haringey, Enfield and North East London and City of Westminster College.
42. Forty-three independent training providers were funded to deliver apprenticeships within the 12 local authority boroughs in the review area. Between them, these providers delivered 16,800 apprenticeship starts in 2014 to 2015. This pattern may change in 2017, with the introduction of the apprenticeship levy⁵.

Key areas for change

43. The key issues in relation to the review, and deliberated during the Central London Steering Group meetings, were:
 - ensuring the colleges are financially viable for the future and to identify and commit to solutions to deliver greater financial resilience and improvement in the college estates
 - identifying a solution on the viability of all colleges, responding in particular to the weaker financial position at Lambeth College and at Lewisham Southwark College, and to the quality issues identified by Ofsted at those colleges, as well as at the 3 colleges in the area rated as requiring improvement by Ofsted (Kensington and Chelsea College, South Thames College and The Brooke House Sixth Form College)
 - ensuring the colleges' curriculum offer meets both the needs of their local community and London's skills priorities
 - increasing the colleges' delivery of apprenticeships, ensuring strategies take account of the potential impact and opportunities from the levy, and considering opportunities for collaborative working, including apprenticeship companies
 - agreeing a strategy for specialisation and minimising duplication between colleges' curriculum offer, building on current centres of technical excellence and preserving a locally accessible offer of learning up to level 2, across the review area
 - sustaining and strengthening the offer of accessible SEND provision, across the review area.

⁴ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

⁵ 'Apprenticeship levy and how it will work' on gov.uk

Southwark's position

44. Southwark is job-rich, with more opportunities to work and build a career in a wider range of roles and sectors than ever before, and generates a huge number of job opportunities both at entry level and for more highly skilled applicants. Employment is a key strategic priority for the council in order to continue to build strong local economy.
45. The council's Economic Wellbeing Strategy aims to ensure Southwark residents have secure employment and the skills to progress beyond entry-level or insecure, low-paid work and secure jobs that suit them and ensure that very young person is inspired at school and college and is job-ready when they enter the labour market.
46. The council will continue to increase engagement with employers, schools, colleges, and other skills providers to promote a better understanding of how study and training leads to jobs. We will also respond to the changing nature of the economy and young people's increasing interest in self-employment and starting up their own business.
47. The council will also raise the profile of older people's relationship with the labour market and explore links to adult skills, the voluntary and community sector and wider council services, enabling all to share in the wealth and opportunities available to Southwark residents.
48. Ensuring local people have the skills to access the range of employment opportunities remains a challenge, locally and regionally. Local provision is poor and the majority of Southwark learners are forced to study outside of the borough to receive better quality provision that meets their needs and aspirations. The latest London CCIS data (May 2016) identifies Southwark as being within the top 5 London boroughs to 'export' learners with 71% of residents learners aged 16-18 travelling outside of the borough to study.
49. Despite considerable improvements in local school performance over the years, the general lack of local, good quality FE provision remains a concern for the council and employers.
50. Southwark is in a strong position to steer, influence and deliver on the skills agenda. Of principal interest is Southwark's engagement with businesses in emerging and innovative sectors such as technology and science, media and communications, and creative industries. The council's work with larger employers and universities, colleges and schools to enable our current and future business owners and workforce to thrive in the 21st century will be key.
51. The renewal and transformation of the local FE offer to learners is crucial to the delivery of this ambition, whether that is about delivering a guarantee for 18 year olds to have access to employment, education or training or creating 5,000 more jobs and 2,000 apprenticeships for our residents. It is also essential to big local employers like PWC, Guy's and St Thomas' and Lendlease, who have described their desire to work alongside the council, to better match local skills needs with the offer available.
52. For Southwark the Area Based Review has provided a further platform to raise concerns about the quality of local FE provision and the focus on finding a

solution to the weaker financial positions of Lewisham Southwark College and Lambeth College and the quality issues identified by Ofsted are welcomed. It has given less attention to the needs and outcomes of vulnerable learners; those with learning in difficulties and disabilities, those with mental health issues and young people in care and care leavers for example. The council and partners will seek to address through the development of a local skills strategy.

53. The council has made a submission to the FE Commissioner to advocate for a local skills offer that is more aligned to employer needs and that focuses on collaboration to create a local curriculum that is more fit for purpose and able to meet the needs of residents and businesses.
54. As such, it has made it clear that it does not support the current favoured position of the board at Lewisham Southwark College to merge with Newcastle College Group (NCG). As noted in the Area Based Review of Skills report borough representatives (from Lewisham and Southwark) emphasised their continuing and strong preference for a merger with another London provider, and from Lewisham and Southwark boroughs, their opposition to the NCG proposal. Representatives from Lewisham Southwark College and Lambeth College confirmed that they would ensure their corporation boards took full account of stakeholders' views in making their decision.
55. The council is of the view that the best interests of Southwark learners are served by a local solution, involving a merger with another London provider. Alternative options considered through and alongside the review process included a merger between Lewisham and Southwark with Lambeth College and London South Bank University as well the option to merge for Lewisham and Southwark to merge with City of Westminster College. An opportunity has been lost in not taking such options forward.
56. Moving forward, whatever the outcomes of local college mergers, the council will continue to act in the best interests of Southwark's residents. This will mean working to ensure local FE providers deliver a secure and improved quality offer for Southwark learners especially those with additional needs and support. This will include addressing basic skills provision in literacy and numeracy, working with schools and ensure quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets.

Devolution and changes to the skills system

57. As reported recently by Central London Forward, the skills system has failed to keep up with the changing nature of employer demand and grow the skills that London's businesses need. The mismatch is a symptom of a system that is too complex and insufficiently responsive to the needs of businesses and the local economy.
58. In response to this problem, the Government has launched major reforms of the skills system over the next four years. The objective of these reforms is to create a high quality, employer-led technical education route that has parity with academic education. Under this new system, learners will be able to opt for a technical education after 16 through either college based or employment based (apprenticeships) training. Technical training will be targeted at a range of occupations grouped under 15 sector 'routes'. Rather than the current market based approach to qualifications (in which different awarding bodies compete to

offer qualifications), there will be one approved technical level qualification for each occupation within a route.

59. The curriculum for each qualification will include a 'common core' (English, maths and digital), transferable work-place skills (e.g. communications, teamwork) and specialist skills tailored to the occupation. Employers will have a critical role to play in this new system in setting the standards and specifying the specific skills individuals will need to get on in the occupation.
60. Within the context of these wider reforms, the government will transfer control over the Adult Education Budget to London from 2019/2020. The Central London sub-region will develop a 'Skills and Employment Board' charged with developing a sub-regional skills strategy to identify skills priorities. This work will feed into the London-wide skills strategy and provide a strategic framework for borough-based engagement with FE and other skills providers. The board will also oversee wider engagement and collaborative working with skills providers and employers.
61. Taken together, the devolution of the Adult Education Budget and the development of a sub-regional Skills and Employment Board present a significant opportunity for Southwark to have greater influence over local and regional provision that is in the best interests of Southwark learners. See appendix 3 for details of the key proposed responsibilities of the Board.

Next Steps

62. In line with the council's continued ambition to improve the skills offer it is currently undertaking an Overview and Scrutiny Committee (OSC) review of FE and skills. In addition to identifying best practice from other Local Authorities, this review is exploring resident and employer experiences of FE and college plans for improvement. OSC plan to present a final report in spring 2017.
63. The council will formally report on the Lewisham Southwark College merger when this is finalised, challenging the college to meet the council's aims in regards to skills provision.
64. A local skills strategy will be developed within the context of the delivery of the Economic Wellbeing Strategy, the Children and Young People's Plan and the Children in Care and Care Leavers Plan to take forward councils continued ambition to create an offer that meets Southwark's educational and economic needs.
65. The council will continue to build on positive outcomes achieved through cross-borough collaboration on the design and delivery of employment programmes to develop a more strategic approach to skills delivery.
66. This will be achieved within the wider governance of Central London Forward's Skills and Employment Boards where is a substantial role for London boroughs to deliver a reformed skills system.
67. London government (the GLA & London Councils) has been pursuing devolution of skills funding (approximately £400m) and powers since its submission to Spending Review 2015. In the last Autumn Statement it was agreed that this funding would be devolved in 2019/2020. The council will continue to work alongside Central London Forward within the new governance structure for the

delivery of skills and ensure funding is effectively utilised to meet the education and training needs of learners and residents, including the most vulnerable, in Southwark and in Central London.

Policy implications

68. The Government confirmed in the Autumn Statement that it will devolve the 19+ Adult Education Budget to London (approx. £400 million/annum). It is expected that the funding will be devolved to the GLA in 2019/2020.
69. London government's stated objectives for a devolved skills system are to:
- Boost economic growth and employment, and reduce welfare dependency, by focusing investment in skills that will increase productivity and progression into and within work;
 - Increase the efficiency and effectiveness of public sector skills investment by bringing budgets and powers closer to the point of use – focusing on better demand information, clearly articulating London's skills demands and priorities and getting greater investment from learners and employers, particularly for higher level skills;
 - Creating a responsive skills system that meets the needs of Londoners and London's businesses and can adapt rapidly to the very unique needs of London's economy;
 - Support the most disadvantaged and deliver a cost effective, innovative and adaptive adult learning offer that works locally with partners, and integrates with other local services to respond to local social and employment issues.
70. These objectives are particularly important in the context of Brexit as London looks for ways to sustain high levels of growth and ensure that changes in immigration policy have no impact on the supply of skilled labour in the capital. Given that the capital is a high skill economy, with a reliance on flows of international labour to meet its skills demand particularly in important sectors such as finance and construction, London needs to use greater control of parts of the skills system to ensure that we can meet the future skills needs of our economy.

Community impact statement

71. A core aim of the Economic Wellbeing Strategy is to identify what actions the council and partners can take to build on the high employment rate and growing number of businesses to ensure all sections of the community benefits from the opportunities available in Southwark. The council wants all residents to have the skills they need to participate in the economy in Southwark which is job and business-rich, and achieve financial independence and wellbeing.
72. In delivering the Economic Wellbeing Strategy and any future skills improvement strategies, the council will focus attention on the needs of protected characteristics groups, in line with the council's published Equalities Approach. Due regard will be paid to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010, specifically to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance

equality of opportunity (though providing the means to engage in the labour market and improve socio-economic outcomes and wellbeing); and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics specifically supported through this provision are age, disability, race and gender.

73. Those with disabilities are underrepresented in the labour market and the council aims to reduce the disparity between the employment rate between disabled and non-disabled residents. It aims to ensure that young people with SEND, learning difficulties, mental health issues and those who have been in council care are more able to take advantage of apprenticeships and supported internships to build their skills and readiness for the labour market and independent living.
74. Those for whom English is not their first language, ESOL (English for Speakers of Other Languages) skills provision is in high demand locally and that skills deficit in this area can leave people disadvantaged in the labour market. This is an issue to be addressed at a London wide and local level.
75. The council supports the Living Wage as set by the Living Wage Foundation as a principal way to counter the threat of poverty, and the importance of growing skills and wages in the borough. It supports in-work progression and aims to support residents to up-skill and develop their careers.

Financial implications

76. There are no financial implications arising from this report.

Legal implications

77. See paragraphs 80-87 below.

Consultation

78. A range of external and internal stakeholders have been consulted during the process of refreshing the economic wellbeing strategy. Formal consultation has taken place at two key stages. Firstly initial research in September 2016, to group achievements against the original strategic aims, consideration of new strategic trends and thinking, and the format and presentation of ambitions and planned actions. Secondly, consultation on the strategy draft was held in October and November 2016, in writing and through face to face meetings including with the Business Forum and targeted discussions with council services including colleagues in Children's and Adult's Services.
79. The proposed development of a new local skills strategy allows for further consultation to take place with local FE and Adult Community Learning providers and the Business Forum.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

80. Cabinet is being asked to note the outcome and proposals arising from the Central London Area Based Review of Skills and the devolution of 19+ Adult Education Budget to the GLA from 2019/2020, as described in the report. Cabinet is asked to agree to the development of a local skills strategy and for a progress report to

be brought back to cabinet in the summer of 2017.

81. The council is subject to a number of duties relating to post-16 education. The Education Act 1996 (“the 1996 Act”) requires the council to secure that enough suitable education and training (which may include apprenticeship training), in or outside of its area, is provided to meet the reasonable needs of young people in Southwark who are over compulsory school age but under 19, and also young people aged 19 or over with SEND for whom an “education, health and care plan” is maintained. Local authorities subject to this duty must cooperate with one another, and with regard to apprenticeship training they must also cooperate with the Secretary of State.
82. In determining what is “suitable”, the council must have regard in particular to young people’s ages, abilities and aptitudes; any learning difficulties or disabilities they may have; the quality of the education or training; and the locations and times at which the education or training is provided.
83. The council must also act with a view to encouraging diversity in the education and training available and promote choice and take account of education and training that might reasonably be secured by other persons.
84. The council is further required by the 1996 Act to encourage participation in education and training by young people described above, and encourage employers to participate in the provision of education and training for them. The Education and Skills Act 2008 requires young people aged between 16 and 18 and who have not obtained a level 3 qualification to participate in education or training. The 1996 Act requires the council to act with a view to enabling these young people to participate.
85. The council also has a power to secure the provision in its area of full-time or part-time education suitable to the requirements of persons aged 19 and over. “Education” would include training (including vocational, social, physical and recreational training) and of organised leisure time occupation.
86. As such, the preparation and adoption of a strategy which is incidental to the council’s functions in this area is something the council has a power to do. The decision to approve the development of a strategy that, as the report indicates, cuts across a number of cabinet member portfolios, can be properly taken by cabinet, in accordance with the council’s constitution.
87. Cabinet is reminded that in the exercise of any of its functions, the council is subject to the public sector equality duty, in section 149 Equality Act 2010, and attention is drawn to the community impact statement section of the report for information about the regard given to the objectives described in section 149.

Strategic Director of Finance and Governance (FC16/039)

88. The strategic director of finance and governance notes the recommendations in response to Central London Area Based Review of Skills 2016 and that no financial implications arise from these.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
DfE Central London Area Based Review Report	5 th Floor, Hub 4, 160 Tooley Street, London SE1 2QH	Elaine Gunn 020 7525 5479 Elaine.gunn@southwark.gov.uk
Link: https://www.gov.uk/government/publications/central-london-further-education-area-review-report		
Economic Wellbeing Strategy	5 th Floor, Hub 4, 160 Tooley Street, London SE1 2QH	Elaine Gunn 020 7525 5479 Elaine.gunn@southwark.gov.uk
Link: http://www.2.southwark.gov.uk/downloads/download/3275/economic_wellbeing_strategy		

APPENDICES

No.	Title
Appendix 1	Quality of provision and financial sustainability of colleges
Appendix 2	Recommendation from the Central London Area Based Review
Appendix 3	Sub-regional Skills and Employment Board - proposed areas of responsibility

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council	
Lead Officer	Nina Dohel, Director of Education Stephen Gaskell, Head of Chief Executive's Office	
Report Author	Elaine Gunn, Principal Strategy Officer	
Version	Final	
Dated	9 March 2017	
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		9 March 2017

APPENDIX 1

Quality of provision and financial sustainability of colleges (Area Based Review Report)

The following table provides a summary of the size and quality in each of the colleges:

College	Most recent overall Ofsted grade ¹	EFA allocations (2015 to 16) ²	SFA allocations (2015 to 16) ³	Total college income (2014 to 2015) 000s ⁴
City and Islington College	Good (February 2016)	£25,648,523	£10,692,890	£45,180
City of Westminster College	Good (June 2013)	£15,181,677	£6,240,114	£27,514
The College of Haringey, Enfield and North-East London	Good (March 2014)	£11,801,548	£15,641,414	£35,080
Hackney Community College	Good (September 2015)	£7,833,813	£7,594,050	£28,820
Kensington and Chelsea College	Requires improvement (June 2015)	£1,795,744	£3,958,832	£10,819
Lambeth College	Requires improvement (December 2014)	£8,912,273	£11,569,209	£33,183
Lewisham Southwark College	Requires improvement (May 2016)	£14,379,975	£13,854,703	£36,215
South Thames College	Requires improvement (May 2016)	£13,214,793	£11,158,616	£38,575
Tower Hamlets College	Good (December 2013)	£10,755,386	£5,978,167	£20,162
Westminster Kingsway College	Good (March 2016)	£15,783,749	£11,024,041	£38,760
The Brooke House Sixth Form College	Requires improvement (April 2016)	£8,737,475	£455,803	£10,316
Christ The King Sixth Form College	Good (May 2010)	£15,751,691	£0	£16,849
St Charles Catholic Sixth Form College	Outstanding (October 2007)	£6,492,608	£50,079	£6,873
St Francis Xavier Sixth Form College	Requires improvement (January 2016)	£7,909,354	£0	£9,037
Morley College Limited	Good (April 2016)	£58,635	£5,434,192	£10,329
The City Literary Institute	Outstanding (June 2011)	£91,295	£7,300,989	£17,839
Working Men's College Corporation	Outstanding (March 2013)	£325,944	£4,033,972	£5,418

1 Ofsted – see data annex: College inspection reports

2 EFA allocations – see data annex: 16 to 19 funding

3 SFA allocations – see data annex: Adult funding

4 College accounts academic year 2014 to 2015 data – see data annex: College accounts. Figures in 1000s

College	Most recent overall Ofsted grade ¹	EFA allocations (2015 to 16) ²	SFA allocations (2015 to 16) ³	Total college income (2014 to 2015) 000s ⁴
Capel Manor College	Good (January 2013)	£4,595,019	£2,832,249	£11,262

APPENDIX 2

Recommendation from the Central London Area Based Review

Nineteen recommendations were noted and endorsed by the steering group at their meeting in November 2016. These were:

The Brooke House Sixth Form College to remain as a stand-alone sixth-form college, working to improve its financial position and its quality against an improvement plan agreed with the Department for Education's funding agencies

- Christ The King Sixth Form College to stand-alone and pursue academisation, subject to a decision by the Diocese
- City of Westminster College to merge with The College of North West London with a target completion date of August 2017 and with potential for a further expansion of their multi-college trust to include South Thames College and/or Lambeth College, subject to decisions taken by those colleges and the relevant steering groups
- The College of Haringey, Enfield and North East London to stand-alone and to explore options for collaboration with Westminster Kingsway and City and Islington Colleges
- The College of Haringey, Enfield and North East London to work with Barnet and Southgate College, as well as local stakeholders, particularly Enfield Borough Council, to ensure the offer to learners in Enfield is coherent and offers breadth, quality and progression
- Kensington and Chelsea College to merge with the City Literary Institute (forming a larger SDI)
- Lambeth College to form a partnership with London South Bank University (the college's preferred option) or to merge with either Lewisham Southwark College or join the new grouping of City of Westminster College and The College of North West London
- Lewisham Southwark College to merge with either Lambeth College or NCG (the college's preferred option). The steering group noted the need for financial support to progress a merger between Lewisham Southwark College with Lambeth College. A decision will be taken by Lewisham Southwark's Corporation as soon as possible following the conclusion of the area review and will be informed by a meeting with a number of stakeholders and potential merger partners in November
- Morley College to remain as a stand-alone college and to explore options for collaboration with Richmond Adult Community College and Hillcroft College (all SDIs)
- South Thames College to merge with Kingston and Carshalton College or join the multi-college group being established by City of Westminster College and The College of North West London. A decision will be taken by the South Thames corporation in December 2016

- Tower Hamlets and Hackney College to merge with Redbridge College, with a target date of 1 April 2017. The steering group endorsed the merger of Tower Hamlets College and Hackney College which became effective in August 2016
- As part of the Tower Hamlets and Hackney group, Redbridge College to create a shared services and apprenticeship company with Newham College of Further Education in East London
- Westminster Kingsway College and City and Islington College to explore options for collaboration with The College of Haringey, Enfield and North East London. The steering group endorsed the merger of Westminster Kingsway College and City of Islington College which became effective in August 2016
- The Working Men's College to remain stand-alone
- St Charles Sixth Form College to stand-alone and pursue academisation, subject to a decision by the Diocese
- St Francis Xavier Sixth Form College to stand-alone and pursue academisation, subject to a decision by the Diocese
- London government and providers of Adult Community Learning (ACL), including colleges, to explore recommendations arising from the London Review of ACL in the review area, including the potential development of a sub-regional community education hub
- Representatives from the Central London area review to work with colleagues from other sub-regions to support the proposed pan-London review of SEND and high needs provision
- The Central sub-region to continue work to develop a sub-regional Skills and Employment Board, to take forward the partnership working developed during the area review. Pan-London implementation arrangements to be put in place to support delivery of the outcomes of the London area reviews.

APPENDIX 3

Sub-regional Skills and Employment Board – proposed areas of responsibility

The Skills and Employment Board would be chaired by CLF portfolio lead for Employment & Skills, with a deputy chair appointed from the business community. The Board would be accountable to the CLF Board and responsible for:

- Implementation of the Area Based Review recommendations;
- Identifying local labour market needs based on labour market data and analysis provided by LFA;
- Convening and engaging a broad spectrum of employers in the local labour market (e.g. through an employers' advisory group) and working with them to identify skills requirements for the sub-region;
- Leading the engagement with skills providers operating in the areas (e.g. through a providers' forum) about how their provision will meet demand;
- Developing a rolling 3 year commissioning strategy that would set out priorities for skills commissioning for the area (i.e. priorities for funding, curriculum development, specialisation, rationalisation, capital investment);
- Developing outcome agreements with providers and monitoring their performance against specified outcomes;
- Directly commission targeted provision aligned with employment support programmes;
- Allocating a share of funding to boroughs to commission community provision;
- Working with the LFA to performance manage devolved skills funding in this area, including monitoring outcome agreements with local providers;
- Providing strategic input around FE capital investment decisions;
- Identifying opportunities to integrate with other local services and pool funding (including any devolved employment support services);
- Developing and oversee initiatives to stimulate demand for skills products such as apprenticeships and adult learner loans.

Item No. 13.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Passmore Centre Investment Plan	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

I am passionate about the opportunities that an improved skills offer can bring to our residents. In September 2016 the council made a commitment to do all we can to support a high quality further education (FE) and skills offer in Southwark. This is partly because for too long the local FE offer has fallen below what residents want and what employers say they need. Nationally too the standards of quality of FE is much too variable, in part reflecting a lack of investment in recent years. The national area review of skills takes us forward in building financial sustainability. It also highlights centres of learning that are excelling in London, something we should rightly celebrate and learn from.

Making our commitment to drive a better FE and skills offer locally is an important part of that London and nationwide process. Of course a commitment is also only worth something if action follows. The Southwark Construction Skills Centre at Elephant Park, now well into its first year, shows how the council is tackling the skills shortage in construction head on and creating opportunities for Southwark residents. But it's about more than addressing immediate skills shortages. We also need to equip our residents to have the best chance to succeed in an uncertain world with Brexit, and the new economic opportunities we need to grasp in London as a global centre of business.

In November last year we made a commitment as part of the council's capital programme to invest £5million in the creation of Passmore Centre. In partnership with LSBU we will create a centre that, together with the wider offer from the university, will provide a gateway for learners into higher professional and technical education. Our investment creates the opportunity for at least 1,000 Southwark residents to achieve a high quality apprenticeship. This will help equip Southwark residents with the skills required to take up the jobs demanded of the future. There'll be wider benefits too to schools, employers, employees, including our own staff, in having a centre that meets a shortfall in professional and technical learning right here on our doorstep. This report sets out an investment plan for the Passmore which crucially takes us another step forward to make good on our commitment to improving skills and with it help deliver a fairer future for all. "

RECOMMENDATIONS

1. That the cabinet notes the final proposals for the Passmore Centre detailed in the London South Bank University Business Plan (Appendix 1) and the outcomes contained therein.
2. That the cabinet delegates authority for future decisions concerning the implementation of the Passmore Centre to the strategic director for children's

and adults' services in consultation with the strategic director of finance and governance.

3. That the cabinet notes that the investment in the Passmore Centre forms a key part of an overall longer term skills strategy aligned to the Council Plan and focused on outcomes that we would wish to achieve as a result.

BACKGROUND INFORMATION

4. The Council's Capital Programme Refresh for 2016-17 to 2023-24 was approved by the Cabinet in November 2016 which included a £5m capital grant for the creation of the Passmore Centre in partnership with London South Bank University (LSBU). This report provides the Cabinet with details of the finalised proposals for the Passmore Centre.
5. LSBU's proposal and plan principally arose out of the findings of two reports, listed below, which served to highlight the fact that locally offered professional and technical courses did not meet learner expectations or employer needs:
 - a. "South London Tri Boroughs skills provision and job matching" (The Centre for Economic and Social Inclusion, 2015)
 - b. "Raising standards and developing skills in further education in Southwark" – a prospectus for change" (Southwark Council, 2015)
6. LSBU sought a capital funding contribution of £5m from the London Borough of Southwark ("the Council") for the creation of the Passmore Centre as the hub of their new Institute for Professional and Technical Education (IPTE). In return, LSBU will assist in delivering commitments made in the Council Plan 2014-18, and our Fairer Future promises around education, employment and training, namely:
 - Promise 8: We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.
7. The refurbishment of the Passmore Building as the new Passmore Centre also brings a Grade II Listed building back into use, which supports the Council's plans for Revitalised Neighbourhoods:
 - Promise 9: We will revitalise our neighbourhoods to make them places in which we can all be proud to live and work, transforming Elephant and Castle, the Aylesbury and starting regeneration of the Old Kent Road.

KEY ISSUES FOR CONSIDERATION

8. Market research undertaken by the council in its report listed at 4b indicates that there is rising demand from local employers for a more highly educated and skilled workforce. In particular there is employer demand in Construction, Manufacturing and Engineering, Health, Public Services and Care, Hospitality and Retail which is not being met. As a result, learners' needs are not being served locally, with many of them studying out of borough or not at all.
9. The Passmore Centre proposals set out a clear plan to tackle the evidential shortfall in the local provision of high quality professional and technical courses

on offer. The Passmore Centre hub, together with the wider University, will provide a gateway for learners into higher professional and technical education. It will also create the infrastructure and technical facilities required to support a substantial growth in Higher and Degree Apprenticeships offered by the LSBU, particularly at educational Levels 3-6.

10. Initially, the focus of the Centre will be on STEM (primarily construction and engineering) and health related careers, but the aim is to broaden to other professional areas where there are significant local career opportunities, for example in hospitality and management. Further, in keeping with Southwark's Modernisation Strategy agreed in November 2016 and the refreshed Council Plan 2014-18, the Passmore Centre will also create an unique local opportunity for Southwark staff to access higher level learning and development.
11. In July 2016 a report was issued by the Independent Panel on Technical Education, chaired by Lord Sainsbury, recommending reforms in technical education so that it better ensures individuals can develop the technical knowledge and skills that industry needs through their education and training. The Councils investment in the Passmore Centre closely aligns to these wider sector changes with the Centre's plans to develop a coherent technical education option as a viable alternative to the traditional academic route. This vocational suite of qualifications will develop the technical knowledge and skills required to enter skilled employment, which leads from levels 2/3 to levels 4/5 and beyond, and which is highly valued because it works in the marketplace.
12. One of the fundamental principles of government reforms in the area of Apprenticeships is 'putting employers in the lead' (Post-16 Skills Plan – July 2016). This means that for technical education options employers, supported by education experts, should set the standards required.
13. Importantly, employer engagement will be at the heart of the IPTE and the LSBU has a strong track record of working with employers with over 37% of their students sponsored by business and government in key areas of local demand, the highest proportion of any UK university. The IPTE team, together with its further education partners, will work closely with employers, including hosting employer workshops to design apprenticeship academic content and delivery, which is congruent with government reforms.
14. LSBU deliver the skills to degree level standard and beyond. Many students will start their studies at high levels and may exit at Level 4 or Level 5, but the crucial offer from LSBU is to afford learners a seamless opportunity where they can exit at higher levels. The research and applied studies ensure that LSBU's facilities and lecturers are able to deliver education material at the forefront of the discipline, responding to most recent advances in technology and knowledge. 93% of LSBU students are in employment 6 months after graduation and 76% are in graduate level employment.
15. After careful exploration of options, LSBU was considered the strongest choice over other FE and adult education options in Southwark because it offered the strongest track record in successful outcomes and quality provision.

Outcomes

16. There are a number of outcomes associated with the Passmore Centre project which have direct links to the Council Plan objectives around creating a 'Strong local economy'. The following are considered to be key:
- By 2019/20 LSBU expects 2,000 students to be taking courses through the IPTE with intake of 500 or more per annum engaged on Higher and Degree Apprenticeship qualifications or equivalent.
 - By 2023 1000 Southwark residents will have graduated from high quality apprenticeship programmes.
 - The IPTE will meet the local shortfall in professional and technical skills, especially through apprenticeships, and address concerns about low educational engagement in the area.
 - The Passmore Centre will serve the local community by being a central point for Independent Careers Advice and Guidance for those considering access to professional and technical programmes (Levels 3-6) including school and FE pupils, Southwark staff and the wider community.
 - For employers, the Passmore Centre will provide a one stop shop providing information, recruitment support and relationship management.

Specific educational outcomes will include:

- Clear, simple and practical pathways for academic progression at Level 3 and above are well established.
 - Learners will have access to leading edge technologies and expertise in gaining vocational qualifications from Level 4 onwards.
 - Stronger links between secondary schools and LSBU so that learners are aware of provision available locally so that they might continue to pursue their studies in a suitable and specialized environment.
 - Established pathways and specialist 'gateway' qualifications focusing on Level 3 and Level 3/4 combinations in professional and technical education in collaboration with schools and employers.
17. The impact of the project will be measured primarily on the number of learners on professional and technical pathways making the transition to Levels 4, 5 and 6. It will also be measured by the effect on employers and their ability to recruit suitable staff and to train their own staff in the areas they need.
18. The IPTE will increase the range of options open to employers and learners by increasing the range of apprenticeships on offer and providing learners with a more diverse range of study options.

Key Performance Indicators

19. The council will have a funding agreement in place with the LSBU concerning the Passmore Centre project. This will establish a number of annual key performance indicators (KPIs) for the Centre aligned to in particular the outcomes set out above. These will include the number Southwark residents trained, the number of apprentices or similar learners trained, the course completion rate, the number of Southwark residents who received training in the Centre who start employment and the number who sustain this employment for at least six months. The KPIs will be finalised through the capital grant agreement between the Council and LSBU. Performance will be monitored and reported through the council's performance mechanism, as per the Council Plan.

Value for Money

20. The Passmore Building is situated on Borough Road, at the northern end of LSBU's campus. It will provide a base for the IPTE, some educational facilities, and a gateway for engagement with employers and with the local community. The LSBU proposals indicate that the refurbishment of the Passmore Building, which is being partly funded by the Council's £5m capital grant, represents a uniquely cost-effective approach as it takes best advantage of existing specialist facilities. It is estimated that a new build 'apprenticeship centre' would require in the region of £20m.
21. In addition to the grant from Southwark Council and direct funding from LSBU, grants of £3.25m have been secured from the Higher Education Funding Council for England (HEFCE) for the Passmore Centre project, which is part of a wider University project to expand provision for professional and technical education at Levels 3-6. This makes up the total sum required to establish the Passmore Centre. Once established, the Passmore Centre will be self-financing through teaching fees.
22. The funding agreement between the LSBU and Southwark Council will be geared to ensuring a return on investment, principally measured through the outcomes achieved from an improved learning offer for local residents. As stated in paragraph 22, progress measures will be monitored through a series of key performance indicators including improved educational, training and employment outcomes.

Timeline

23. LSBU provisionally estimates that the Passmore Centre project will take 18 months to deliver, with completion scheduled for June/July 2018.
24. The IPTE model has been designed to be flexible so that it can adapt to any changes which arise in the local education landscape, for example, as a result of the current Local Area Reviews of Further Education. This model can also be delivered quickly and provides an immediate and cost effective answer to local apprenticeship needs.

Policy implications

25. As noted, the Passmore Centre project aligns strategically with the Council Plan objectives and in particular the Fairer Future Promises concerning:

- Education, Employment and Training
 - Revitalised neighbourhoods.
26. The project outcomes will help the Council to support local people into jobs and create new apprenticeships. The Passmore Centre will be the hub for apprenticeship development and delivery – a physical gateway through which learners and employers access apprenticeship programmes and support. It will also serve learners by helping to smoothing the route into high quality professional and technical education.
27. A refurbished Passmore Building, which is a listed building, will revitalise that part of the LSBU's estate and serve as a hub for engagement with employers and with the local community.
28. In line with the refreshed Economic and Wellbeing Strategy 2017-22, the project is also congruent to the Council's commitments in respect of employment and skills, specifically:
- Support a high-quality and accessible Further Education and skills offer in the borough, with a broad curriculum that is responsive to employer needs and provides a route to a rewarding career.
 - Provide effective pathways for our young people from education to training and employment, supporting effective links between employers and education providers, providing quality advice and guidance, and offering additional support for those who need it.
29. In terms of wider government reforms for Apprenticeships, the Passmore Centre project fits well with the government skills strategy outlined in the following:
- English Apprenticeships: Our 2020 Vision (December 2015)
 - Report of the Independent Panel on Technical Education (July 2016)
 - Post-16 Skills Plan (July 2016)
30. In summary, the government has pledged to increase the quality and quantity of apprenticeships in England, reaching three million starts in 2020. A step-change in technical education is advocated and improving higher-level technical skills (levels 4 and above) is seen to be critical. A particular need to improve higher level STEM skills is also recognised. An Apprenticeship levy will be introduced in April 2017 to encourage employers to invest in training, and apprenticeships specifically, on a long term sustainable basis.

Community impact statement

31. LSBU has one of the UK's most diverse bodies of students. Nearly 15% of students have a disability – the highest of any London university. Nearly 25% of LSBU students are from families eligible for free school meals – the highest in the UK. They have one of the most diverse groups of students by age with over 80% being mature students aged 21 years or over. Over 50% of students are BAME. LSBU take students from a wide range of educational backgrounds and work hard with local schools and other organisations to provide pathways for those from less advantageous educational backgrounds but with the ability to succeed in higher education. They have a very substantial Widening

Participation programme which starts as early as Year 9. In addition to complying with all equality and diversity legislation, LSBU has strong record in supporting diverse student and staff bodies.

Impact assessment and equality and diversity

32. The LSBU have a strong record of supporting and driving equality of opportunity. An initial EIA screening of this project has confirmed the following:
- a. Access – physical: In terms of adapting the building to make it as inclusive and accessible as possible, LSBU will follow as a minimum the building regulations to ensure compliance with current disability environmental standards. Initial aligned consultations via GenderNet (their gender network) has indicated that they will go further than existing regulations and ensure that there is inclusive signage, thus taking into account trans students and staff.
 - b. Access – teaching: in terms of teaching, LSBU will ensure that their teaching is accessible and inclusive. With a university student BAME population of 55%, a female student cohort of 51%, student satisfaction amongst BAME students running at 87.8% and a Student Life Centre that recently achieved a Service Marker Accreditation from the Institute of Customer Service (ICS), they are well placed to ensure that their teaching is as inclusive as possible. This includes the use of suitable images and references that reflect the background, education and lifestyles.

Resource implications

33. Council staff support will be provided in line with the Governance procedures of the project, including council representation on the Project Advisory Board. Council officers will also attend monthly Project Delivery meetings where deemed appropriate.

Legal implications

34. See paragraph 42 for the legal concurrent.
35. The report explains that the council's funding will be protected to some extent by the terms of the funding agreement which is currently being negotiated. Whilst this agreement will contain safeguards, the report considers that the funding should be further protected by requiring a legal charge which will be registered with the Land Registry. This may lead to a discussion as to the priority between any mortgages and there will need to be sufficient equity in the value of the site to ensure as far as possible that this will be sufficient to cover the council's investment."

Financial implications

36. The Passmore project requires a capped capital grant award of £5m, which will be used to refurbish the Passmore Building. Budget provision for £5m has been made for this project within the revised capital programme as approved by Cabinet in November 2016. This is part of a wider LSBU capital project to create a hub for their new Institute for Professional and Technical Education (IPTE). The maximum funding allocation of £5m includes allowance for any listed building considerations and the costs of fit out. All costs in excess of £5m would be

LSBU's capital funding risk and there would be no further financial implications for the council.

37. A funding agreement between the council and LSBU is being developed and will include details of impact measures achieved through investing in the centre.
38. The agreement will ensure that sufficient safeguards and controls are built into this arrangement in line with good practice on governance. This includes a requirement for LSBU to undertake a competitive procurement for both the professional team and the constructor, in full consultation with the Head of Regeneration (Capital Works and Development), representing the council. He in turn will scrutinise both the brief and specification and ensure that the procurement is being carried out in accordance with the council's requirements to ensure that value for money is obtained in terms of cost and quality. The council will expect to see a full tender report with recommendations from the LSBU's consultants and will reserve the right to carry out its own assessments as required.
39. As services and works are delivered, payment will be made by a series of pre-agreed milestones which will be signed off by the council on satisfactory completion. Importantly, the funding agreement will be developed to ensure that the council's position is protected. Provisions in a funding agreement of this nature would include the ability for the council to withdraw from the agreement should there be a change of policy for example with regard to the delivery of HE services.
40. As noted within the report there are no ongoing revenue implications flowing from this either with regard to the building or directly with regard to the students who will use the provision.

Consultation

41. LSBU's extensive interactions with over 1000 businesses has repeatedly identified the need for higher level apprenticeships, and the importance of a one-stop-shop facility to help establish the partnerships. The excellent attendance and feedback by local employers at our apprenticeship events run over the past 9 months has confirmed the value of the dedicated facility that the Passmore Centre will provide. Consultation with local FE and adult education providers has further highlighted the challenge of FE-to-HE transition, which the Passmore Centre will also address.
42. As noted above in paragraphs 4 and 7 there has been extensive research into the needs of both learners and employers that has informed this proposal.
43. In addition to engagement with learners paragraph 12 notes that employer engagement will be at the heart of the IPTE and the LSBU has a strong track record of working with employers and this will continue including hosting employer workshops to design apprenticeship academic content and delivery, which is in line with government reforms.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

44. This report seeks the cabinet's approval to give a capital funding of up to £5 million to the LSBU by way of a grant for the refurbishment of the Passmore

Centre as the hub of the new IPTE. In return for the funding, LSBU will assist in delivering some of the commitments made in the Council's Plan for 2014-18, as particularly described in paragraphs 5 and 6 of this report.

45. 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 is specifically referred to the community impact statement at paragraph 31 of the report. Paragraph 32 of the report advises that an initial equality impact analysis has been carried as part of the requirement to have due regard to the PSED in the recommendations. Cabinet must read the documented equality analysis and should satisfy itself that the PSED has been complied with when considering the recommendations.
46. The cabinet is also referred to paragraphs 38 to 40 of this report which set out the consultation that has taken place. The cabinet should take into account the outcome of consultation when taking a decision on the recommendation in this report.
47. When considering grant funding, cabinet must have regard to the issue of state aid. State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union. There is a very strong argument that the proposed grant is for the development of infrastructure that will be used for a non-economic, public education purpose and so does not constitute State aid and that even if this argument is wrong, the proposed grant would not constitute State aid because of its local impact and, consequently, negligible effect on trade between Member States.
48. State aid risk mitigations could include:
 - (a) entering a restriction on the title to the Centre at the Land Registry in respect of LSBU's commitment not to change the use of the building for a specified number of years without the consent of the Council, as set out in paragraph 16 of this report; and
 - (b) ensuring as far as possible that access to the Passmore Centre and its facilities by employers and other organisations is arranged on as even handed and transparent a way as possible to avoid the possibility of state aid having been seen to "flow down" to selectively favoured employers or other organisations with regard to use of the refurbished/redeveloped building.
49. Legal services in the process of negotiating the terms of funding agreement to ensure that the council's interests are protected.

Strategic Director of Finance and Governance

50. The strategic director of finance and governance notes the recommendations in this report and confirms that the council's agreed capital programme includes a

sum of up to £5m as a capital grant for the creation of the Passmore Centre in partnership with London South Bank University.

51. The business plan submitted as an appendix to the report states that a plan of indicative work on the Passmore Centre has been prepared and shared with Southwark Council. Once the project is approved, LSBU will invest in a more detailed plan which will be shared and agreed with Southwark Council.
52. The appendix also confirms a number of risks, including the failure to deliver the building within the capital budget, will be held by LSBU.
53. The final agreement, before the grant is made, should include that there will be no disposal of the Passmore Building within 5 years without the consent of the council, and address how the grant would be repaid in these circumstances, and how the council will have suitable oversight of the appropriate use of its investment.
54. LSBU are seeking to receive all funding as soon as possible, with at least 20% of the funding to cover professional fees in order to initiate the project and further funds shortly thereafter to meet contractor requirements, with all funds received by 31 July 2017. The grant is therefore anticipated to be incurred in the financial year 2017-18.
55. The council's capital programme is significantly over-committed in 2017-18 with over £144m financing yet to be identified. Accurate forecasting and monitoring of expenditure is therefore paramount.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Month 5 Capital Monitoring for 2016-17 and Capital Programme Refresh for 2016-17 to 2023-24	Finance and Governance Tooley St - Second Floor, Hub 2, 160 Tooley Street	Fay Hammond 020 7525 0614
Link: (copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s64605/Report%20Month%205%20Capital%20Monitoring%20for%202016-17%20and%20Capital%20Programme%20Refresh%20for%202016-17%20to%202023-24.pdf		
Raising standards and developing skills in further education in Southwark – a prospectus for change	160 Tooley Street London SE1 2QH	Nina Dohel 020 7525 3252
Link: Raising standards and developing skills in further education in Southwark – a prospectus for change		
Council Plan 2014-18	Chief Executive's Department, Chief Executive's Office. 160 Tooley Street	Nazmin Yeahia 0207 525 4474
Link: http://www.southwark.gov.uk/downloads/download/4181/council_plan_2014-18		

APPENDICES

No.	Title
Appendix 1	LSBU Passmore Centre Business Plan (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council	
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
Report Author	Nina Dohel, Director of Education	
Version	Final	
Dated	8 March 2017	
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	9 March 2017	

Item No. 14.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Proposed Expansion of Rotherhithe Primary School	
Ward(s) or groups affected:		Rotherhithe	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

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

Since 2010 the council has been clear that to meet the demand for school places we would look first to our existing schools that are Ofsted ‘Good’ or ‘Outstanding’, that are popular and oversubscribed and which are in areas of current or predicted high command. With the ending of the Building Schools for the Future programme our expansion programme has also provided an opportunity to invest in the fabric of existing schools to ensure our children are learning in high quality and inspiring environments.

The Rotherhithe and Canada Water area will see significant change and regeneration in the coming years. As well as keeping a pace with the demand for school places we are determined that existing schools, like Rotherhithe Primary School, and the existing communities they serve have a real stake in that change. The council’s ambition for our schools and young people is huge. I am therefore delighted that Rotherhithe Primary School would not just get a small amount of improvement work but that it is also planned to entirely rebuild with this £20.2million investment. This project underlines, alongside the rest of our £180million schools investment programme, our capacity to deliver significant investment and improved outcomes for all of Southwark’s communities.

RECOMMENDATIONS

That Cabinet approve the strategies outlined in this report for the procurement of:

1. Professional services and the design team contract for Rotherhithe Primary School at an estimated value of £2,200,000 for a period of 52 months.
2. The main works contractor for the construction of Rotherhithe Primary School at an estimated value of £18,000,000 including contingency for a period of 22 months.
3. That the cabinet agrees to delegate gateway 2 decisions for this project to the strategic director of children’s and adult’s services.

BACKGROUND INFORMATION

4. At the meeting on 1 November 2016, Cabinet agreed to secure a budget of £20,200,000 for the redevelopment and expansion of Rotherhithe Primary School on the existing site.
5. Rotherhithe School was rated “Good” in a 2014 Ofsted inspection.
6. The current school building at Rotherhithe was constructed over 40 years ago. The existing building occupies a large footprint on the site, comprising a single storey prefabricated building.
7. The school is currently a 2 form entrance (FE) primary school, with a nursery. There is a separate provision of a day nursery and children’s centre on site.
8. The school is keen to expand and has currently taken on several bulge classes to help alleviate the current lack of available school places in the area.
9. The proposed works will enable the school to expand from a 2FE to 4 FE in a modern building.
10. The secured budget for the scheme is £20,200,000.
11. The professional services, design team fees and ancillary costs for the scheme are estimated to be in the region of £2,200,000.
12. The required design team includes:
 - Architect
 - Structural engineer
 - Civil engineer
 - Mechanical engineer
 - Electrical engineer
 - Project manager / contract administrator / employer’s agent
 - Quantity Surveyors
 - Principal Designer
 - BREEAM advisor
 - * Planning Consultant
 - * Approved building inspector

* denotes in-house appointment by the council
13. The estimated construction costs of this scheme will be approximately £18,000,000 including contingency over a period of 22 months.

Summary of the business case/justification for the procurement

14. Pupil placement projections indicate a strong need to provide additional school places in this catchment area. The school is a popular community school on a generous site, which make this school ideal for expansion.
15. The requirement for school places will only increase once a number of key developments in the area are realised. From a regeneration perspective the

delivery of modern schools in preparation for this urban regeneration is essential to help support development in this area.

16. The existing school building itself is now past its lifespan and has started to fail. The flat roof is leaking throughout the building and the external prefabricated clip system walls are extremely thin and offer little thermal mass or insulation. Heating the school in winter and cooling the school during the warmer summer months are also extremely difficult and expensive tasks.
17. In addition, there are inherent problems with the layout of the current building that would be difficult to address in a refurbishment scheme. In particular, there are two large halls located deep within the plan, which:
 - compromise acoustic separation between each hall and adjoining classrooms.
 - Make noise from performances difficult to control.
 - serve as general circulation route to classrooms, interrupting performance activities.
18. A feasibility study has been commissioned to review options for the site.
19. A full refurbishment of the existing school has been ruled out as the cost of upgrading the current prefabricated building to comply with just the basic regulations would be difficult to justify and not offer value for money. For example, despite the building being single storey, the current building is unsuitable for anyone who is not fully able-bodied as it is not compliant with Part M of the Building Regulations governing access to and use of buildings, and neither does it meet Part L requirements for thermal performance.
20. Feasibility options have indicated that the best option is to provide a fit-for-purpose scheme on the site, while the school remain in the existing building. Once the new school is complete and occupied, the original building can be demolished to offer external area for the new school.

Market considerations

21. Following four or five years of decline in the UK construction industry, demand suddenly surged in 2014, (particularly in London and the South East) at a time of low capacity, driving prices sharply upward. Although the upward cost pressure has to some extent now stabilised, the market remains volatile and uncertainty exists over the impact of Brexit on future market conditions.
22. During the economic downturn, the number of contractors in the industry declined, resulting in a greater percentage of work being awarded to fewer contractors. Whilst large well established contractors provided a greater degree of financial stability, the narrow supply has also allowed contractors to be highly selective about which jobs to take on, favouring those that yield the greatest commercial benefit, typically via one of the limited number of EU-compliant construction frameworks. These invariably adopt a two-stage procurement approach.
23. Government guidance on models of construction procurement supports two-stage open book tendering as this, it is claimed, facilitates the early appointment of the contractor allowing the client to transfer a greater proportion of risk and

input by the contractor on buildability. However, direct experience from the primary schools expansion and other council programmes has shown that, in the currently strong market, contractors are well placed to offload risk and secure commercially favourable terms in a two-stage process. It has also been found with this approach that significant time is lost in protracted commercial discussions and negotiations with contractors in order to arrive at acceptable terms of contract.

24. Soft market testing indicates an appetite among medium to large contractors, not necessarily attached to one of the existing EU-compliant construction frameworks, for single-stage competitive tendering. Such an approach would be available to the council by following the EU restricted procedure and seems likely to attract wider interest in the market place in tendering for these works.
25. No difficulties in procuring suitable professional design services consultants for construction projects have been experienced by the council in the current market.

KEY ISSUES FOR CONSIDERATION

26. Procurement options for this scheme are considered under the following two categories:
 - A. Professional team procurement
 - B. Contactor / main works procurement

A. Professional team procurement:

27. The selection of the design team is crucial; specifically the architect for this scheme needs to be able to demonstrate proven relevant experience to produce robust designs with a lasting legacy by providing an inspirational building that responds creatively to the school's educational brief. Regeneration (Capital Works) are committed to the selection of a design team with proven relevant experience and the ability to deliver an inspiring building within a set programme, to design within a defined budget and deliver quality buildings with a lasting legacy for Rotherhithe Primary School.
28. The following framework options have been considered under the following three headings:
 - Design quality and relevant experience
 - Overall programme and timescale
 - Ease of council administration

Option 1: The Greater London Authority (GLA) and Transport for London (TfL) Architecture, Design and Urbanism Panel (ADUP) Framework.

29. This OJEU compliant framework is available to Southwark Council to procure professionals for the design team. The specific category of interest is Section 2 "Architecture".
30. Although the 12 Architect practices on this framework are experienced established firms, it is not specific to designing educational buildings, as this framework was developed to allow the London Legacy Development Corporation

(LLDC) to access design practices with multidisciplinary experience for work to develop the Queen Elizabeth Olympic Park. Only two of these firms have substantial experience of designing primary schools.

Option 2: Pagabo, Lot 1, Professional Services. This framework can be used to procure multi-disciplinary professional design team services as a single appointment.

31. Pagabo is a national framework established to provide public sector organisations, including the council, with an OJEU compliant route to commissioning goods, services and works for construction and premises related work. The Pagabo professional services framework commenced on 12 April 2016 and runs for a three year term with the option for an extension of one year. In order to use Pagabo, the council would first need to enter into an access agreement, the terms and conditions of which have been vetted by the council's legal service and found to be acceptable.
32. There are a total of 15 lots under the Pagabo professional services framework for a variety of professional disciplines. For this scheme Lot 1 is the default option for the appointment of the multi-disciplinary design team. Faithful and Gould are the sole supplier appointed under Lot 1 which provides project management/employer's agent services and covers the full range of professional disciplines required for this project.
33. Appointment of the design team under Lot 1 also allows the council to set up a mini-competition through Faithful and Gould to select key members of the design team, ensuring relevant, appropriate design experience that meets to the council's specification.

Option 3: OJEU

34. Where anticipated professional fees are over the EU procurement threshold the council could follow a restricted procedure by publishing an EU compliant notice to invite expressions of interest in OJEU.
35. The SQ (standard Selection Questionnaire) is beneficial as it can be weighted to attract design team members with proven relevant experience, undertaking a full OJEU process is an intensive concentration of the council's resources and will be a much more lengthy process when compared to using a framework such as Pagabo.

Summary of findings

36. Professional team procurement table (see Appendix 1 for breakdown):

	Design quality and relevant experience (Out of 5)	Overall programme and timescale (Out of 5)	Ease of Council administration (Out of 5)	Total
Option 1: GLA & TfL Architecture, Design and Urbanism Panel (ADUP).	3	4	4	11
Option 2: Pagabo Professional Services Lot 1	5	4	4	13

	Design quality and relevant experience (Out of 5)	Overall programme and timescale (Out of 5)	Ease of Council administration (Out of 5)	Total
Option 3: OJEU	5	2	1	8

37. From the assessment of each option against the criteria given in paragraph 28, the highest scoring option is Option 2 – use of the Pagabo Lot 1 professional services framework. This provides a single point of supply that is easy to administer and relatively quick access to a wide range of appropriately skilled design consultants for selection through an mini-competition process in which the council and school can participate.

B. Contactor / main works procurement:

38. Regeneration’s main objective, when considering procurement options for the appointment of a main works contractor for this scheme, is to identify and appoint an established contractor with proven experience delivering quality schemes, within budget, on time and with a robust legacy.

Four framework options and the OJEU process have been considered under the following headings:

- Construction quality and relevant experience
- Overall programme and timescale
- Cost certainty

Option 1: Southern Construction Framework (SCF) – Lot 3 – Main works contractor

39. Lot 3 of SCF is specifically set up for the procurement of contractors for educational schemes over £5 million.
40. SCF was setup as a full construction team framework, where the main works contractor undertakes design development from RIBA Stage 3. The early appointment of the contractor is to allow design details to be developed with the contractor’s technical and commercial expertise, as a two-stage open book D+B procurement route. The council’s recent experience with the SCF predecessor, the iESE framework, has not been positive; budget and programme have both been difficult to manage. Contractors have invested considerable time and effort in trying to divert risk to the client wherever possible. The quality of the design has suffered from the original design intent once the scheme is on site and the contractor is the design team leader.

Option 2: Pagabo Framework

41. Lot 2 of the Pagabo National Framework for Major Construction Works covers works contracts with a value of £15m and £50m and lists five large contractors operating in the south-east region. The framework commenced on 16 April 2016 and runs for a three year term with the option for an extension of one year.
42. The Pagabo construction framework operates in a manner similar to the SCF contractors framework (as described in paragraph 40), favouring a partnership, design and build approach, and has similar drawbacks.

Option 3: Scape Framework

43. Scape's Major Works construction framework can be accessed by public sector organisations to procure projects with a value above £2 million. Willmott Dixon is Scape's sole partner on the Major Works Construction Framework for the redevelopment of Rotherhithe Primary School as the budget is over £2 million.
44. The drawbacks of using the SCF apply equally to this framework. Added to this, the single source appointment of Willmott Dixon means that the council is unlikely to achieve best value for money due to the lack of competition – an especially important consideration for such high value works.

Option 4: EU restricted procedure

45. In the current strong construction market, in contrast to the various construction frameworks which limit competition and tie the client down to a two-stage design and build process, the OJEU route would maximise the competition amongst contractors and consequently provide the best value proposal for the council. In addition to this the council is also more likely to attain the best proposal for quality, design and programme as it is able to shape the tender specifically around its own bespoke requirements for Rotherhithe Primary School as opposed to being committed to a framework's more rigid process and evaluation procedure.
46. The matrix assessing the appropriateness of a full OJEU compliant tender for the appointment of the main works contractor, assumes that cabinet also approves the identified preferred route of appointing Pagabo for the professional team procurement as identified within this document. This would allow the appointed design team to lead the main works phase of the building project using a JCT traditional contract, with the council's required amendments and provide the necessary technical support to manage the OJEU process efficiently. The detailed design, which is crucial to deliver an inspiring new school remains with the design team when the project is being constructed on site, something that none of the frameworks would allow.

Option 5: Education Funding Agency Regional Framework (EFA)

47. The EFA framework was setup in 2014. It is specifically designed to procure educational projects.
48. A condition of using the framework is that the Panel Members have provided unqualified statements of acceptance of the Design and Build Contract, Early Works Agreement, Framework Agreement and Future Schools Agreement terms.
49. The advice from the Regeneration team is that the EFA Design & Build contract procurement route is unlikely to deliver a new school building that meets the expectations of the council. This is based on recent experience of the school expansion programme, which is demonstrating that the quality that the council requires is much harder to achieve when the main contractor leads the design team.

Summary of findings

50. Main works Contractor table

	Construction quality and relevant experience (Out of 5)	Overall programme and timescale (Out of 5)	Cost certainty (Out of 5)	Total
Option 1: SCF	2	2	2	6
Options 2: Pagabo	2	2	2	6
Option 3: Scape	2	2	2	6
Option 4: EU restricted procedure	4	3	4	11
Option 5: EFA	3	3	2	8

51. From the assessment of each option against the criteria given in paragraph 38, the highest scoring option is Option 4 – use of the EU restricted procedure. Given current market conditions, a more traditional single-stage selective competitive tendering process using the EU restricted procedure would hold a number of potential advantages, including:

- Provide the best balance between cost certainty, programme certainty and design quality
- Allow the council to pro-actively manage and control risk by overseeing the production of fully detailed and quantified contract documentation and through expert contract administration
- Open the competition to a wider group of medium to large contractors than currently available through existing construction frameworks

Proposed procurement route

52. As both the procurement of the design team and the contractors for Rotherhithe School are above the EU threshold for services and works the procurement for both needs to be in line with the EU Regulations and the council's relevant Contract Standing Order, namely 5.5. This requires the council to comply with the Public Contract Regulations 2015 following a publicly advertised competitive tendering process which should maximise competition and produce the most economically advantageous proposal for this project. In line with this the council is proposing the following procurement routes:

Preferred option for the appointment of the design team: Option 2 Pagabo.

53. From the criteria and scoring matrix, the preferred option for procuring the design team for this project in the current market, given the proposed programme of

delivery, is appointing the design team through the Pagabo Framework, a procurement route Southwark Council have access to.

54. The key advantage of using Pagabo is that the council can access the design team through Pagabo, Lot 1, as one single appointment. This will provide the council's regeneration team with access to a technical project manager, who will be the contract administrator during the construction phase and who will assist with the management and the coordination of consultants. This appointment will run from inception through to project completion.
55. This procurement route will also enable the council to run a mini-competition for architectural practices. The headteacher at Rotherhithe School can also be involved with the selection of the architect. The school's involvement in the selection of the architect is extremely beneficial to help develop a positive relationship between the stakeholders, client and professional team, which is vital to deliver a scheme that meets the needs of the school.
56. When undertaking the mini-competition for the architect, the preference is to invite up to six practices with relevant educational design experience.

Preferred option for the appointment of the Contactor / main works: Option 4 OJEU

57. From the criteria and scoring matrix, the preferred option for procuring the contractor for the main construction works for the new building for Rotherhithe School in the current market is through a full EU restricted procedure using a traditional JCT contract.
58. The matrix assessing the appropriateness of a full OJEU compliant tender for the appointment of the main works contractor procurement route is mutually dependent on the acceptance on the preferred design team procurement route through the Pagabo framework. This would allow the appointed design team to lead the main works phase of the building project using a JCT traditional contract, with council amendments. The detailed design, which is crucial to deliver an inspiring robust building, could remain with the design team when the project is being constructed on site.
59. The procurement will be fully compliant with all OJEU guidelines and governance to ensure fully transparent, competitive fair procurement for the main works contractor.
60. The restricted procedure enables the council to issue an initial SQ to all parties who express an interest in the OJEU notice. This will enable the council to assess and identify a minimum of 6 contractors to proceed to the Invitation to Tender stage.

Identified risks for the procurement

Procurement of design team:

Risk	Rating	Risk management
The proposed design team does not have the relevant experience.	Low	<ul style="list-style-type: none"> • Faithful and Gould's professional services currently meet the appointed scope of services for the council and they continue to be an approved supplier. • Southwark council will assess and evaluate the project manager and the design team prior to final appointment to ensure relevant experience and best outcome.
Programme Slippage	Low	<ul style="list-style-type: none"> • Faithful and Gould's appointment will be based on meeting key deliverables against key milestones set within the design and construction programme and budget for ongoing service assessment. • Faithful and Gould will have responsibility to ensure the programme is met.
The appointed architect does not develop a design to meet the council's requirements.	Low	<ul style="list-style-type: none"> • Appointing the architect through a two-staged mini competition ensures that the selected architect can be tested against Southwark Council's criteria for this scheme, which will include relevant experience at tender stage and traditional contract administration. • The involvement of the Head teacher in the selection of the architects should encourage collaborative working, creating a brief that meets the requirements of the school and provides a good build legacy for the council. • The brief for this scheme requires the design team to use Building Information Management (BIM) technology when developing their designs.
The budget is not considered appropriately in the design.	Low	<ul style="list-style-type: none"> • A quantity surveyor will be appointed at the commencement of the design stage to benchmark and monitor the budget at key stages.

Procurement of main works contractor:

Risk	Rating	Risk management
The contractor does not have the required experience.	Low	<ul style="list-style-type: none"> Appointing the contractor through a restricted procedure ensures that the selected contractor meets Southwark Council's criteria for this scheme, which will include relevant experience at SQ stage.
A lack of available contractors to tender for the project.	Low	<ul style="list-style-type: none"> By running a full OJEU tender the council is not restricting itself to the contractors which are on the existing frameworks which are extremely busy in the current market, therefore maximising competition and attracting a variety of experienced contractors. Soft market testing can notify interested firms prior to the tender.
The construction phase goes over the council's set budget	Medium	<ul style="list-style-type: none"> A quantity surveyor will be appointed to protect the budget at key stages. The stakeholders and design team will be firmly briefed about the appropriate development and integration of the design, which can not be changed once on site. A fully measured bill of quantities will be prepared.
Delay occurs in obtaining planning consent	Medium	<ul style="list-style-type: none"> Informal consultation with the planners will take place from an early stage of design development Sufficient time will be built into the programme for local consultation, pre-application planning advice and design review

Key /Non-key decisions

61. This report deals with a key decision.

Policy implications

62. The expansion of this primary school is essential in delivering the council's strategy for additional pupil places and is a key part of the Primary Investment Strategy.

63. “Improve educational attainment”. Attainment for Southwark’s pupils continues to rise while this year. The London Borough of Southwark will meet the demand for primary and secondary school places and drive up standards across our schools so at least 70% of students at every secondary get at least five good GCSEs.
64. The London Borough of Southwark will help parents to balance work and family life including investment in our children’s centres to deliver more quality affordable childcare

Procurement Project Plan **for the professional team:**

Activity	Complete by:
CAB Review Gateway 1	08/02/2017
CCRB Review Gateway 1	16/02/2017
CMT Review Gateway 1 (if applicable)	N/A
Brief relevant cabinet member (over £100k)	02/02/2017
Notification of forthcoming decision - Cabinet	13/03/2017
Approval of Gateway 1: Procurement strategy report	21/03/2017
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30/03/2017
Invitation to tender	30/03/2017
Closing date for return of tenders	21/04/2017
Completion of any clarification meetings/presentations/evaluation interviews	05/05/2017
Completion of evaluation of tender	12/05/2017
Forward Plan (if Strategic Procurement) Gateway 2	03/04/2017
CAB Review Gateway 2:	07/06/2017
CCRB Review Gateway 2	15/06/2017
Notification of forthcoming decision – despatch of Cabinet agenda papers	22/06/2017
Approval of Gateway 2: Contract Award Report	30/06/2017
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	10/07/2017
Contract award	10/07/2017
Add to Contract Register	10/07/2017
Place award notice on Contracts Finder	10/07/17
Contract start	12/07/2017
contract completion date	01/12/2021

Procurement Project Plan **for the main works contractor:**

Activity	Complete by:
CAB Review Gateway 1:	08/02/2017
CCRB Review Gateway 1:	16/02/2017
CMT Review Gateway 1 (if applicable)	N/A
Brief relevant cabinet member (over £100k)	02/02/2017
Notification of forthcoming decision - Cabinet	13/03/17
Approval of Gateway 1: Procurement strategy report	21/03/2017
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30/03/17
Invitation to tender – for the main works contract	25/07/2018
Closing date for return of tenders – main works contract	17/08/2018
Completion of clarification meetings/presentations/evaluation interviews	07/09/18
Completion of evaluation of tenders	14/09/2018
Forward Plan (if GW2 is key decision)	April 2018
CAB Review Gateway 2: Contract award report – Main works	03/10/18
CCRB Review Gateway 2: Contract award report	11/10/2018
Approval of Gateway 2: Contract Award Report	25/10/2018
Notification of implementation of Gateway 2 decision	18/10/18
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	02/11/2018
Contract award	07/11/2018
Add to Contract Register	07/11/2018
Place award notice on Contracts Finder	07/11/2018
Contract start	07/12/2018
Contract completion date	07/8/2020

Development of the tender documentation

65. Accessing the Pagabo framework will provide the capital works project development team with a dedicated project management / contract administrator. The early appointment of an experienced project manager can facilitate the production, distribution and evaluation of tender material to appoint the main contractor.

66. The internal project governance structure will ensure that representatives of regeneration and children's and adults' services, procurement and legal will have an opportunity to comment and sign-off any materials before distribution.

Advertising the contract

67. The design team appointment through the Pagabo framework is a recognised OJEU compliant framework.
68. The main works contractor is proposed to be procured through a fully OJEU compliant competitive tender process. The contract will be advertised through a contract notice published in the Official Journal of the European Union (OJEU). The council will also publish a contract notice on Contracts Finder.
69. The main works contract will be procured using the new E procurement portal.

Evaluation

70. For the appointment of the professional team; the evaluation against the framework rules will be undertaken to assess Value for Money and compliance with the requirements of the Public Contract Regulations 2015. Subsequent appointments of sub-consultants for the design team will be undertaken utilising an evaluation matrix with scoring criteria covering relevant experience and quality as well as cost by the prime contractor, Faithful and Gould, together with Southwark Council. Faithful and Gould propose a price/quality ratio of 60/40 for the mini-competition for the professional appointments of architect, building services engineer and structural/civil engineer. Faithful and Gould propose to provide project manager/contract administrator, quantity surveyor, BREEAM advisor and principal designer disciplines direct from their in-house resources, professional fees for which will be based on the Pagabo framework rates.
71. For the main works contract; a fully OJEU compliant tender process will identify at Pre-qualification stage contractors with relevant experience to process to a full tender submission return, utilising the standard Crown Commercial Services SQ combined with project-specific selection criteria around relevant experience. The intention is to progress not less than five main works contractors to proceed to the second stage of the tendering process.
72. The evaluation of the main works tender stage will identify the most economically advantageous tender in line with the Public Contract Regulations 2015. This is a combination of quality and price criteria that includes a competitive price return on an advanced detailed scheme, maintaining a minimum quality expectation that forms part of the award criteria that will be developed with the professional services and design team and agreed with procurement and legal before issuing the contract. A price to quality ratio of 70/30 at ITT stage is proposed.
73. Each submission, for both professional team and the main works contractor would be scored fairly using the agreed criteria to ensure that any decision is transparent.

Community impact statement

74. The proposed redevelopment of Rotherhithe Primary School is intended to be of benefit to the local community.

75. One of the main objectives of demolishing the existing scheme and delivering a new modern fit for purpose scheme is to ensure that the new facilities are accessible to the wider community at Rotherhithe, regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
76. The contractor will be required to return tenders stating that there is a coordinated clearly defined approach both directly and through their supply chain to appoint and mentor apprentices. The appointed contractor will be required to submit a quarterly report that clearly identifies the community Strategy document, including detailed management of employment skills including apprentices on site.

Social Value considerations

77. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits, that may improve the well being of the local area, can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

78. As part of the evaluation of submissions during the selection process design proposals will be assessed in order to identify the implications on build costs.
79. In addition the council departments who will be maintaining and managing the facilities will also be required to consider maintenance and staffing implications of each proposal.
80. The works contractor will be expected to have at least 18 apprentices for this contract. This will be set out as part of the tender evaluation and qualification. Similarly, the professional services provider will be expected to include at least two apprentices in their team for this project.
81. The Pagabo framework gives the council an opportunity to nominate appropriate local businesses, thus supporting small and medium sized businesses that might otherwise be overlooked.

Social considerations

82. Both the professional design team and the main contractor will be required, as a minimum to ensure that all employees are paid the London Living Wage.
83. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of

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

84. The council's standard contract conditions relating to the Employment Relations Act 1999 (Blacklists) Regulations 2010 will be included in the appointment terms for both the professional services provider and works contractor.
85. The completed works will benefit the local community from improved access to community facilities; for example, a multi-use games area (MUGA) will be required within the design brief for the new primary school.
86. The contractor will be required to offer local residents places on the apprentice scheme at ITT stage, to ensure the construction stage of the scheme has a variety of positive benefits for the local community wherever possible.

Environmental/Sustainability considerations

87. The council aspire to deliver new buildings that will achieve at least BREEAM 'Very Good'.
88. Tendering organisations will be expected to demonstrate commitment to environmental considerations with evidence of an environmental policy and ideally environmental certification.
89. Whole life costings of the build, including specifying solid robust materials, sound insulation and developing environmentally considerate heating and cooling strategies will be embedded into the design brief.

Plans for the monitoring and management of the contract

90. The performance of the selected consultants in the delivery of professional services will be managed and monitored by officers in the regeneration capital works team.
91. The contractor appointment will be based on a fixed contract sum.
92. Payment for professional services will be in instalments as set out in an agreed payments schedule related to the project programme.
93. Internal governance arrangements for the Southwark education programme comprise of a programme board with onward reporting direct to the Director of Children and Adults Services.
94. The programme board will include representation from Children and Adults services, as well as representatives of regeneration capital works.

Staffing/procurement implications

95. The Chief Executive's department are responsible for leading the project through the pre-planning and design process and for securing planning consent. The preferred route of appointing the design team through the Pagabo Framework would provide instant access to a dedicate project manager for the duration of the project. This is extremely important to help advise on the tendering process and the process of preparing a fully OJEU compliant tender.

96. The financial value of an external project manager's involvement with this scheme will include assisting with the preparation of a fully OJEU compliant advertisement, a knowledge and understanding of the project, developed from inception and transferred to each RIBA stage, will ensure that the detailed design for the main works contractor to return a price on at tender stage will be well-informed and robust.
97. A fully prepared bill of quantities will ensure that the council will have confidence that any brief compliant submissions will be deliverable with as much cost certainty as possible.
98. All professional fees are contained within the team's revenue budget.

Financial implications

99. The costs of Capital Works and Development staff input into the procurement process will be met from within the overall capital programme.
100. Professional services for the design team through the Pagabo framework agreement, including ancillary costs (e.g. statutory fees, surveys, tests, etc) are estimated to be £2,200,000.
101. Approximate anticipated percentage fees:

- *Architect - 3.5%
- *Structural engineer / Civil engineer – 1.5%
- *Mechanical engineer – 0.75%
- *Electrical engineer - .75
- Project manager / contract administrator - 1.75%
- Quantity Surveyors – 1.25%
- Principal Designer (CDM) - 0.3%
- BREEAM advisor – 0.2%
- Ancillary costs (statutory fees, specialists' fees, surveys, tests, etc) – 2.2%

**subject to mini-competition*

102. The appointment of a Main Works Contractor, at a later design stage, will be subject to a full OJEU compliant tender and is estimated to costs approximately £18,000,000.
103. The Head of Regeneration (Capital Works) will control expenditure carefully to ensure the cost of these works including both internal and external fees are kept within overall budget for this scheme

Investment implications

104. There are no investment implications.

Legal implications

105. Please see concurrent from the director of law and democracy.

Consultation

106. The head teacher and pupils have been supportive of this scheme during initial consultations.
107. The school and the neighbouring community at Rotherhithe are very keen for Southwark Council to realise this scheme for Rotherhithe School.
108. The specific brief for the new school building for Rotherhithe School will be further developed with the head teacher, pupils and the staff. As much as the budget allows, the individual needs and design requirement of the school will be reflected and integrated into the design of the new school, which will reflect the strong community ethos and educational aspirations of the headteacher and staff at Rotherhithe School.
109. Local residents will be included in the design development and their comments will help inform the design prior to the planning submission.
110. The strategic director of children's and adults' services has been consulted in the drafting of this report.

Other implications or issues

111. No other implications or issues.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (Ref: CAS17/008)

112. The total budget for the scheme of £20.2m was approved at Cabinet in November 2016. This was phased as follows:
 - 2016/17 - £0.2m
 - 2017/18 - £3m
 - 2018/19 - £8.5m
 - 2019/20 - £8.5m
113. At the time this was approved by cabinet the resources were to be identified. The council has not been allocated any basic need capital grant for 2018-19 and is currently awaiting an announcement by the DFE of allocations for 2019-20 which is subject to a bidding process dependent upon the demonstrable need for additional school places within the borough. The grant is not ring fenced and allocations can be used in advance of receipt of funding. Therefore, effectively the scheme is being forward funded by the council in the expectation that grant funding will become available to fund it. There is also an expectation that CIL funding will also be available to part fund the scheme. If the grant did not become available in 2019-20 then the council would be reliant upon its own resources to fund the scheme which would then need to be identified.
114. This report identifies the professional fees and design element of the project to be £2.2m over 52 months and construction value of £18m over 22 months. Within the overall budget of £20.2m there needs to be proper provisions set aside for: contingency, the capitalisation of any associated revenue project management costs and any ICT and fixtures, fittings and equipment costs, less

any reasonable contribution of the school made to these costs from its own resources.

115. The council's capital programme is significantly over-committed in 2017-18 with over £144m financing yet to be identified. The capital programme reported at February 2017 showed 2018-19 general fund capital programme had £77m of financing yet to be identified. Accurate forecasting and monitoring of expenditure is therefore paramount.

Head of Procurement

116. This report seeks cabinet approval for the procurement strategy for two contracts relating to the expansion of Rotherhithe Primary School. These contracts are the Professional services and the design team contact, at an estimated value of £2,200,000 for a period of 52 months. For the main works contractor for the construction works at Rotherhithe Primary School, the estimated value is £18,000,000 and will take a period of 22 months.
117. It is set out in the report that the professional services and design team are procured through the Framework Agreement set up by Pagabo for the reasons set out in paragraphs 53 to 56. The report sets out in paragraphs 57 to 60 that the construction works are to be procured directly through the Official Journal of the European Union (OJEU) in order to achieve best value for Southwark's requirements. The evaluation of the professional services and design team to be 60/40 price/quality split, as set out in paragraph 70 of the report. The evaluation of the works contract via OJEU is to follow the 70/30 price/quality split for the evaluation of tenders.
118. The report details in paragraph 80 that at least 18 apprenticeships will be sought from the main works (construction) contract, with 2 for the professional service and design team. All contracts will be expected to pay London Living Wage. The contracts will be managed via the process set out in paragraphs 90 to 94.

Director of Law and Democracy

119. This report seeks approval of the procurement strategy for two contracts (one for professional technical services and design team, the other for construction works) in relation to the proposed expansion of Rotherhithe Primary School.
120. The estimated value of the professional services required for the project is such that their procurement would be subject to the application of the (EU) Public Contracts Regulations 2015 which, amongst other things would require expressions of interest to be sought through the publication of a contract notice in the Official Journal (OJEU). However, the report proposes the use of an existing framework (Pagabo) which had been procured in line with the EU Regulations and which the council has been formally permitted to access. Therefore, the council is not required to undertake a separate EU tendering exercise.
121. The estimated value of the construction works is also above the current EU advertising threshold, and the report notes that those works are to be procured by way of the publication on a contract notice in the OJEU.
122. The proposed procurement strategy is consistent with other relevant legislative duties and powers, with corporate strategy and the council's Contract Standing

Orders, which reserve to Cabinet the decision to approve the report recommendations.

123. Cabinet will be aware of the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:
- a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.
124. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
125. The community impact statement notes the benefits that the proposed procurements are intended to generate and the apprenticeship requirements that those firms and companies who express an interest in the construction works will be expected to include in their tenders. Cabinet should satisfy itself that the PSED has been complied with when considering the report's recommendations.
126. Cabinet is also referred to paragraphs 106 - 110 of this report which describe the consultation that has taken place. Cabinet must conscientiously take into account the outcome of consultation when taking a decision on the recommendations in this report.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Children and Schools	
Lead Officer	Bruce Glockling, Head of Regeneration Capital Works and Development	
Report Author	Joanna Roberts, Project Manager	
Version	Final	
Dated	8 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	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	9 March 2017	

Item No. 15.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Gateway 2 - Contract Award Approval The Charter School East Dulwich (TCSED) – Phase 1 Works Contract	
Ward(s) or groups affected:		South Camberwell, Village, East Dulwich	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

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

This report marks yet another significant next step in delivering a great new secondary school for East Dulwich and the surrounding communities. The Charter School East Dulwich opened in temporary facilities in September 2016 and I am delighted, that under the Council's careful and prudent project management, work has already started on the permanent site at Dulwich Hospital. We are now moving at some pace to accept a tender for the main works on time and on budget. This means that a site that the council and community has tried to unlock for twenty years will be home to a much needed secondary school in less than 18 months time. This project underlines, alongside the rest of our £180m schools investment programme, our capacity to deliver significant investment and improved outcomes for local communities.

We are proud that Southwark Council has been part of the partnership supporting the school from the start and that we will continue to 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 by the council's contribution of £5million to the project to secure the high standard of design and the quality learning environment our young people deserve.

RECOMMENDATIONS

That Cabinet:

1. Approve the award of the design and build contract for the Phase 1 works on Parcels 1 and 2 for The Charter School East Dulwich to Kier Construction Ltd for a contract period of approximately 72 calendar weeks commencing on 18 April 2017 and completing on 3 September 2018.
2. Approve a total expenditure of £25,325,000 for the works and associated costs with the phase 1 development.
3. Agree that the award is subject to the council's cost consultant's final report being submitted confirming that this represents value for money and is approved by the strategic director of children's and adults' services prior to contract award.

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. The Charter School East Dulwich (TCSED) will be a co-educational, non-selective, non-faith, inclusive secondary school for pupil's aged 11 – 18 and deliver quality education for young people.
5. The Education Funding Agency (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 sees the site area released to the EFA in three parcels for the development as shown in Diagram 1:
 - **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). The chateau building is to be retained.
 - **Note that Parcel 4** is an area of the site which is to be retained by the NHS for the new build health centre providing clinical services.



Diagram 1

6. On 8 December 2015, cabinet approved 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 TCSED which is to be developed on the site of the existing Dulwich Community Hospital (East Dulwich Grove, London SE22 8PT). Cabinet also agreed to approve £5,000,000 from within the council's existing capital programme to address the projected shortfall in funding and improve design quality of the building.
7. The procurement process was carried out in order to appoint a Design Team with a lead consultant. In May 2016 a Gateway 2 was approved to appoint FCB Studios as the design team to develop the scheme to RIBA Stage 3 enabling the council to quickly reach a 'not to exceed' price with a preferred contractor. The council's Planning Committee approved the scheme in October 2016.

8. In April 2016, cabinet approved the Gateway 1 for the procurement of the construction services through the London Construction Panel (LCP) framework via a two stage procurement process. In line with this, Southwark Council have used the LCP framework, Lot 18 SEE3, to procure a main contractor on a Design and Build basis for TCSED project.
9. In November 2016, Strategic Director of Children's and Adults' Services approved the Gateway 2 for the award of the Pre-Construction Services Agreement (PCSA) at a total value of £421,990 to Kier Construction Ltd. The PCSA services under this agreement included developing the design to RIBA stage 4.
10. A separate Gateway 3 report was approved by the Strategic Director of Children's and Adults' Services on 16 February 2017 for an additional £510,884 to extend the scope of Kier Construction Ltd's appointment on the PCSA to include the full technical design instead of the output specification design.
11. On 2 November 2016 the Gateway 2 was approved by Strategic Director of Children's and Adults' Services for the award of the contract for the enabling works package to Syd Bishop & Sons for a total value of £451,700.
12. This report seeks approval for the award of a contract to Kier Construction Ltd Construction Ltd for the main works for Phase 1 based on JCT 2011 Design and Build Contract with the council's standard amendments. This documentation has been subject to detailed review by Southwark Council's Legal Services, with advice from external legal advisors (Sharpe Pritchard).
13. The works for this contract only includes Phase 1 which consists of Parcels 1 and 2. Phase 2 which includes the works on Parcel 3 will be subject to a separate procurement.

Procurement project plan (Key Decision)

14. The timetable of the procurement process for TCSED is set out in the following table:

Activity	Completed by/ Complete by:
Forward Plan for Gateway 2 decision	January 2017
Briefed relevant Cabinet member (over £100k)	November 2016
Approval of Gateway 1: Procurement Strategy Report	April 2016
Approval of Gateway 2 (Pre-Construction Services): Contract Award Approval	2 November 2016
Contract Award (Pre-Construction Services)	16 November 2016
Approval of Gateway 2: Award of Contract for Enabling Works at TCSED	21 December 2016
Approval of Gateway 3 (Pre-Construction Services): Contract Award Approval	16 February 2017
TCSED DCRB Review: Gateway 2: Contract Award Approval for the Design and Build of the TCSED (this report)	22 February 2017
TCSED CCRB Review: Gateway 2: Contract Award Approval for the Design and Build of the TCSED (this report)	23 February 2017

Activity	Completed by/ Complete by:
Notification of forthcoming decision – despatch of Cabinet agenda papers. Five clear working days.	13 March 2017
Approval of Gateway 2: Contract Award Report	21 March 2017
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	30 March 2017
Alcatel Standstill Period- advisory	N/A
Contract award	3 April 2017
Add to Contract Register	3 April 2017
Publication of award notice on Contracts Finder	4 April 2017
Contract start	18 April 2017
Contract date for completion	3 September 2018

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

15. This procurement will lead to the permanent provision of a new 8 form secondary school with sixth form in an area of Southwark which demonstrates a high need of school places.
16. The works consist of a complete new build of TCSED in a phased delivery on the former East Dulwich hospital site in East Dulwich. The new school will provide high quality learning and teaching environments for the staff, pupils and parents and be an important community asset.

Key/non-key decisions

17. This report is for a key decision.

Policy implications

18. 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.
19. This project supports Fairer Futures Promise 4: for more and better schools and Fairer Future 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.
20. 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.

21. 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.
22. The project is also congruent to the Fairer Futures Promise 8: guaranteeing education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships. The project outcomes will help the council to increase its school intake, support local people into jobs and create new apprenticeships.

Tender process

23. Kier Construction Ltd was appointed by way of full tender for the Pre Construction Services Agreement (PCSA), in line with the procedure prescribed by the London Construction Panel (LCP) framework arrangement.
24. The procurement for Stage 1, pre-construction services followed the standard LCP two-stage approach, in which the contractor has the following core responsibilities:
25. Stage 1 (pre-construction)
 - Fully developing the design proposals from RIBA Work Stage 3 onwards
 - Packaging and competitively tendering the works on an open book basis
 - Submitting contractor's proposals and pricing document, including the proposed contract sum, for decision by the council (this report).
26. Stage 2 (construction) – subject to a separate Gateway 2 approval (this report)
 - Carrying out and completing the works in compliance with the contract documents
27. The Gateway 2 report for the award of the contractors for Stage 1 (pre-construction services) was approved in November 2016. That report detailed the evaluation method followed to award the most economically advantageous tender. From the Stage 2 process, the Gateway 2 report for Enabling Works was awarded in January 2016.
28. This report deals with the Gateway 2 report to appoint Kier Construction Ltd London for the main construction works for Phase 1.
29. With this two stage approach to procurement, there is an expectation and likelihood that the contractor appointed for pre-construction services would be appointed for the works contract, subject to the formal decision of the contracting authority to proceed. Value for money is obtained through the application of competitively tendered framework rates for main contractor's core costs (i.e. management, design, certain preliminaries and overheads and profit) and by competitive tendering of the works packages by the main contractor.
30. The design and specification for the project was developed by the consultant team under the direction of the council's Project Management consultants, Mace

Limited, which together with the overall scheme proposals were issued to Kier Construction Ltd in the form of Employer's Requirements in November 2016.

31. Following the process of design development and packaging of the scheme proposals, the contractor submitted competitively tendered prices for the various packages on 14 February 2017. These costs together with their construction phase core costs (previously tendered and reported in the Gateway 2 for pre-construction services) combine to make up the proposed contract sum for the main works.

Tender evaluation

32. The council received Kier Construction Ltd's submission for these works in February 2017, which included savings as a result of supply chain cross project buying, some minor planning amendments and responses to the clarifications from the council's cost consultant on the Contract Sum Analysis.
33. The council's external cost consultant has reviewed the revised cost proposal from Kier Construction Ltd to ensure that it meets the council's requirements in terms of value for money. In addition to this they are reviewing comparative market data and will submit a value for money statement at the end of the process.
34. Discussions have been held between the contractor, council officers from Regeneration (Capital Works), and the design team to clarify a number of items in the proposed scope. These continue to be worked through to ensure that the council is satisfied before the main works can be awarded. At 14 February 2017, the cost consultant advises that approximately 90% of the proposed contract sum by value is firm and that further savings are anticipated from the remaining 10%.
35. The approval to enter into the contract with Kier Construction Ltd for the Design and Build of TCSED (this report) is recommended subject to the council's requirements (as outlined in detail in the closed version of this report) being met.
36. Approval for this contract is being sought now to ensure that the programme can remain on target, enabling construction to commence immediately following finalisation of the contract documentation and the requirements of the council being satisfied. This will enable the overall date for completion of 3 September 2018 to be achieved.

Plans for the transition from the old to the new contract

37. Not applicable.

Plans for monitoring and management of the contract

38. The project client, including the management and administration of the consultant and contractor appointments, will be run and resourced through the Regeneration - Capital Works team. MACE will act as Employers Agent on day to day issues with implementing the contract and reporting on the contractor's performance to Regeneration – Capital Works team. Progress with the contract works and performance of the consultant team will be subject to constant scrutiny and monthly formal review, including reviews on cost, programme and quality. The experienced officer client team will use a number of mechanisms for

monitoring and controlling the financial and programme performance of the contract, including:

- Strategic cost plan, which will be regularly reviewed and updated
- Monthly financial statements by the consultant quantity surveyor/contractor
- Monthly appraisals of progress against the contract programme
- Monthly progress reports by:
 - The project manager/Employer's Agent
 - Main contractor
 - Other design consultants
- Monthly progress meetings on site
- Tracking and chasing actions on critical issues
- Weekly 'look ahead' meetings with principals / directors
- Periodic project team 'look ahead' workshops covering key phases of work and risks
- Risk and issues logs
- Six monthly report to the Departmental Contracts Review Board (DCRB) and annual report to the Corporate Contracts Review Board (CCRB)

Identified risks for the new contract

	RISK	RISK LEVEL	MITIGATION ACTION
1.	Contractor has inadequate resources and management arrangements to deliver the main works project	Low	Tenderers were assessed on their approach to this in the ITT and Kier scored very highly in their ability to deliver the scheme and ensured that they were able to deploy adequate resources and is willing to supplement additional resources to the project, if required.
2.	Insolvency of framework contractor	Low	An up-to-date financial check was obtained in November 2016 and this found the contractor to be at 'very low risk'. Kier Construction Ltd shall also provide a parent company guarantee as a condition of contract. Closely monitor performance of firms once appointed.
3.	Construction delays on site due to: <ul style="list-style-type: none"> • Hidden obstructions below ground • Contamination below ground 	Medium	Desktop studies and non-intrusive surveys have been undertaken to anticipate and plan for potential hazards on site. Investigation and remediation works are underway to de-risk the site as part of the enabling works in readiness for the main contract works so any obstructions will have been discovered and removed in advance of the main works contract.
4.	Construction delays on site and additional costs	Medium	Pre-order components with long lead times. Ensure that site operations are thoroughly and realistically planned by the contractor, prior to commencement of the works. Allow appropriate contingency provision in the programme to cover possible loss and expense claims arising from delay and disruption of the works. Include Liquidated

	RISK	RISK LEVEL	MITIGATION ACTION
			Damages for non-completion of contract by the contractor.
5.	Delay to approval of planning conditions	Medium	Ensure effective forward planning and regular communication with the planning consultants, officers and relevant parties to the decision making process. Information to be submitted for planning approval in a timely manner to allow for approval periods.
6.	Default by key subcontractors/suppliers	Low	Kier uses a select list of well established sub-contractors by trade and undertakes regular financial health checks and performance monitoring to mitigate any risk(s) posed.
7.	Delay to final agreement of contractor's proposals (CPs) and contract documents, leading to a delay in contract award.	Low	On-going scrutiny of CPs and forward programming to ensure close can be achieved. Regular progress meetings scheduled to ensure progress is monitored.
8.	Failure of the council and Kier Construction Ltd to agree terms within the parameters set out in this report will result in phase 1 works not progression.	Low	Early engagement with senior directors from Kier Construction Ltd on the contract's terms will enable any issues to be resolved in a timely manner and deliver a cost plan in line with the council's expectations demonstrating value for money. If the council is unable to agree terms with Kier Construction then the council will not award the contract to them.
9.	Disruption to access to the site via the haul road due to both the health centre and the TCSED project requiring use.	Low	The haul road's position has been clarified in the sale agreement and both TCSED and NHS centre contractors have agreed the haul road position and access. Although ongoing management will be required.
10.	The project is delayed until after the building is handed over after the start of term.	Medium	Robust programme and project employed to ensure contractor is held to the completion date. Southampton way temporary site for TCSED to be used as a contingency option should a delay onsite occur.

Community impact statement

39. Southwark Council 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 open up the facilities to community use sage with particular focus on the leisure facilities of the new sports hall and multi use games area.
40. TCSED will provide the local area with an inclusive secondary school for 1,680 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.

Social Value considerations

41. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

Economic considerations

42. Kier Construction will be expected to deliver direct benefits to the local community and local residents. It is proposed that these benefits will be delivered through some or all of the following possible means:
- Supply chain and procurement with local businesses
 - Use of local labour and training initiatives, including a construction employment, skills and training scheme linked to the council's Building London Creating Futures programme, which aims to match local residents with construction vacancies especially where these are linked to key development sites and regeneration activities
 - A commitment to construction apprenticeships in proportion to the size and scale of the development as set out in the LCP framework arrangements; and
 - Corporate social responsibility and sustainability.
43. Discussions have commenced to ensure that there is a co-ordinated approach to provide a number of apprentice positions across the expansion programme. Kier are committed to meeting the targets and requirements set by the LCP and Southwark Council's policy for apprentices, Monitoring information will be required quarterly, to a standard format including basic equalities data to ensure that these targets are been achieved.

Skill Level	No. of Trainees
Work placement (16 plus years)	16
Work placement (14-16 Years)	4
Construction Curriculum Support	8
Graduates	1
Apprentice starts	6
Existing Apprentices	6
Apprentice Completions	4
Jobs created on Construction Projects	11
S/NVQ Starts for subcontractors	10
S/NVQ Completions for subcontractors	8
Training plans for subcontractors	5
Supervisor Training for Subcontractors	6
Leadership and management training	4
Advanced Health & Safety Training	6

Social considerations

44. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. Kier Construction Ltd and their subcontractors will meet LLW requirements and contract conditions requiring the payment of LLW will be included in contract documents, which will result in quality improvements for the council. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council.
45. 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.
46. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership, but only in relation to (a) above. This report sets out the considerations which have been given to the PSED General Duty, which the Strategic Director of Children's and Adult's Services should consider when making this decision.
47. The council can exclude companies who break the law by blacklisting from public contracts if they are either still blacklisting or have not put into place genuine actions concerning past blacklisting activities. The council can require "self cleaning" which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:
- (a) "Owned Up": clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities;
 - (b) "Cleaned Up": taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct, and
 - (c) "Paid Up": paid or undertaken to pay compensation in respect of any damage caused.
48. Kier Construction Ltd completed and returned the council's standard Offences Certificate confirming that they are not in breach of any of the requirements of regulations 57 of the Public Contracts Regulations 2015, including the requirements under Regulation 3(1) of the Employment Relations Act 1999 (Blacklisting) Regulations 2010. Further they have provided written responses to

council clarification questions on blacklisting, which has provided reassurance of their compliance with the council's requirements.

Environmental Considerations

49. The completion of this procurement will create a new school which will demonstrate commitment to the carbon reduction measures required by Southwark Council, through the application of design principles to manage the use of energy most efficiently.
50. The scheme will be achieving a BREEAM rating of Very Good.

Market considerations

51. Kier Construction Ltd has over 250 employees and a national area of activity.

Staffing implications

52. There will be no direct impact on staffing as a result of the award of this contract.

Financial implications

53. This report is seeking approval from cabinet to award the contract for the development works TCSED to Kier Construction Ltd at a maximum cost of £25,325,000.
54. The total project budget summary and breakdown is provided in the closed report.
55. The project is being jointly funded by the Education Funding Agency (EFA) with contribution from Southwark Council. Details of these costs are contained in the closed version of this report.
56. Southwark Council's External Cost Consultant continues to independently assess the contract proposals to ensure value for money. The contract will only be entered into once confirmation has been provided from the Cost Consultant that the contract proposals are value for money.
57. Officers will ensure that budgets for the contract are established and profiled on the council's financial information system for effective monitoring and reporting.
58. The school will be responsible for any on going revenue implications as a result of the expansions.
59. Staffing and any other costs connected with this contract to be contained within existing departmental revenue budgets.
60. Officers are reviewing options to ensure that the cost of the contract can be contained within the TCSED project budget. The project team have made every effort to ensure that the tender achieves value for money in the current market. The 'not to exceed' construction cost for this project can be contained in the current overall allocated.

Legal implications

61. Please see concurrent from the director of law and democracy.

Consultation

62. The proposals have been subject to the decision making arrangements of the council's planning process, including consultation with relevant statutory consultees.
63. The Headteacher and governors of TCSED has been involved in the design development process. Consultation has been carried out locally ahead of the statutory consultation being conducted through the planning process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance - (FC16/043B)

64. This report seeks approval for the award of the main works contract for TCSED to Kier Construction Ltd for a maximum sum of £25,325,000 for a contract period of approximately 72 calendar weeks commencing on 18 April 2017 and completing on 3 September 2018.
65. Paragraph 55 confirms that the project is being jointly funded by the Education Funding Agency (EFA) with a contribution from Southwark Council. Paragraph 55 confirms that the contract will only be entered into if the council's external cost consultant confirms that it represents value for money.
66. The report to Cabinet on 9 December 2015 details a risk transfer agreement to ensure that the council is protected from various project risks and agrees a cap on their financial contribution. Officers must ensure that this risk transfer agreement is included within the development agreement between the council and the EFA in relation to this project.

Head of Procurement

67. This report seeks approval for the award of the main works contract for TCSED to Kier Construction Ltd for a contract period of 72 calendar weeks commencing on 18 April 2017 and completing on 3 September 2018.
68. Kier Construction Ltd's final cost proposal is being reviewed against comparative market data and this award is subject to the council's cost consultants confirming that the project represents value for money.
69. This procurement was the second part of the award of the contract following the pre-construction services on the project as a result of competitive process run through the LCP construction and management framework in line with the EU Regulations and the council's Contract Standing Orders.
70. The report confirms the monitoring and management arrangements that will be in place during the life of the contract including how apprentices taken on by the contractor as a result of this contract will receive the necessary skills training.

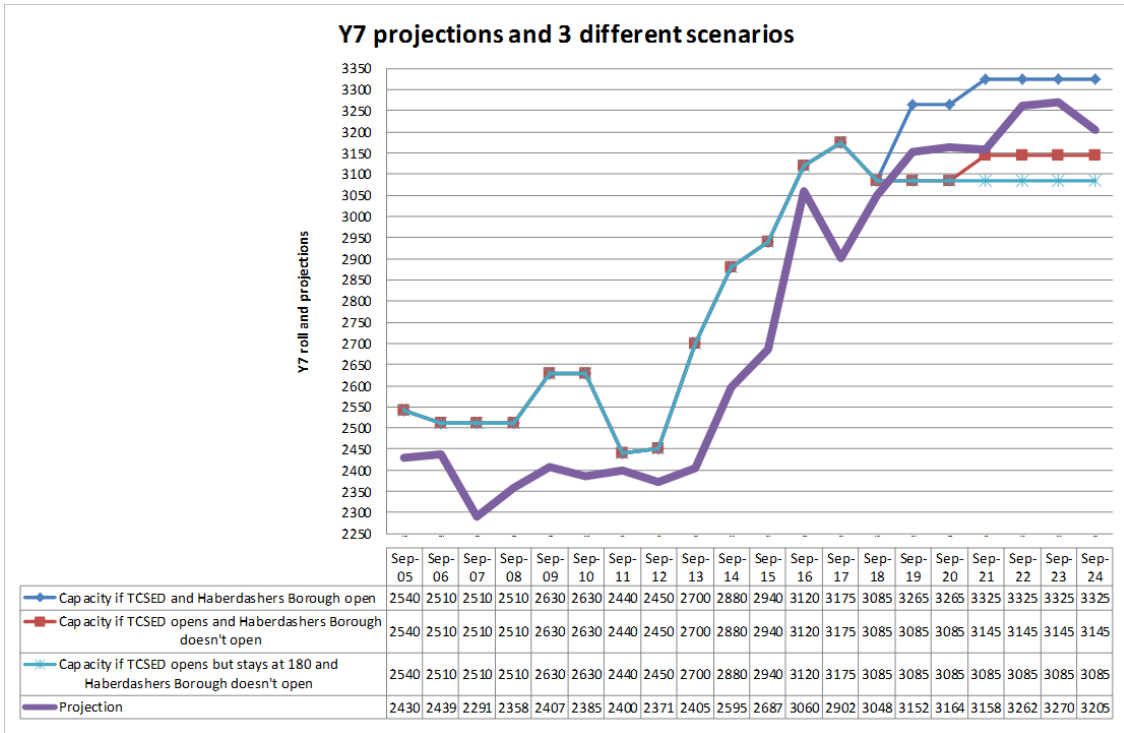
Director of Law and Democracy

71. The director of law and democracy notes the contents of this report which seeks the approval of the cabinet member for children and schools to the award of the main works contract to Keir Construction Ltd as set out in paragraph 1 of this report.
72. The council's CSO 3.3.2 provides that any procurement involving the use of a third party's framework contract is subject to usual Gateway 2 procedures and this report seeks the appropriate approval.
73. A mini competition process was conducted under the LCP construction and management framework in accordance with the Public Contracts Regulations 2015 and resulted in the award of a pre constructions services contract to Keir Construction Ltd. This report deals with the second part of the procurement process to award the main works contract.
74. Throughout the procurement process, the council must ensure compliance of local authority best value duty in accordance with the Local Government Act 1999. It is reported that the council's costs consultant has reviewed Keir Construction Ltd costs to ensure that best value duty is being met. Furthermore the cost consultant is conducting a review of comparative market data with a view submitting a value for money statement at the end of the process.
75. Paragraph 47 of this report states that Keir Construction Ltd have confirmed that they are not in breach of the blacklisting regulations. Legal services have included express conditions in the JCT Design and Build Contract requiring compliance with blacklisting regulations throughout the contract period, including a provision to allow the contract to be terminated for breach of the Employment Relations Act 1999 (Blacklists) Regulations 2010.

Director of Education

76. The need for secondary places in the borough is evident from the projections provided to the borough by the Greater London Authority (GLA). Presently, year 7 – the entry year for secondary – has a capacity of 3,120 places and a total of 3,060 children in this year group – leaving around only 60 spare places (around 2 forms of entry – 2FE) across the whole borough. At around 1.7% of the complete Y7 capacity, this is extremely tight, and does limit parental preferences of schools in the area. Projected numbers are projected to rise steadily until 2022, and then plateau, leaving a requirement for places at year 7 of around 3,200 places from 2024 onwards.
77. Diagram 2 overleaf shows the projected demand for places in a variety of scenarios. The dark purple line is the Y7 secondary rolls (2005-2017) then projections (2018-2024) for Southwark. If Charter School East Dulwich does not expand to 8FE when it moves to the new site and, or if the Haberdasher's Borough School does not open – demand will exceed supply in September 2019 and September 2020 onwards.

Diagram 2



BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Title of document(s) Cabinet report of 9 December: Gateway 1 - The Charter School East Dulwich (TCSED) procurement strategy	Capital Works, Regeneration, 160 Tooley Street, SE1 2QH	Omar Villalba – 020 7525 7573
Link: http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?IId=50009041		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Children and Schools	
Lead Officer	Bruce Glockling, Head of Regeneration	
Report Author	Omar Villalba, Project Manager, Regeneration	
Version	Final	
Dated	9 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No
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		9 March 2017

Item No. 16.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Southwark Regeneration in Partnership Programme Procurement Approval - Lot A	
Ward(s) or groups affected:		Grange, Newington, Rotherhithe, South Bermondsey, Surrey Docks and Walworth	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes	

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

Southwark Council is tackling the housing crisis head on by building homes of all types to meet the needs of our residents. This report begins the procurement to make better use of land that the council owns to deliver new homes, business space, space for a GP’s practice, a new boatyard, and a new special school. In total this procurement will provide 586 new homes, with 161 of those being council homes, and 83 intermediate homes – which will predominantly be new London Living Rent homes for key workers and people trying to save to get on the housing ladder. This represents 42% affordable housing across these 10 sites and demonstrates our very real commitment to providing homes for the people of Southwark.

This procurement involves three school sites at Bellenden, Cherry Garden, and Beormund. All of these schools would be entirely rebuilt and expanded so that more places will be available. In the case of Beormund and Cherry Garden these proposals would provide much needed additional places for children with special educational needs and disabilities, and would be rebuilt and expanded with state of the art new learning spaces on new sites. The existing sites are therefore no longer needed and we propose to use this public land to help tackle the housing crisis. Since 2010 we have carefully and strategically planned the school places that we need across the borough so that we have the places we need to meet demand. We are therefore reassured that we do not need these sites for educational purposes. We will continue to work with the three schools in close partnership throughout this process.

The Gateway 2 reports approval to award the contracts are set out below, due to their size the Beormund and South Dock Marina sites will come back to cabinet for contract award. When I last met with local residents around South Dock Marina I confirmed that this site would come back to cabinet and that their views will be taken into account, and that this redevelopment will secure the long term future of the boatyard and the vital services and jobs that it provides and supports.

RECOMMENDATIONS

That the cabinet:

1. Approves the procurement strategy outlined in this report to undertake an EU procurement to identify development partners for mixed tenure housing including commercial units and schools for Lot A of the Southwark Regeneration in

Partnership Programme at an estimated total Gross Development Value to those development partners of £278,300,000 for a period of up to five years.

2. Approves the composition and indicative housing tenure mix as outlined in paragraph 26 in the revised Lot A of the Southwark Regeneration in Partnership Programme.
3. Approves the packaging of nine sites into six distinct sub lots as outlined in paragraph 37.
4. Approves the delegation of the award decision in the Gateway 2 reports for lots A1 – A4 inclusive as detailed in paragraph 37 to the chief executive in consultation with the cabinet member for regeneration and homes for the reasons noted in paragraph 45.
5. Notes that the Gateway 2 reports for the more complex lots, A5 and A6, shall be presented to cabinet. Notes that every necessary Education Consent including section 77 will be obtained prior to entering into any contract.

BACKGROUND INFORMATION

6. In July 2013 the council pledged to build a total of 11,000 new homes over a 30-year period.
7. In July 2014, the council renewed its pledge to deliver a fairer future for all in Southwark in a set of 10 new fairer future promises as well as specific commitments, which include:
 - Deliver value for money across all services
 - Build more quality affordable homes of every kind across the borough
 - Become an age friendly borough
 - Revitalise neighbourhoods
 - Support local people into work
8. These promises are recognition of the need for new housing supply whilst improving existing housing, educational and health provision across the borough. In line with this the council also made a pledge in July 2014 to deliver 1,500 of the 11,000 new homes by 2018.
9. A move towards more efficient and higher quality provision must be considered against the financial constraints faced by the council as it prepares for further reduction in our funding from central government. Despite being one of the most deprived areas of the country, the council has faced some of the largest reductions in government funding for local authorities, and will need to make further savings. As such, the council is exploring ways it can continue to deliver value for money for residents and businesses by making even better use of its resources.
10. The council holds significant assets and sites and is exploring opportunities to work with developers to achieve the best possible outcome for our residents and to enhance their long term value. It is in this vein that officers have identified a number of council owned sites of varying size and development potential across the borough which could be developed for a range of mixed use housing-led schemes

11. The aim of the programme, known as the Southwark Regeneration in Partnership Programme (SRPP), is to leverage the investment and expertise of established developers through a joint partnership arrangement which would maximise the utility, value and quality of the development and consequently the council's assets and services.
12. On 27 January 2015 cabinet agreed to the development of the SRPP. The aim of the programme is to identify a number of council owned sites of varying size and development potential, which could be packaged into viable opportunities for development and regeneration. These sites could be developed for a range of mixed use schemes, including housing, which would maximise the utility and value of these assets by leveraging the investment and expertise of established developers through a joint partnership.
13. A report to cabinet on 20 October 2015 approved the use of the Greater London Authority (GLA) London Development Panel (LDP) framework for the procurement of the development partners to deliver 18 sites in two lots through the SRPP. The final blend of sites and tenure variations was then approved by the cabinet member for regeneration and new homes on 23 February 2016.
14. In March 2016 the council ran a tender for both Lot A and Lot B of the SRPP using the GLA Framework. Although the Gateway 2 approved by cabinet in September 2016 recommended a developer for Lot B it also reported that no development partner had been identified for Lot A. This was due to some developers believing that the sites needed further risk reduction, perceived market risks related to Brexit and an unwillingness to bid for larger packages of sites.
15. As a result the Gateway 2 to cabinet in September 2016 proposed that Lot A was reconfigured into smaller, more manageable packages, and retendered.
16. As part of the re-packaging exercise, it is proposed that Lot A's site mix is amended to that detailed in the following table:

Proposed Sites in Lot A for SRPP
Manor Place (60 units)
Kennington Enterprise Workshops (Braganza) SE17 (33 units)
Civic Centre, Albion Street, SE16 (26 units)
Land at Albion Primary School, Albion Street SE16 (50 units)
Southwark Park Road (43 units)
Cherry Garden School Site SE16 (50 units)
South Dock Marina, Boatyard, Plough Way SE16 (201 units)
Beormund School site at Long Lane (123 Units)
New Beormund School to be developed at the Former Bellenden School site on Reedham Street.

17. The new site composition is largely as originally approved for the original Lot A except for the following:
 - Seven Island Leisure Centre has been removed from the SRPP programme until a decision about the development of the leisure centre has been agreed.

- Beormund School site at Long Lane and a proposal to develop the new Beormund School on the former Bellenden School site on Reedham Street have been included as additional sites.
18. The existing Beormund site at Long Lane is currently occupied by Beormund Primary School which accommodates 35 full time primary pupils with Social, Emotional and Mental Health (SEMH), and the Porlock Hall Secondary Pupil Referral Unit (PRU). Both the existing Beormund Primary School and Porlock Hall PRU facilities suffer from significant capacity, condition and sufficiency issues. The regeneration strategy is for Beormund School to relocate to a new purpose-built school on the centrally located and more efficient Bellenden site in Reedham Street, London, SE15 4PF. Bellenden School is expanding to a new purpose-built 2 Form of Entry (FE) school in the nearby Dewar Street in 2018, so the site will become vacant and available for redevelopment whilst maintaining the educational function/use of the site.
 19. The 13 December 2016 cabinet report on the 2016 primary and secondary school place planning strategy update, highlighted the plans and proposals for the expansion of existing and new special schools, including Beormund Primary School. Beormund SEMH Primary School and the Porlock Hall PRU are both Special Education Needs schools located in the Grange Ward.
 20. The Bellenden site is in the Peckham Ward and is proposed for the re-provision and expansion of Beormund Primary School. The existing Beormund Primary site in Grange Ward is in school place Planning Area 1 – Borough, Bankside and Walworth. There are surplus primary places in this Planning area until at least 2023 and further capacity to expand existing schools. Peckham Ward is in Planning Area 3 – Peckham and Nunhead. Data and projections indicate a surplus until 2019, beyond which there will be a shortfall of 6 to 29 pupil places between 2019 and 2025. This equates to a single form of entry deficit over the period and can be contained within the scope to expand existing provision without the need for a further new school. There is therefore no requirement for additional primary school places in planning areas 1 and 3. In nearby planning Area 3, approved plans to expand existing schools are underway.
 21. Redevelopment of the Beormund School site would be subject to the outcome of council consultation and Secretary of State Consents under Section 77 and Schedule 1 of the Academies Act 2010.
 22. A lead consultant and design team have been commissioned to undertake the design to replace Beormund School at the new site on Reedham Street. An on-line consultation is scheduled for early April 2017 for the initial proposals to redevelop the site for Beormund Primary School, and public exhibitions and associated consultation will commence in Summer 2017. The public exhibitions and consultations for the existing Beormund Primary site in Long Lane would commence in April 2017.
 23. A bidders' day was held for the revised Lot A sites on the 15 November 2016 which over 100 developers attended. A number of subsequent one to one meetings were then held with most of these developers in order to have more in-depth discussions about the sites and the council's proposed procurement plan. A particular focus of this soft market testing exercise was to gauge the interest and capacity of the market to deliver these lots with specific focus on SMEs developers who cannot be accessed through existing frameworks. The findings of the bidders' day and subsequent interviews are summarised in paragraph 33.

24. The council is preparing to submit planning applications for the two Albion Sites, Manor Place and Braganza by March 2017; these sites will be seen as quick win sites as they will be expected to start on site by early 2018 with completion by 2019. The successful developer(s) will however be expected to obtain planning permission for the following sites:

- Southwark Park Road SE16
- Cherry Garden School Site, SE16
- South Dock Marina Boatyard
- Beormund School, Long Lane SE1; and
- Bellenden School Site

Summary of the business case/justification for the procurement

25. The main objective of the delivery of the SRPP programme is to appoint experienced, competent and proven developers who can work in partnership with the council to deliver high quality homes, on time and achieve value for money from the council's development sites. Additional key deliverables are as follows:

- a) Maximise and enhance the utility, value and quality of council-owned land and buildings to deliver:
- High quality homes of every kind
 - Improved schools where linked to development opportunities
 - New GP surgeries where supported and approved by NHS England and the CCG
 - New community facilities
 - Improved streetscapes and permeability
 - Employment and training opportunities
- b) Deliver as many affordable units as possible subject to planning compliance and viability with a minimum of 35% affordable units overall.
- c) Deliver high quality and fit-for purpose public buildings at good value.
- d) Capital returns from the residual land value on "profitable" sites.

26. There will be a total of approximately 586 units spread across the nine sites which form Lot A, which shall be delivered in one or more packages. It is expected that the programme will deliver 161 social rented units (SR), 83 intermediate rented (IR) and 342 market sales (MS). The full list of sites by indicative tenure mix is detailed in the following table:

Site Address	Ward	SR	IR	MS	Total
Manor Place	Newington	20	10	30	60
Kennington Enterprise Workshops (Braganza) SE17	Newington	0	5	28	33
Albion Civic site	Rotherhithe	14	12	0	26
Land at Albion School Site, Albion	Rotherhithe	25	12	13	50

Site Address	Ward	SR	IR	MS	Total
Street SE16					
Southwark Park Road	Riverside	11	4	28	43
Cherry Garden School Site SE16	South Bermondsey	12	6	32	50
South Dock Marina, Boatyard, Plough Way SE16	Surrey Docks	49	21	131	201
Beormund School Site, Long Lane	Grange	30	13	80	123
New Beormund School to be developed at the former Bellenden School site on Reedham Street.	Peckham	N/A	N/A	N/A	N/A
	TOTAL	161	83	342	586

27. Each of the nine confirmed sites has been appraised from a developer's perspective against the compliant scheme of 35% affordable. This is discussed in more detail in the closed report.

The council has decided to retain the commercial units across all the sites as this will provide the council with a higher revenue return over the long term than if the developer(s) were to keep this commercial space; further information on this provided in the closed report.

28. The lot structure proposed in paragraph 37 is aimed at ensuring that small and medium size developers have the best opportunity to be included in the process which should enable the council to obtain the best outcomes from a competitive procurement to developers who are suited to the characteristics of each package. This would also provide an opportunity for start on site to be achieved on all packages in 2018.
29. The two Albion sites, Manor Place and Braganza have been identified as 'quick win' sites where the council is intending to submit the planning application by March 2017. This could enable starts on site by early 2018 and completion by 2019.
30. The following sites in this procurement are already vacant: Southwark Park Road and Albion Civic Site. The proposed funding model for this programme is that the council are not expecting to provide any capital injection into this programme apart from putting forward the land. Housing Zone grant is available for the sites in the Canada Water Area and the council will be submitting bids for the social rented units. The council will also be bidding for the GLA grant for the intermediate units across all the sites.
31. The SSRP programme will also enable the council to secure new investment into education facilities, including areas which are not traditionally funded through capital grant. However, this will only be possible if the Council is allowed the means to reallocate land in a strategic manner to achieve the best long term use around the framework of applications, under the provisions of the Academies Act and Section 77 regulations.
32. The funding options for the new provision of the Beormund Primary School include the anticipated return on investment from developing the land, or a

financial contribution towards the new school from the housing delivery partner. It is intended that the PRU re-provision is also funded through the new housing development.

Market considerations

33. There are a large number of developers in the market of varying sizes which should provide a competitive environment in which to undertake this tender. Over 100 developers attended the bidders day held on 15 November 2016, the main intelligence of which was as follows:
- a. A significant number of SME developers have both the capacity with regards to raising finance and project management resources and experience to deliver the sites, however only a few were interested and/or sufficiently able to deliver the entire lot.
 - b. A significant number of the SME developers have their own construction arms.
 - c. A number of those interested in South Dock Marina suggested delivery via Joint Venture Agreements with the council.
 - d. Most were happy to operate on similar terms as offered on Lot B:
 - i. A majority preferred to construct on a building lease, rather than a licence; which allows them to raise development finance on the land.
 - ii. Most accepted the provision of sales and planning overage and profit share.
 - iii. A majority wanted to defer land payment but some wanted to make the payment up front (but they also didn't like the profit sharing/overage arrangements)
 - iv. They were flexible in terms of ownership of sites with commercial spaces.
 - v. They were, overall, happy with disposal on the basis of a 250 year lease
 - e. In terms of the level of de-risking required most developers wanted the council to provide pre planning advice and geotechnical surveys on all the sites as a minimum. Some developers also expressed a preference for the council to undertake feasibility studies up to Stage 2 (which the council has done for most sites), others stated a preference for sites to have planning permission, and the larger developers mostly preferred to be responsible for developing the sites and submit planning applications.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

34. In choosing the preferred method of procurement, the following options have been considered:

- a) OJEU Procurement
- b) Existing Frameworks

A) OJEU Procurement: The estimated cost of £278,300,000 for the development of the nine sites means that the full tendering requirements of the Public Contract Regulations 2015 and Public Sector Directive 2014/24/EU would apply.

A common procurement route for a framework arrangement is to use the restricted procedure. This procedure is, however, primarily suitable if the council

is able to clearly define its required output as only minimal 'clarifications' are allowed. The competitive dialogue procedure was also considered but it was concluded that this may deter bids due to the associated costs and bidder perceptions. An alternative procurement route is to follow a competitive procedure with negotiation which would allow the council:

- to reserve the right to evaluate and award a contract based on initial tenders (as if it was a restricted procedure); or
- to have some negotiations to clarify aspects of the initial tender with a limited number of bidders.

B) Existing Frameworks: The previous Gateway 1 presented to Cabinet on 20 October 2015 approved the use of the Greater London Authority (GLA) London Development Panel (LDP) framework for the procurement of the development partners to deliver 18 sites in two lots for the SRPP. This was because the use of a framework was deemed to achieve speed and expediency, increase efficiency and reduce costs by pre qualifying suppliers under set terms and conditions. Whilst this option identified a provider for Lot B, the council were unable to identify a suitable development partner for Lot A.

There are alternative frameworks available for the council to use such as iESE/Haringey, SCAPE or Islington New Build however they all have the same or very similar developers on them. Using a framework would therefore mean that the council would be seeking tenders from a more limited number of providers and it would also be restricting access to small and medium size developers which usually struggle to access the existing frameworks.

Proposed procurement route

35. Although the council believed that the use of the GLA framework was the best route to market for the previous SRPP tender, it only identified a suitable development partner for Lot B. Having reassessed the market, the council now believes that although the full OJEU process was discounted for the previous procurement of Lots A and B due to the time constraints associated with it, this would now offer the best route to market. It will also produce greater market competition as it allows developers, especially SMEs, who are not on approved frameworks to tender.
36. Following the consultation with Southwark's in-house legal and procurement teams and advice from Trowers and Hamlins it is proposed that these sites should be tendered using the EU competitive procedure with negotiation. This procurement option was introduced in 2015. It offers flexibility to the council in that the council would have the option of selecting a bidder (based on its written tender) at an early stage or short listing a number of bidders if it wanted to negotiate any element of their bids. The main advantage of which is that the council, if it wanted to, will be able to undertake some negotiations with the bidders to clarify certain aspects of their initial bid and/or address elements which fall short of the council's objectives. Officers also considered adopting the restricted procedure which is based solely on the tenderers' paper based submission and the competitive dialogue procedure which mandates two stages to the procurement and dialogue/negotiations must be undertaken. Officers concluded that the restricted procedure was not flexible enough for this procurement and that the costs associated with and bidder perceptions of the competitive dialogue procedure could deter bids.

37. The council is proposing to create the following sub lots in line with the feedback from the soft market testing proximity, site size and planning:
- A1. Manor Place (60 units) and Kennington Enterprise Workshops (Braganza) SE17 (33 units)
 - A2. Civic Centre, Albion Street, SE16 (26 units) and the land at Albion Primary School, Albion Street SE16 (50 units)
 - A3. Southwark Park Road (35 units)
 - A4. Cherry Garden School SE16 (50 units)
 - A5. South Dock Marina, Boatyard, Plough Way SE16 (201 units)
 - A6. Beormund School site at Long Lane (123 Units and Pupil Referral Unit) and New Beormund School to be developed at the former Bellenden School site.
38. Aside from Lot A1 and A2 which are linked because of planning purposes, the council is proposing that all other sites are individually packaged. This should ensure that small and medium size developers are not excluded from the process and will provide the council greater flexibility in being able to select the developers which offer the council the best value for money for each site. By dividing the majority of these sites into individual lots the council is also more likely to split the award of these sites amongst multiple tenderers which should prevent any land-banking from occurring and allow developers to start work on multiple sites in 2018, as opposed to a more phased approach if only one developer were awarded all the lots.
39. It is proposed that the council use a Development Agreement for all the Lots. The advantages of using this form of contract are:
- Stamp Duty Land Tax (SDLT) at day one is charged only on the bare site rather than the land and the buildings.
 - Forward funding by the developer for the construction of the site. The council only puts forward the land as contribution to the development.
 - Risks - the developer should retain responsibility for dealing with third party issues such as rights of light and interference with rights of way even beyond the end of defects liability period. Caps on liability will be resisted.
 - The development/funding agreement will also have a practical completion (PC) approval mechanism in place to make sure the council is satisfied that practical completion has properly taken place and/or a third party has determined satisfaction.
40. The council shall publish one OJEU notice for this tender against which bidders will be asked to register their interest in the tender through the council's e-procurement portal, Procontract 3. Following this each bidder will need to complete a Standard Selection Questionnaire (SQ) and confirm which lots they would like to bid for. In order to attain the best outcome from this tender and explore different approaches with tenderers the council is intending to let tenderers bid for one or more lots. The SQ will be a standard document which tenderers will only need to complete once irrespective of the number of sites they want to tender. However for each lot there will be a requirement to respond to some additional site specific questions in the final section of the document. The council will allow a reasonable timeline for bidders to complete the SQ.
41. The SQ will be evaluated by the council based on agreed criteria and the council will shortlist the bidders against each lot as detailed in paragraph 58-59 of this report. Bidders will then be notified as to whether they have or have not been

successful and an Invitation to Tender (ITT) will be issued to each successful bidder for their relevant lot/s. The council is intending to issue the ITT simultaneously to all six confirmed sub-lots.

42. At the ITT stage the shortlisted bidders will be required to make a full tender submission (including a mark-up of the legal agreements) – following evaluation the council may at that stage decide to select a bidder (if their submission is sufficiently detailed and is acceptable) or opt to de-select bidders and invite the remaining bidders to participate in negotiations.
43. If negotiations are conducted (which is likely) then the selected bidders will be asked to sign and return a meeting protocol prior to the first meeting to manage the behaviour of those bidders and place the council in control of the process. Tenderers invited to negotiations shall then be provided with the opportunity to submit a final ITT submission, incorporating all the aspects discussed/raised at the negotiation meetings, from which the most economically advantageous tender(s) for each lot will be recommended for award.
44. In order to manage internal resources effectively the evaluation will be a phased process. For example the ITTs evaluation for each of the lots will be staggered over a number of months with a number of Gateway 2 reports being developed for approval as and when the evaluation for the lots are completed, as opposed to all lots being evaluated and awarded simultaneously. In order to achieve a start on site by 2018, it is likely that the first lots to be completed will be lots A1 and A2, the 'quick win' sites, which will have already attained planning permission. There are likely to be three subsequent initial tender return deadlines for the remaining lots which are likely to be as follows: A3, A4, A5 and A6.
45. Due to each lot being individually evaluated and the phased approach of the ITT evaluations the council is seeking to attain:
 - Cabinet approval for the larger more complex sites at South Dock and Long Lane, lots A5 and A6; and
 - Delegated approval for the contract award (Gateway 2) for lots A1 to A4 to the Chief Executive.

The delegation of these lots is required to ensure a quick transition process from contract recommendation to award which is necessary for the council to meet its objectives of start on site by 2019. If there was a requirement for a Gateway 2 to be presented to Cabinet for each lot, this would have a serious impact upon the delivery timescales.

Identified risks for the procurement

46. The following risks have been identified for this procurement:

Risk No.	Identified Risk	Likelihood	Risk Control
1.	An insufficient number of developers express an interest to tender	Low	Early engagement with developers to make them aware of the tender and to trigger their interest in the sites. Provide developers with sufficiently detailed and clear information to de-risk sites and enable developers to make an informed choice as to whether they wish to pursue this opportunity. Develop packages that provide developers with the flexibility to select the most attractive sites for them.
2.	Employer's Requirements inadequate or diluted by development partner	Medium	Ensure a comprehensive, high quality and deliverable specification is developed/issued – to this end, officers have commission a Southwark design and specification to inform the Employer's Requirements. Ensure the Development Partnership Agreement (DPA) enshrines robust governance agreements and conditions. Establish a multi-disciplinary Project Team who will be able to provide specialist guidance to cover all areas required from the specification and deliverables
3.	Packages not viable	Low	Procuring a competent financial and property adviser to carry out development appraisal exercise. Developers level of return enshrined within the DPA, secure overage on the title. Viability testing at agreed stages and confirmation that the sub lots are viable throughout the term of the development.
4.	Do not achieve competitiveness and value for money	Medium	Running an OJEU tender for these sites will maximise the market competition for these lots. Following a negotiated route will also enable the council to achieve best value for money for each site. Quantity surveyors and financial advisers shall be employed to scrutinise the content of packages and site proposals and profit sharing arrangements are managed in a way that responds to market changes.
5.	Inadequate cost control	Medium	Agree cost ceilings and developer's profit at onset; establish monitoring approach that enables transparent cost management on stage by stage basis.

Risk No.	Identified Risk	Likelihood	Risk Control
6.	Programme slippage due to inadequate project control	Low	<p>Enshrine regular and structure project/progress reporting mechanisms and communication protocols in the DPA.</p> <p>Attain planning permission for lots A1 and A2 and assist developers where possible in attaining planning consent for the remaining sites; this will be supported by early engagement with the planners and community.</p> <p>The council and developers shall hold early and ongoing engagement with community and internal stakeholders to identify and resolve concerns.</p>
7.	Vacant Possession	Medium	<p>Early engagement with stakeholders'. Use of Ground 10 and CPO's. Obtaining Section 77 (Secretary of State Consent)on Beormund School Site and Cherry Garden School Site)</p>

Key/non-key decisions

47. This is a key decision.

Policy implications

48. The SRPP has been shaped by the promises and commitments made in the council Plan, such as building more quality affordable homes of every kind and revitalising our neighbourhoods making them places in which we can all be proud to live and work.

49. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Saved Southwark Plan policies, the Aylesbury Area Action Plan, the Canada Water Area Action Plan, the Peckham and Nunhead Area Action Plan and a revised Canada Water Area Action Plan.

50. The council is now reviewing the Southwark Plan and Core Strategy to prepare a local plan called the new Southwark Plan. This new plan will set out our regeneration strategy from 2017 to 2033 and will also be used to make decisions on planning applications. The New Southwark Plan will:

- Set policies to support the provision of new homes including 11,000 new council homes.
- Protect our existing Schools and community facilities in the borough and provide more where this needed.
- Protect local businesses and attract more businesses into the borough to increase job opportunities.
- Support our high streets and increase the range of shops to increase their vitality.
- Direct growth to certain areas of the borough, predominantly in Elephant and Castle, Canada Water, East Walworth, Blackfriars Road, Bankside and along the river Thames where there is greater public transport accessibility.
- Introduce policies to improve places by enhancing local distinctiveness and protecting our heritage assets.

- Set policies to provide greener infrastructure and to promote opportunities for healthy activities.
- Provide visions and policies for the many different areas within Southwark.

Indicative Procurement Project Plan

51. The following timeline is for the “quick win” sites A1 and A2 which the council will be submitting planning application on.

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	20/01/2017
DCRB Review Gateway 1	10/02/2017
CCRB Review Gateway 1	23/02/2017
Briefing relevant Cabinet Member	20/02/2017
Notification of forthcoming decision - Cabinet	13/03/2017
Approval of Gateway 1: Procurement strategy report	21/03/2017
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/03/2017
Completion of tender documentation	29/03/2017
Publication of OJEU Notice	31/03/2017
Publication of Opportunity on Contracts Finder	03/04/2017
Closing date for receipt of expressions of interest	08/05/2017
Completion of short-listing of applicants	05/06/2017
Invitation to tender	08/06/2017
Closing date for return of tenders*	August 2017
Shortlist and/or completion of any clarification meetings/ presentations/evaluation interviews*	September/2017
Final tender submissions*	September/2017
Completion of evaluation of tenders*	October/2017
Forward Plan (if Strategic Procurement) Gateway 2*	August 2017
DCRB Review Gateway 2*	October/2017
CCRB Review Gateway 2*	November 2017
Notification of forthcoming decision*	November 2017
Approval of Gateway 2: Contract Award Report*	November/2017
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision*	November 2017
Debrief Notice and Standstill Period (if applicable)*	November/2017
Contract award*	December 2017
Add to Contract Register*	December/2017
Place award notice in Official Journal of European (OJEU)*	December/2017

Activity	Complete by:
Place award notice on Contracts Finder*	December 2017
Contract start*	December 2017
Initial contract completion date*	June /2019
Contract completion date – (if extension(s) exercised)	June 2019

* All dates are indicative timescales as after the tenders have been issued all tenders will be evaluated on a phased process with approximately a two week delay in between lots detailed in paragraph 37 being returned.

TUPE/Pensions Implications

52. There are no TUPE/Pensions implications for this procurement exercise.

Development of the tender documentation

53. The Housing Regeneration and Delivery Team will be responsible for developing the tender documentation with assistance from Trowers and Hamlins which will be based upon the government's Standard Supplier Questionnaire with some additional sections included from PAS91.

54. The Housing Regeneration and Delivery Team will be responsible for developing the tender documentation with assistance from Trowers and Hamlins based on a set of Employers Requirements which will include the following:

- Development Partnership Agreement for with scheme and council specific amendments
- A location plan and site plan
- Confirmation of ownership of the site
- Outline role/expectation of the Tenderer
- Details of what is to be built, tenure and tenure mix
- What funding/finance is available
- Land sale/transfer arrangement
- Timescales
- Proposed management arrangement
- Building Services performance specification
- Southwark Design Guide

55. Technical design requirements and specifications have been developed based on Southwark's Design Standards and Technical Specification. Policy related requirements will be referenced using relevant appendices, links and insertions.

56. The contract will be a Development Partnership Agreement based on the specifics of the project being tendered.

Advertising the contract

57. The contract will be advertised through a contract notice published in the Official Journal of the European Union (OJEU). The council will also publish a contract notice on Contracts Finder and the Estates Gazette.

Evaluation

58. The council will configure the SQ so that bidders will only be asked to complete Parts 1 and 2 once. Part 3 will include some generic questions for all lots, however the council will also ask a number of additional site specific questions for each site in order to verify the bidders experience in delivering similar works.
59. Parts 1 and 2 of the SQ will be primarily evaluated on a Pass/Fail basis; however the project specific questions in Part 3 will have each question awarded a score out of a maximum of 5 marks.
60. The council intend to shortlist the bidders against each lot in accordance with the table in paragraph 72.
61. The ITT shall be evaluated by two evaluation panels, one reviewing price and the other quality. Both panels will have a minimum of three members.
62. It should be noted that developers are able to tender for one or more lots. As each lot will be assessed on a stand alone basis this could result in one tenderer being awarded multiple lots if they offer the most economically advantageous tender for those lots. Due to the phased approach of this tender there will be no opportunity for tenderers to submit a discounted offer for multiple lots.
63. The council shall apply overarching evaluation criteria of 70% financial and 30% quality for each of the sites, as detailed in paragraphs 62 to 72; however the sub-criteria for each lot may vary to some degree in line with each lots' individual characteristics/requirements. The final evaluation criteria shall be approved by the project board prior to the OJEU being published.
64. The financial response (70%) will focus on submitted costs, values, overheads, commercial returns (where applicable) and profits.
65. The overall financial implication for the council shall be determined as the financial submission which generates the highest surplus with other submissions being evaluated accordingly; at this point in time the indicative weighting for this is 55%.
66. The council shall also evaluate overage and social housing. This is likely to take the form of Planning Overage with an indicative weighting of approximately 5% and the tenderer's combined Sales Overage and Social Housing proposal with an indicative weighting of up to 10% through a sliding scale.
67. The council shall also evaluate the confidence they have in the tenderer's financial variables and the likelihood they have of receiving the stated overage. This will be done by an analysis of the tenderer's models, cost, income and assumptions for the site.

68. The quality response (30%) is expected to include an assessment of the following areas:
- Project Management/Methodology
 - Design Approach
 - Stakeholder Engagement
 - Legal
 - Delivery Timeline/Programme
69. Each question is likely to be scored from 0 – 5 as follows (or as may be adapted for the individual work streams and/or specific questions):

Assessment	Score	Basis of score
Cannot be scored	0 points	No information provided or incapable of being taken forward either because the Supplier does not demonstrate an understanding of our requirements or because the solution is incapable of meeting our requirements.
Unsatisfactory	1 point	Although the Supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met.
Satisfactory	2 points	A response which is capable of meeting our requirements but is unlikely to go beyond this.
Good	3 points	A response which shows that the Supplier demonstrates an understanding of our requirements has a credible methodology to deliver the service and could evolve into additional benefits.
Very good	4 points	A response which shows that the Supplier demonstrates an understanding of our requirements, and has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value.
Excellent	5 points	A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the Council's overall strategic requirements and objectives.

70. Tenderers will be required to provide information to support their quality submission that demonstrates their ability to fulfil the requirements that were outlined in the Employers Requirements.
71. The council is likely to reserve the right to include minimum threshold criteria for some quality and financial implications.
72. The council may decide to hold some brief clarification meetings prior to finalising the tenderers' price and quality scores which shall then be added together to produce a final score which will be used to shortlist the tenderers against each lot to determine who will be able to progress to the final ITT stage. The currently proposed shortlist for this is shown in the following table.

Lot	Sites	Number Bidders shortlisted from SQ to submit an initial ITT	Number Bidders to be shortlisted to progress to the final ITT
A1	Manor Place and Kennington Enterprise Workshops (Braganza) SE17	5	2/3*
A2	Civic Centre, Albion Street, SE16 and Albion Primary School, Albion Street SE16	5	2/3*
A3	Southwark Park Road	4	2
A4	Cherry Garden School SE16	5	2
A5	South Dock Marina, Boatyard, Plough Way SE16	6	3
A6	Beormund School site at Long Lane (123 Units and Pupil Referral Unit) and New Beormund School to be developed at the former Bellenden School site.	6	2/3*

*The evaluation criteria for the final number of tenderers to be taken through to the negotiation stage will be set out in the ITT documents.

73. The shortlisted developers for each lot (as detailed in the final column of the table above) will then each attend one or more negotiation meetings to seek further clarification and discuss any mark ups they have made to the proposed contract. The tenderers will then be able to incorporate any adjustments which are a result of this clarification stage into their final ITT submission.
74. The tenderers final ITT submission will then be evaluated based on the original evaluation split of 70% finance and 30% quality with the tender with the highest combined finance and quality score recommended as the developer for their chosen lot(s).

Community impact statement

75. A community impact statement will be collated to capture community priorities, issues and needs, in particular groups displaced or impacted by the development proposal. It is proposed that the community impact statement will focus on two distinctive communities:
- a) Geographical communities - people living, accessing or working close to the development.
 - b) Community of identity – groups that share characteristics such as the older people, minority ethnic groups, faith groups, people with disabilities and young people, etc.
76. Indicative groups the council will seek to consult and assess with will be service

users, internal stakeholders and affected businesses.

77. Officers will conduct an equalities impact assessment to ensure that there is no disproportionate or discriminatory impact on groups with protected characteristics. This assessment is done during the consultation period to ensure that all groups are fully engaged and consulted to ensure a fair development and delivery process. The views of various groups will be taken on board the design and delivery process.
78. Under the Equality Act 2010's Public Sector Equality Duty (PSED), as a public body we must have due regard to the need to:
 - a) Eliminate unlawful discrimination, harassment and victimisation
 - b) Advance equality of opportunity between different groups
 - c) Foster good relations between different groups

Social Value considerations

79. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

80. The SRPP seeks to maximise the utility, value and quality of council buildings and services by leveraging in the investment and expertise of established developers through a joint partnership. In doing so it will deliver high quality homes and public buildings and improved life changes for current and future generations while minimising the cost burdens of regeneration to the council.
81. The bidders' day that was held was a form of market testing which was followed up by one to one meetings with developers. The aim of this exercise was to engage with SME's and understand what they usually find are the key restrictions for them in a normal procurement process and how the council could give them the opportunity to tender as well as to get feedback from all developers as to the best way the council can package the sites to obtain maximum interest from all types of developers.
82. The programme will be subject to Section 106 that will cover:
 - Employment & Training
 - Education
 - Health
 - Public realm
 - Open space
 - Childrens' play equipment
 - Sports development
 - Transport
 - Childcare
 - Community facilities

- Community safety
- Archaeology

83. As part of the Development Partnership Agreement, the council will seek commitment to promote and use local suppliers and businesses where applicable.

Social considerations

84. As the council explores ways it can continue to deliver value for money, it is essential that it make even better use of its resources to meet the needs of residents and businesses in the borough. Under promise 8 Education, employment and training of the Fairer Future Promises, the council has made a commitment to create 2,000 new apprenticeships by 2018. This programme will seek developers to employ one apprentice for every £1m spent.

85. Each site within the SRPP will deliver high quality affordable homes of all kinds to meet housing need, as well as improved health, education, social care and commercial facilities to ensure that residents are able to access the support and services they need within their community

86. The social rent homes delivered will be retained as council homes on the same terms as those delivered via the direct delivery programme. Developers will have the opportunity to make offers of additional social rented units and reduce their potential capital contributions or returns in their tender offers.

87. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful development partner for this contract will result in quality improvements for the council. These should include a high calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful development partner will be expected to meet the LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

88. The council can exclude companies who break the law by blacklisting or have not put into place genuine actions concerning past black listing activities. The council can require “self cleaning” which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:

- “owned up”: clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities.
- “cleaned up”: taken concrete technical, organisational and personal measures that are appropriate to prevent further criminal offences or misconduct, and

- “paid up”: paid or undertaken to pay compensation in respect of any damage caused.

The council will request the necessary information from tenders (using the council’s standard documentation in relation to blacklisting.) The contract conditions will also include an express condition compliance with the blacklist regulations, and include a provision to allow the contract to be terminated for breach of these requirements.

Environmental/Sustainability considerations

89. The council’s approach to procurement of the design, development and construction processes will include a requirement to maintain and improve sustainability for each tendered project.
90. All homes will have to achieve the Code for Sustainable Homes Level 5 (CfSH5); measures will have to be taken at all stages of development to achieve this. This code has however been changed to the New National Technical Standards which comprise new additional optional building regulations regarding water and access as well as a new national space standard(this is in addition to the existing mandatory Building Regulations). For example, requirement G2 of the building regulations concerns water efficiency. The current regulations state that the potential water consumption by occupants of a new dwelling must not exceed 125 litres per person per day. This regulation remains in place but there is now also an optional higher standard which states that the potential water consumption by occupants of a new dwelling must not exceed 110 litres per person per day. This higher standard may be imposed by the planners. With regards to access, requirement M4 (sanitary convenience in dwellings) of the building regulations have added additional higher standards, M4 (1), M4 (2) and M4 (3) and one of these may be imposed by planners.
91. At design stage, requirements will be in place to meet sustainable specifications including the following:
 - Energy efficiency
 - Reduce carbon emissions
 - Conserve water & energy
 - Mitigate flooding risk
 - Safeguarding biodiversity
92. During construction the appointed contractor/developer will be required to adhere to guidelines outlined in the London Construction Guide which include and are not restricted to the following:
 - Procuring and using materials sustainably
 - Selecting materials with low lifecycle impacts
 - Using local materials
 - Use of materials with high recycled
 - Meet minimum standards set out in Building Regulations
93. In line with the Energy and Carbon Reduction Strategy, the development partnership will work towards the target reduction rate for new council build homes of 15% by 2022.
94. The development partnership will aspire to achieve Code for Sustainable Homes

Level 5 or its new equivalent based on the new national technical standards, and therefore has to reduce carbon omissions, conserve fuel and energy as set out in Building Regulations (Part L) Value the Environment.

95. Specifications outline that there should be an efficient approach to waste management. At design stage there is direction for designers to exercise reasonable skill care and diligence in the selection of materials. At construction stage contractors are required to minimise construction waste and maximise the use of recyclable /reusable products and materials.
96. Specifications stipulated within the Employers Requirements will ensure that development activity is controlled in a way that positively contributes to achieving sustainability.

Plans for the monitoring and management of the contract

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

Staffing/procurement implications

98. The housing regeneration programme manager responsible for the delivery of the overall programme, under the management of the head of regeneration, capital works, will be responsible for ensuring that the programme is adequately resourced and coordinated to deliver its objectives and procured efficiently and effectively in accordance with best practice for major projects procurement.
99. The head of regeneration - capital works is currently carrying out a review of the staffing implications of all regeneration capital delivery programmes and any specific staffing implication from this and other programmes will be taken into account in this review.
100. In order to provide comprehensive tender documents for this procurement a number of additional support strands need to be procured prior to the tender starting. These support strands include architectural services to carry out feasibility studies and initial design development, financial and valuation consultants to undertake valuations and the development appraisals, legal consultants to provide procurement advice and draft the DPA and joint venture documentation.

Financial implications

101. The gross development value (GDV) of the programme will be established as part of the development appraisal process. Development appraisals were carried out by BNP Paribas and the assumptions used in the viability are relatively conservative and it is believed that the market may provide more competitive offers. These development appraisals indicated an overall positive net capital return for the council, in addition to providing 161 social rented council properties.
102. The net capital returns from the appraisals have not taken into account any grant

input or planning and sale overage. Any future grant input will improve the viability. GLA and Housing Zone Grant may be available to subsidise the scheme costs. The assumptions used in the appraisals have taken a prudential view of the market. The appraisals have not taken into account the possibility of sales/ planning overage which will contribute to the viability of the sites.

Investment implications

103. Please see strategic director of finance and governance commentary below.

Legal implications

104. Please see concurrent from the director of law and democracy.

Consultation

105. A robust consultation strategy to involve internal and external stakeholders will be central to the proposed SRPP; a range of consultative tools will be applied to maximise engagement, involve residents and key partners, including those that live or have an interest in the immediate vicinity of any new development.

106. A comprehensive and inclusive approach to promote, educate and engage stakeholders on the regeneration development proposal will be adopted, supplemented by a consultation timetable. The council's strategic and local consultative groups (area forums, community councils, tenant associations and resident steering groups and other interest groups) will be engaged using correspondence, public meetings, information packs and various social media formats.

107. The consultation programme will be delivered on a site specific and phased basis. Site specific consultation invitations and events will be extensively publicised and each site will have an allocated project co-ordinator lead to manage the development proposal consultation process. To maximise inclusiveness and participation project co-ordinators will provide sufficient meeting notice; and will minimise barriers of engagement by targeting all marginalised local groups.

108. The Beormund Primary site (off Long Lane) is subject to public consultation and seeking Section 77 Secretary of State Consent for the disposal of the school's playing field land. An online consultation will be held in April 2017 for the redevelopment of the Beormund School on the Bellenden educational site. Further consultation will commence in Spring 2017 when the school designs are developed with stakeholders.

109. Ward Councillors will be fully briefed prior to any public consultation and their comments/feedback incorporated into any initial proposals. Council offices will meet with T&RA groups following the Councillor briefings and again, prior to any public consultation.

Other implications or issues

110. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

111. This report is seeking approval for a procurement strategy to appoint development partners for Lot A of the Southwark Regeneration in Partnership Programme.
112. The sites comprising Lot A are expected to deliver residential and commercial properties as well as a new school. The strategic director of finance and governance notes that development appraisals have been carried out by an external advisor and that officers anticipate there will be no net capital cost to the council on completion of the programme.
113. As set out within the financial implications this proposed procurement aims to provide positive financial case: delivering 161 social rented council housing units; a positive net capital return and potential reimbursement of predevelopment costs. The net capital return excludes the potential for planning overage or GLA affordable housing grant.
114. As the procurement progresses to award stage the financial implications will be clearer, including the net financial cost/income, affordable housing offer, land appropriation implications, cash flow and overall value for money. Following the GW2 stage, the financial outcome will subsequently be reflected within the council's capital programme.

Head of Procurement

115. This report seeks the cabinet's approval for the procurement strategy outlined in this report to undertake an EU procurement to identify development partners for mixed tenure housing including commercial units and schools for Lot A of the Southwark Regeneration in Partnership Programme at an estimated total Gross Development Value to those development partners of £278,300,000 for a period of up to five years dependent upon recommendations 2 and 3 being approved.
116. The value of the contract for the main works means that it is subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) and the council's Contract Standing Orders, namely 5.5. The council's proposed strategy of undertaking an EU competitive procedure with negotiation, for the reasons detailed in paragraph 36, will meet these requirements. This procurement route should maximise competition and ensure that the council achieves the best value for money.
117. Aside from Lots A1 and A2 which are linked because of planning purposes, the council is proposing that all other sites are individually packaged producing a total of six lots for the reasons detailed in paragraph 37.
118. This report details the proposed procurement route which will result in the council identifying one developer for each lot which based upon the most economically advantageous tender submitted following evaluation of the tenderer's cost and quality submissions.
119. The report notes that all necessary education consent including section 77 will be obtained prior to entering into any contract in order to meet the council's

statutory and common law duty to consult on certain areas of service delivery and the formulation of proposals or decisions.

120. Southwark Council's procurement officers will be advising on the tender documents to be used to ensure that all relevant statutory questions are included and due diligence to ensure the successful supplier is financially stable.

Director of Law and Democracy

121. This report seeks the cabinet's approval to the procurement strategy and other associated recommendations in relation to Lot A of the Southwark Regeneration in Partnership Programme (SRPP) , as further detailed in paragraphs 1-5. As this is a strategic procurement, the decision to approve the procurement strategy is reserved to the cabinet.
122. The scope and value of these developments means that this procurement is subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR15). As noted in paragraph 35-36, it is intended that the developments are procured in accordance with the PCR 2015 using the competitive procedure with negotiation (as permitted under Regulation 29). This procedure is permitted to be used in certain circumstances, including where the works will require design/innovative solutions, or where negotiations might be needed due to the nature and complexity of the legal or financial make-up of the project. Advice has been sought from the council's external legal advisers who have confirmed that the competitive procedure with negotiation may be used.
123. The cabinet will be aware of the Public Sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet is referred to the community impact statement at paragraphs 75-79 setting out the consideration that has been given to equalities issues which the cabinet should be considered when agreeing this procurement strategy.
124. The cabinet will note the consultation that is intended to be undertaken in relation to this project, which is described in detail at paragraphs 105-109. The council has a statutory and common law duty to consult on certain areas of service delivery and the formulation of proposals or decisions. To meet legal requirements, consultation must be undertaken when proposals are still at a formative stage, it must be meaningful and include sufficient reasons for the proposal and allow adequate time for interested parties to consider and respond, and the outcome of the consultation must be conscientiously taken into account when the ultimate decision is taken. The Department for Education has issued non-statutory advice (May 2015) in which it has set out its expectation that a local authority proposing to dispose of playing field land will have consulted adequately on the proposals before making any application for consent. The advice contains guidelines that the department expects to be followed.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	Bruce Glockling, Head of Regeneration, Capital Works and Development	
Report Author	Prince Kamanda, Regeneration, Project Manager	
Version	Final	
Dated	9 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (For Housing contracts only)	No	No
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		9 March 2017

Item No. 17.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Southwark Regeneration in Partnership Programme Lot B Sites Appropriation	
Ward(s) or groups affected:		All Wards	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes	

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

Last year we set out how we would deliver 605 new homes on land currently held by the council as part of the Southwark Regeneration in Partnership Programme for 'Lot B' which are in the centre and south of the borough. This will deliver 283 new council homes, 94 intermediate homes and a range of other spaces including new workspace, space for a GP practice, improvements to a school, a new community centre and improve public realm.

To enable these new homes and other facilities to be delivered this report appropriates the land detailed in this report for planning purposes from their current purposes. This removes any injunctable rights over the sites and replaces them with compensatable rights.

RECOMMENDATIONS

That Cabinet:

1. confirms that the area of council-owned land edged black on the plan at Appendix 1, Car Park Site Copeland Road SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. confirms that the area of council-owned land edged black on the plan at Appendix 2, Peckham Library Square SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972, subject, in the case of two sites, to compliance by officers with the advertisement requirements of section 122(2A) of the Local Government Act 1972.
3. confirms that the area of council-owned land edged black on the plan at Appendix 3, Petrol Station, 233-247 Old Kent Rd SE1, and listed in this report is no longer required for the purposes for which it is currently held and

approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.

4. confirms that the area of council-owned land edged black on the plan at Appendix 4, Flaxyard Site Sumner Road SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972, subject, in the case of two sites, to compliance by officers with the advertisement requirements of section 122(2A) of the Local Government Act 1972.
5. confirms that the area of council-owned land edged black on the plan at Appendix 5, 21/23 Parkhouse Street SE5, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
6. confirms that the area of council-owned land edged black on the plan at Appendix 6, Angel Oak Academy, Longhope Close SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
7. confirms that the area of council-owned land edged black on the plan at Appendix 7, Land at Wyndam Road and Redcar Street SE5, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
8. confirms that the area of council-owned land edged black on the plan at Appendix 8, Sumner House, Sumner Road SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
9. confirms that the area of council-owned land edged black on the plan at Appendix 9, Fred Francis Centre, 269 Lordship Lane SE22, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.

10. confirms that the area of council-owned land edged black on the plan at Appendix 10, Wickway Community Centre, St. Georges Way SE15, and listed in this report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.

BACKGROUND INFORMATION

11. In July 2014, the council renewed its pledge to deliver a fairer future for all in Southwark in a set of 10 new fairer future promises as well as specific commitments, some of which include:
 1. Deliver value for money across all services
 2. Build more quality affordable homes of every kind across the borough
 3. Become an age friendly borough
 4. Improve standards across schools
 5. Provide enough places to offer young people and families, including those who are vulnerable, the right support
 6. Revitalise neighbourhoods
 7. Support local people into work
12. These promises are recognition of the need for new housing supply whilst improving existing housing, educational and health provision across the borough. The Southwark Regeneration in Partnership Programme (SRPP) has the potential to make a significant contribution to that objective.
13. A report to Cabinet on 27 January 2015 set out the aims and objectives for the SRPP to identify a number of council owned sites of varying size and development potential, which would be packaged to create viable opportunities for development and regeneration. These sites could be developed for a range of mixed use schemes, including housing that would maximise the utility and value of these assets by leveraging in the investment and expertise of established developers through a joint partnership.
14. A further report to Cabinet on 20 October 2015 approved the use of the Greater London Authority (GLA) London Development Panel (LDP) framework for the procurement of a development partner.
15. On 23 February 2016, a report to the Cabinet Member for Regeneration and New Homes approved the recommendation by the Director of Regeneration for the final blend of sites and tenure variations as detailed in Table 1. An asterisk next to a site name indicates a 'quick win' site, where the council submitted the planning application to expedite delivery.
16. On 20 September 2016, cabinet approved the contract award to the successful bidder as the development partner to deliver the SRPP Lot B sites.

Table 1: Lot B Sites

Site		Ward	Held By
1	Car Park Site Copeland Road SE15*	The Lane	Commercial Portfolio
2	Peckham Library Square Peckham High Street SE15*	Peckham	Commercial Portfolio
3	Petrol Station, 233-247 Old Kent Rd SE1*	Grange	Commercial Portfolio
4	Flaxyard Site Sumner Road SE15*	Peckham	Commercial Portfolio
5	21/23 Parkhouse Street SE5*	Faraday	Commercial Portfolio
6	Angel Oak Academy, Longhope Close SE15	Peckham	Education
7	Land at Wyndam Road and Redcar Street SE5	Camberwell Green	Commercial Portfolio (Finley Court – Housing)
8	Sumner House, Sumner Road SE15	Peckham	Commercial Portfolio
9	Fred Francis Centre, 269 Lordship Lane SE22	East Dulwich	Adult Social Care
10	Wickway Community Centre, St. Georges Way SE15	Peckham	Housing

*Quick win site

KEY ISSUES FOR CONSIDERATION

Development Partner Agreement

17. The proposed Development Agreement which will be entered into following further due diligence sets out the conditions to be met by the parties and the terms for the 250 year leases that will be granted to achieve the transfer. There is, however, one condition that cannot at this time be met by the council and that is providing vacant possession of Sumner House, Sumner Road, SE15. This can only be met when alternative office accommodation has been provided. This will be subject to a further report to cabinet. The extent of land to be transferred to the successful bidder at this time is set out at Appendix 8. Sumner House is shown hatched thereon and cabinet is recommended to agree to its temporary exclusion until alternative accommodation is provided when it will be subsequently transferred to the successful bidder.

Appropriations

18. The Development Agreement has provisions whereby the successful bidder can request that the council appropriates the sites to planning purposes; such a request has been made in respect of the land shown at Appendices 1-10. For the reasons set out below, the use of appropriation powers is considered to be justified in the circumstances.
19. The appropriation of land and buildings refers to the process whereby a council alters the purpose for which it holds land and/or buildings. Where land has been appropriated for planning purposes third party rights enjoyed over the land can

be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This gives developers of land certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on brownfield sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. Developers can either insure against such compensation claims or quantify them whereas the grant or even risk of an injunction may be fatal to development or result in perhaps significant unquantifiable costs.

20. The rationale for appropriating the land shown at Appendices 1-10 is set out in paragraphs 18-19 above, and cabinet is recommended to approve the appropriation.

Policy implications

21. The appropriation of the SRPP Lot B sites will facilitate the construction of the new development of 605 new homes, of which 283 will be council homes. This will help achieve the council's commitment to build 11,000 new council homes and to meet the policy objectives of the Peckham and Nunhead Area Action Plan and the emerging Old Kent Road Area Action Plan.
22. This also is in line with the other council objectives of a fairer future for all.

Community impact statement

23. The appropriation of the land known as the Fred Francis Day Centre will not impact its current use and service provision as vacant possession will not be sought until the new Centre of Excellence is completed and occupied.
24. Appropriation of land involves overriding the rights of third parties. However their rights are not extinguished, they are converted into a right to receive compensation for the loss of that right, rather than a right to seek an injunction to stop the interference with that right. Case law suggests that the overriding of a right that would otherwise be actionable at law may be an interference with human rights. In considering whether or not to appropriate land such that rights may be overridden it is necessary to consider the human rights of the person(s) whose rights are being overridden, and the proportionality of this. In the case of these sites, it is considered that the public interest in building new homes, a large proportion of which will be affordable and 283 of which will be council homes at social rents, outweighs the interference with private rights. More detail of the rights is set out in the appendices for each property.
25. The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty – 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 people who do not share it.

26. For the purposes 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. As the development of the sites proceeds, the council will routinely conduct equalities impact assessments and where necessary appropriate mitigation measures will be considered.

Resource implications

28. The resource implications of effecting the recommendation can be accommodated within the existing resource allocation for the wider project and delivery of the scheme.

Legal implications

29. See concurrent from director of law and democracy.

Financial implications

30. The cost to implement the proposed developments is being met by the council’s development partner and the schemes will be delivered in accordance with the development agreement referred to in paragraph 17. Some subsidy is required by the council in order to deliver the prescribed numbers of affordable homes. This is limited to £11.5m as agreed by cabinet on 20 September 2016.

31. The temporary exclusion of Sumner House from the land being transferred reduces the risk of any penalties that the council may have incurred for delayed transfer of land under the original development agreement. It also prevents delays in land receipts paid to the council.

32. The legislation provides that compensation for interference with rights is payable by the council. The agreement that the council has with the successful bidder provides that the council will retain the responsibility for payment of any compensation and accordingly it has not obtained an indemnity from the successful bidder.

33. Compensation for affected properties is assessed on the basis of the value of the property with the benefit of the right compared with the value of the property without the benefit of the right. An assessment of the likely levels of compensation has been undertaken and budgeted for as part of the wider budget for this project. The onus of proof to show any damage is on the party claiming to have suffered a loss.

34. As noted in Table 1, two of the sites (Wickway Community Centre and Land at Wyndham Road) are currently held in the Housing Revenue Account (HRA). When land is appropriated from the HRA a payment is required to offset debt financing costs which can no longer be charged under Housing subsidy rules.
35. Given that the proposed development on the HRA sites referred to above will deliver a net gain of affordable housing for the council there will, in fact, be a beneficial financial impact to the HRA following practical completion of the new units when the units will be handed back to the council.
36. The detailed budgetary position together with any requirement for a compensatory payment to the HRA is set out in the Strategic Director of Finance and Governance concurrent below.

Consultation

37. The SRPP Lot B quick win sites have been the subject of extensive community and stakeholder consultation. Three public consultation events took place for four of the quick win sites; the first presented initial proposals, the second presented revised proposals based on comments received and the third presented the final scheme for planning submission. The Peckham Library Square site had seven consultation events and used a CoDesign approach to developing the design. The five non quick win sites each had one public consultation event, with further consultation to be carried out by the successful bidder, the council's development partner.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

38. The report recommends the appropriation of council-owned land for planning purposes.
39. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
40. The land must already belong to the council. Paragraphs 1 – 10 of the report confirm that the land to be appropriated is in the council's freehold ownership.
41. The land must be no longer required for the purpose for which it is currently held. The report confirms in Table 1 which properties are held for which purposes. The agreement with the successful bidder provides that the properties are to be transferred with vacant possession. The properties will, when they are appropriated, no longer be required for the purposes for which they were previously held.
42. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 ("TCPA 1990") defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that

a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.

43. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plans to build new homes, of which many are affordable, is capable of falling within all three categories.
44. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.
45. S203 says :
 - “(1) A person may carry out building or maintenance work to which this subsection applies even if it involves
 - (a) interfering with a relevant right or interest...
 - (2) Subsection (1) applies to building or maintenance work where –
 - (a) there is planning consent for the building or maintenance work,
 - (b) the work is carried out on land that has at any time on or after the day on which this section comes into force
 - (i) become vested in or acquired by a specified authority or
 - (ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]
 - (c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and
 - (d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”
46. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work, and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
47. This report confirms that the works being done on the sites will be done in accordance with planning permissions, some of which have already been applied for.
48. Section 122 of the 1972 Act provides that where land consists or forms part of an open space then the council may not appropriate the land unless before doing so they cause notice of their intention to do so to be advertised for two consecutive weeks in a newspaper circulating in the area in which the land is situated, and

consider any objections to the proposed appropriation which may be made to them.

49. The sites at Flaxyard and Peckham Library Square form part of open spaces. Accordingly, before appropriating these sites, the council will advertise their intention to do so and will consider any objections which may be made.

Strategic Director of Finance and Governance FC16/044

50. This report seeks approval to appropriate the shaded land shown on the plans in Appendices 1-10 to planning purposes.
51. Sites 7 and 10 include land currently held for housing purposes, and therefore a debt transfer will need to take place. This debt transfer represents the transfer of the land asset (at market value) from the Housing Revenue Account (HRA) to the General Fund (GF).
52. The HRA land valuation indicates a modest reduction in debt charges to the HRA and compensatory increase to the GF costs. At a future date, should this land be re-appropriated back to housing a reversing debt transfer would take place which would reflect the market value of the land at the time of transfer.
53. The financial implications of the appropriation includes potential risk of compensation claims if a third party is found to have a right over the land (paragraphs 18/19 refer). The budget set out within the closed report GW2 Contract Award Approval: Southwark Regeneration in Partnership Programme Development Partner (20 September 2016 Cabinet) included a provision for such compensation payments.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 1 – Southwark Regeneration in Partnership Programme Procurement Approval (Cabinet - 20 October 2015)	Council Offices, 160 Tooley Street, SE1 2QH	Diana Hall 020 7525 7724
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5140&Ver=4 (Item 17)		
Gateway 2 – Contract Award Approval Southwark Regeneration in Partnership Programme Development Partners (Cabinet – 20 September 2016)	Council Offices, 160 Tooley Street, SE1 2QH	Diana Hall 020 7525 7724
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5373&Ver=4 (Item 17)		

APPENDICES

No.	Title
Appendix 1	Copeland Road Car Park site plan
Appendix 2	Peckham Library Square site plan
Appendix 3	Petrol Station, Old Kent Road site plan
Appendix 4	Flaxyard site plan
Appendix 5	Parkhouse Street site plan
Appendix 6	Angel Oak Academy site plan
Appendix 7	Wyndham Road and Redcar Street site plan
Appendix 8	Sumner House site plan
Appendix 9	Fred Francis Centre site plan
Appendix 10	Wickway Community Centre site plan

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Cabinet Member for Regeneration and New Homes	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Diana Hall, Housing Regeneration Manager	
Version	Final	
Dated	9 March 2017	
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		9 March 2017

TITLE.

Copeland Road Car Park, SE15. **APPROPRIATION EXTENT**



DRAWING No. LBS_3221(Layout2)

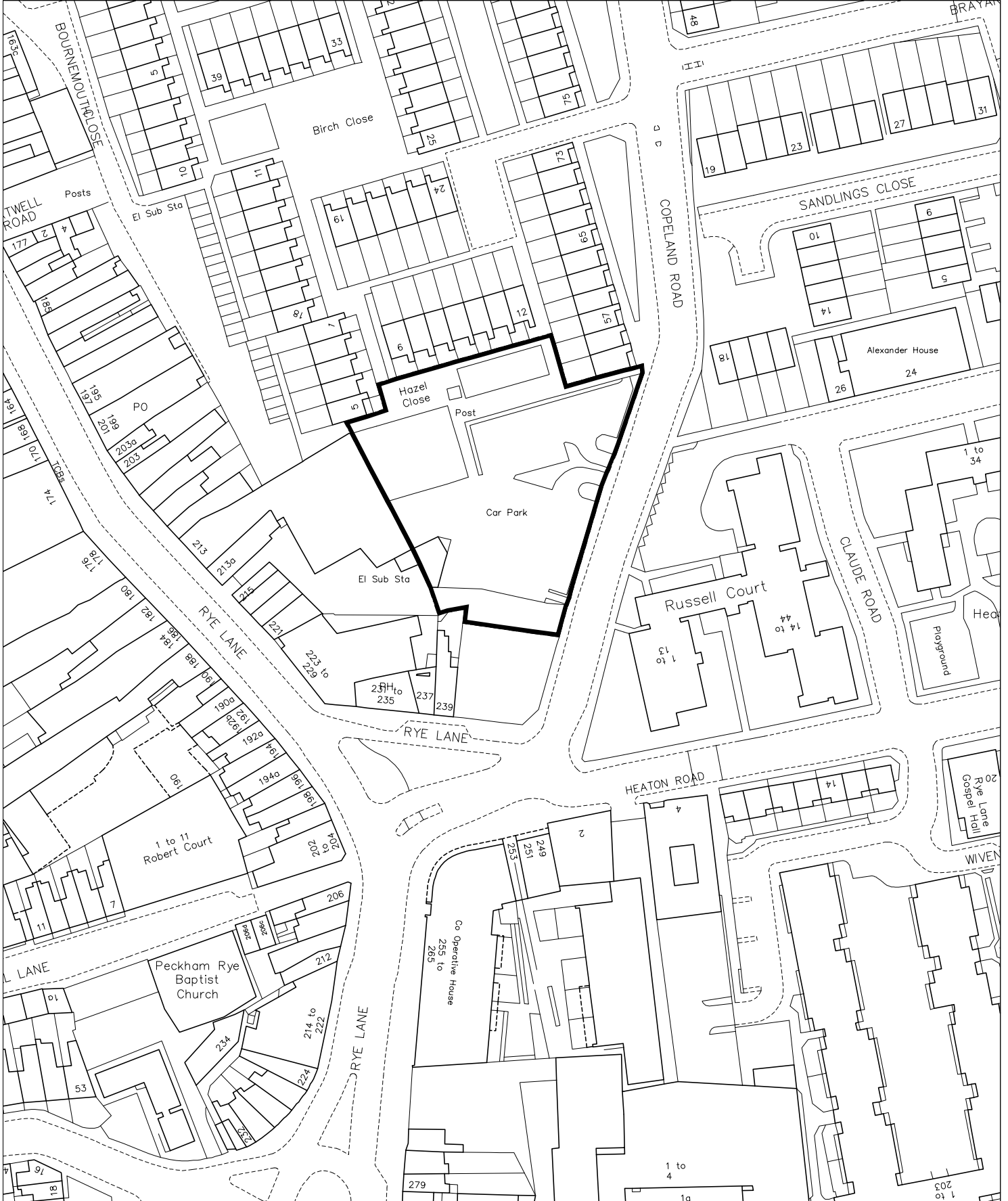
DRAWN BY. MMANKTELOW
Property Division

DATE. 2/2/2017

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TITLE.

Peckham Library Square, SE15.

APPROPRIATION EXTENT



DRAWING No. LBS_3404(Layout2)

DRAWN BY. MMANKTELOW
Property Division

DATE. 18/1/2017

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TITLE.

Petrol Station,
Old Kent Road, SE1.



DRAWING No. LBS_3220(Layout2)

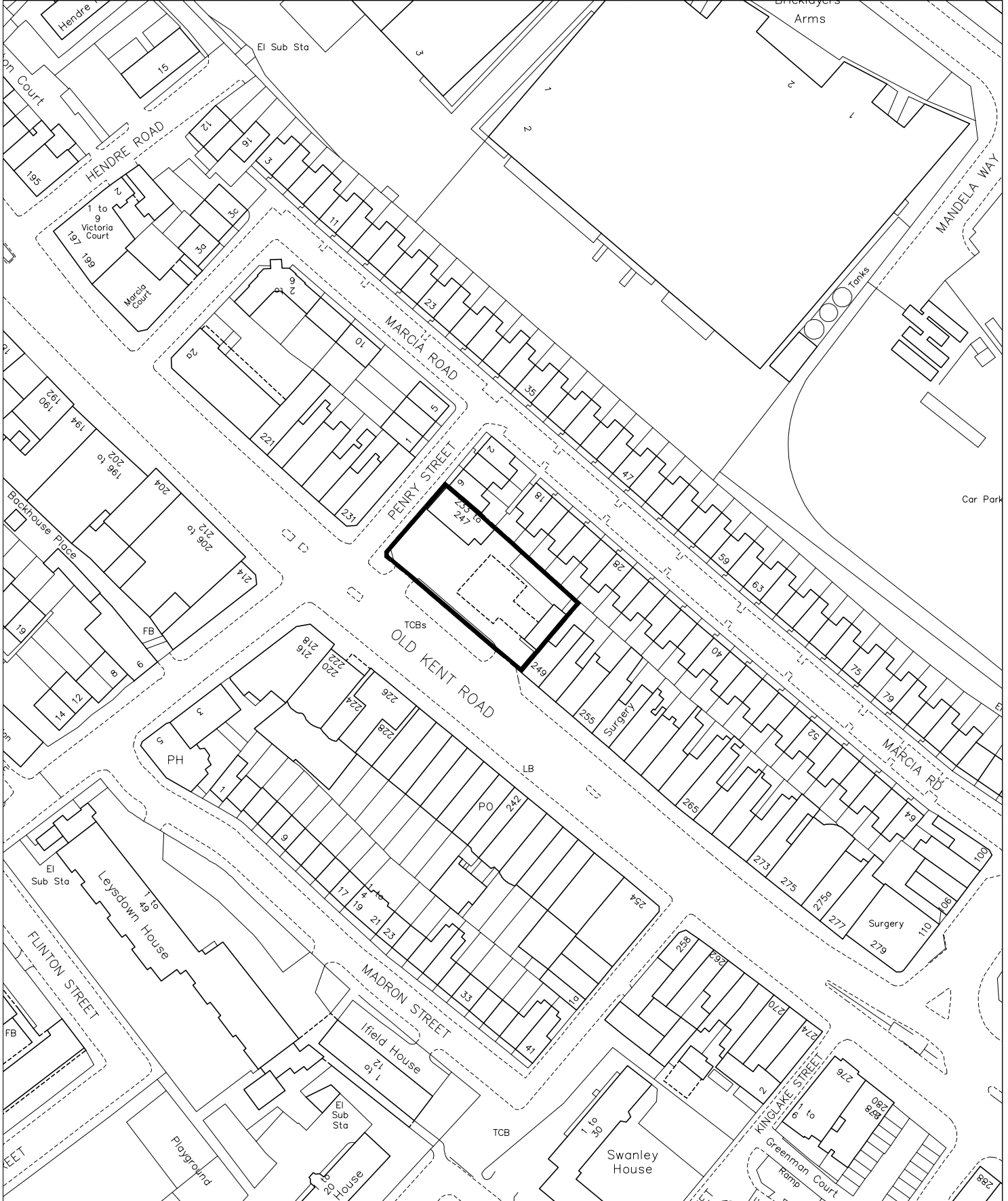
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Property Division

DATE. 18/1/2017

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TITLE.

Flaxyards.

APPROPRIATION EXTENT



DRAWING No. LBS_3247(Layout2)

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Property Division

DATE. 8/3/2017

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TITLE.

Parkhouse Street, SE5 7TQ.

APPROPRIATION EXTENT



DRAWING No. LBS_3548(Layout2)

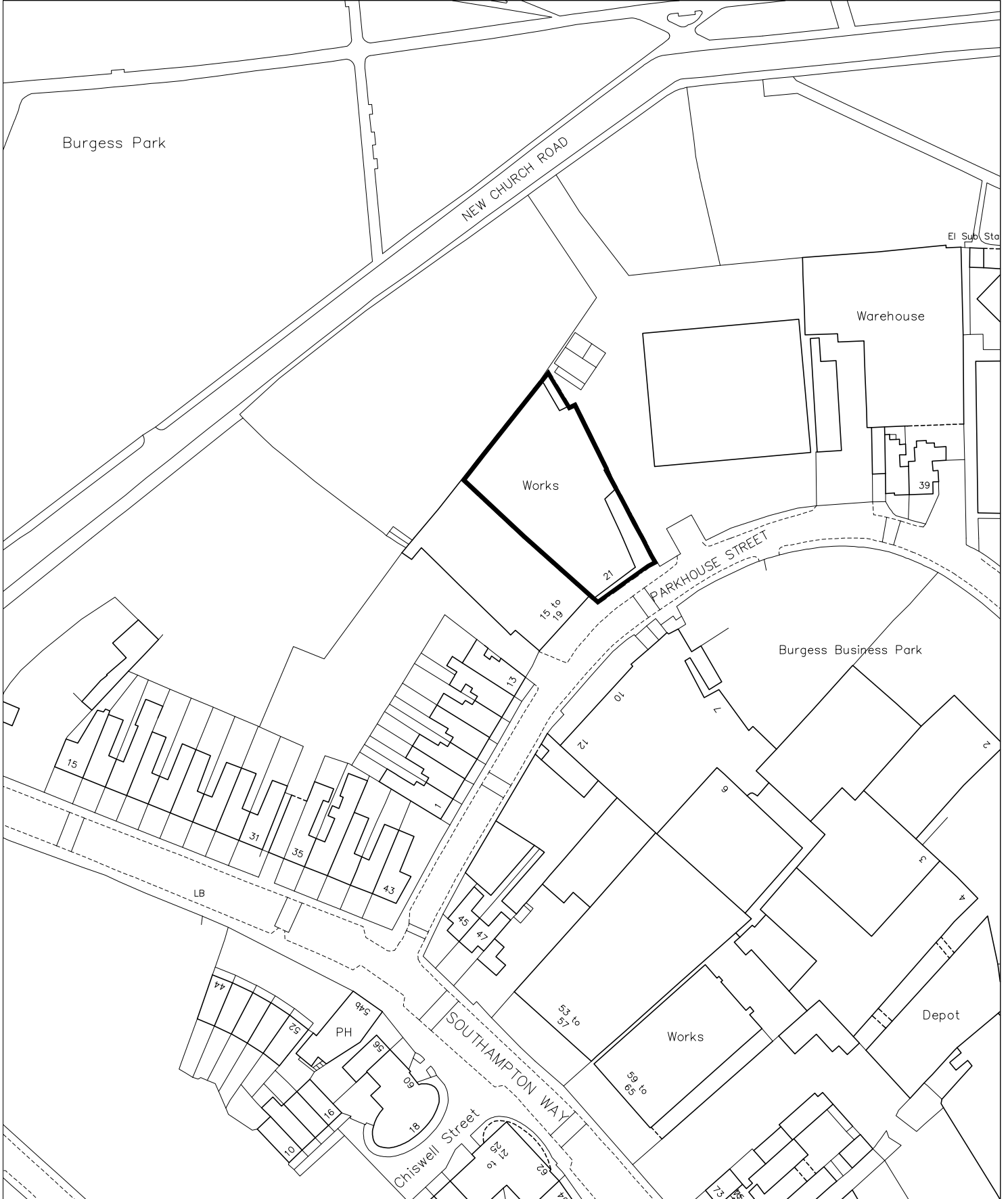
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Property Division

DATE. 7/2/2017

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TITLE.

Angel Oak Academy.

APPROPRIATION EXTENT



DRAWING No. LBS_3294(Layout2)

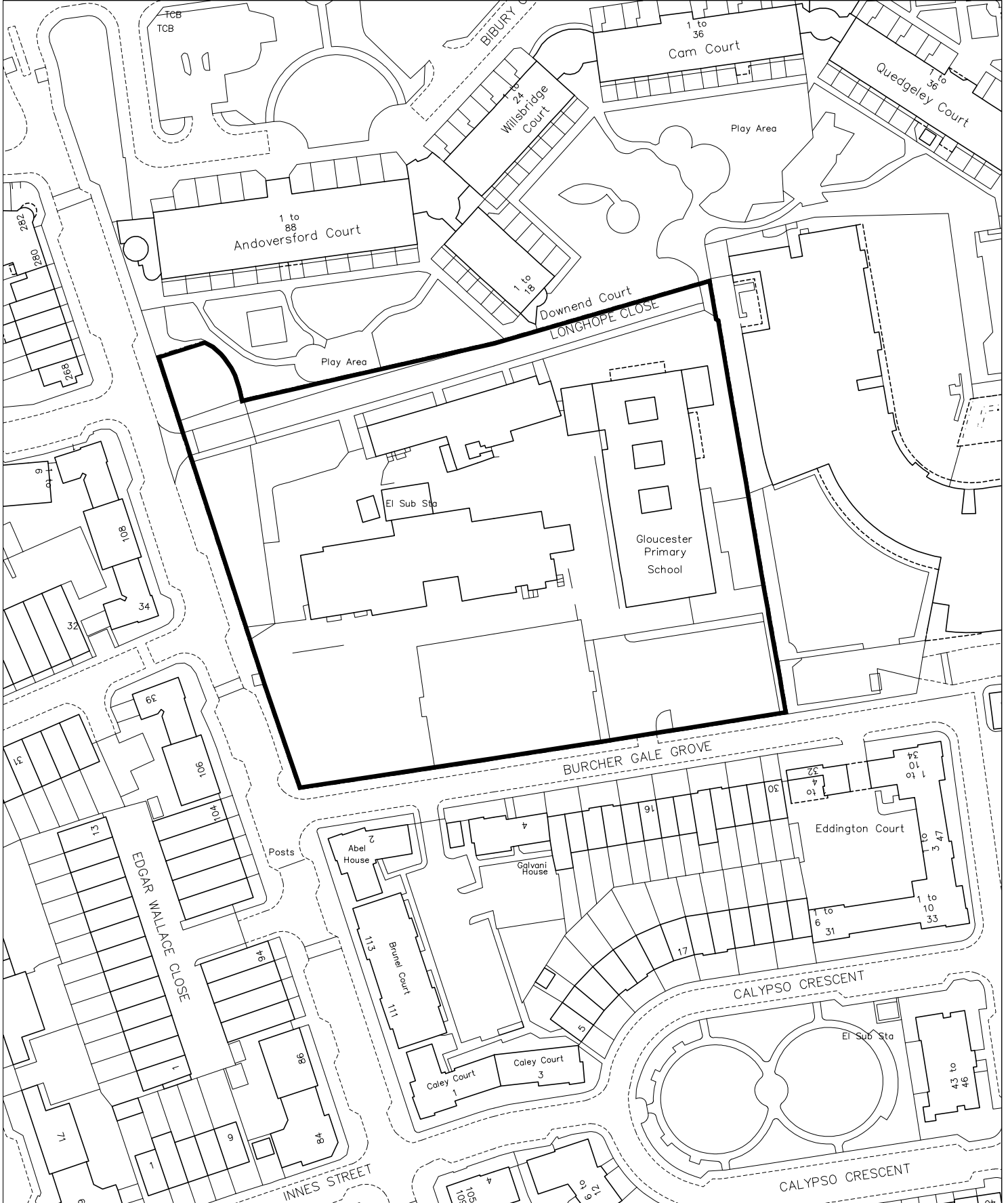
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Property Division

DATE. 7/2/2017

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TITLE. **Wyndham Road & Redcar Street. APPROPRIATION EXTENT**



DRAWING No. LBS_3246(Layout2)

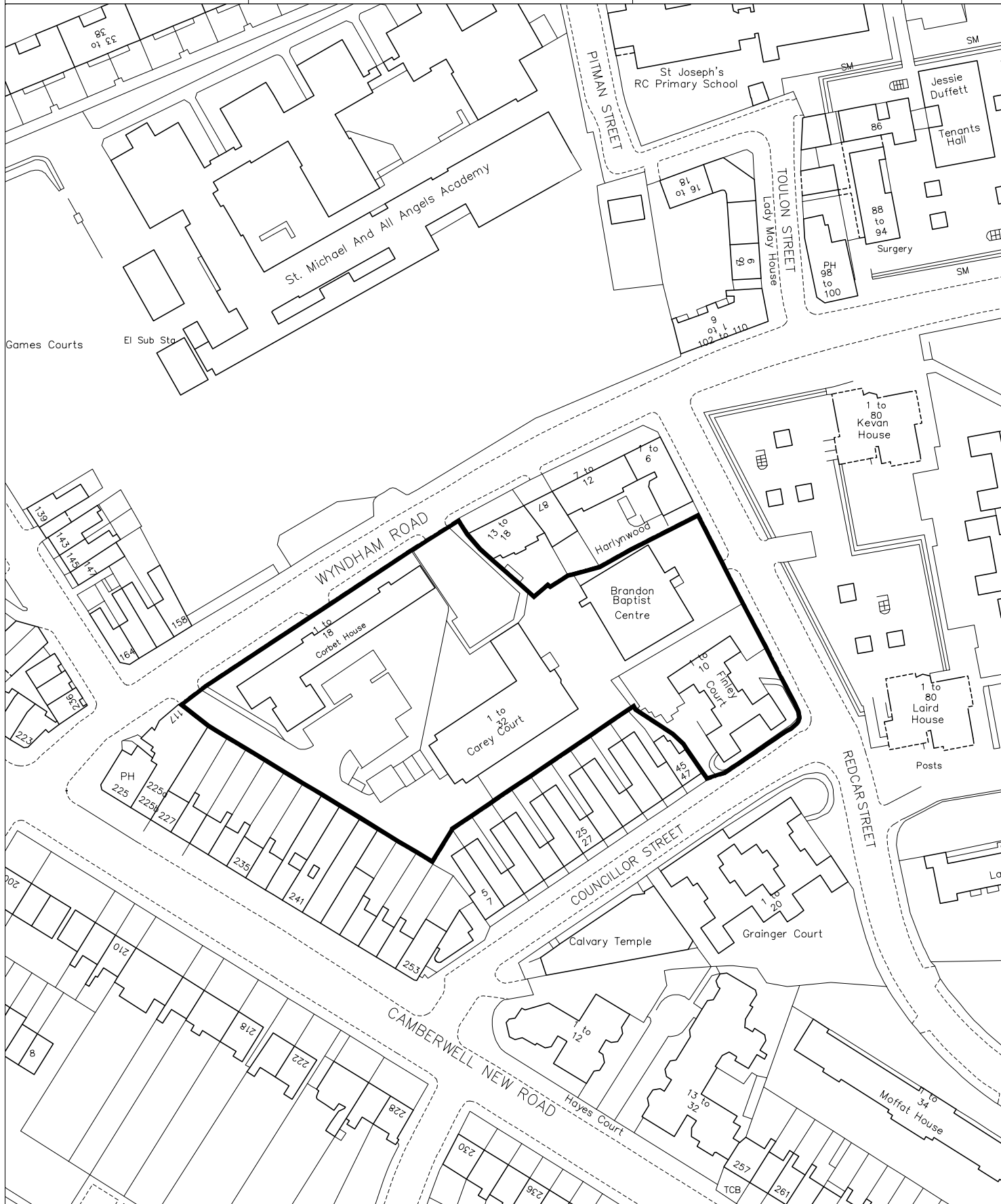
DRAWN BY. MMANKTELOW
Property Division

DATE. 18/1/2017

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TITLE.

Sumner House,
Sumner Road, SE15.



DRAWING No. LBS_3261(Layout2)

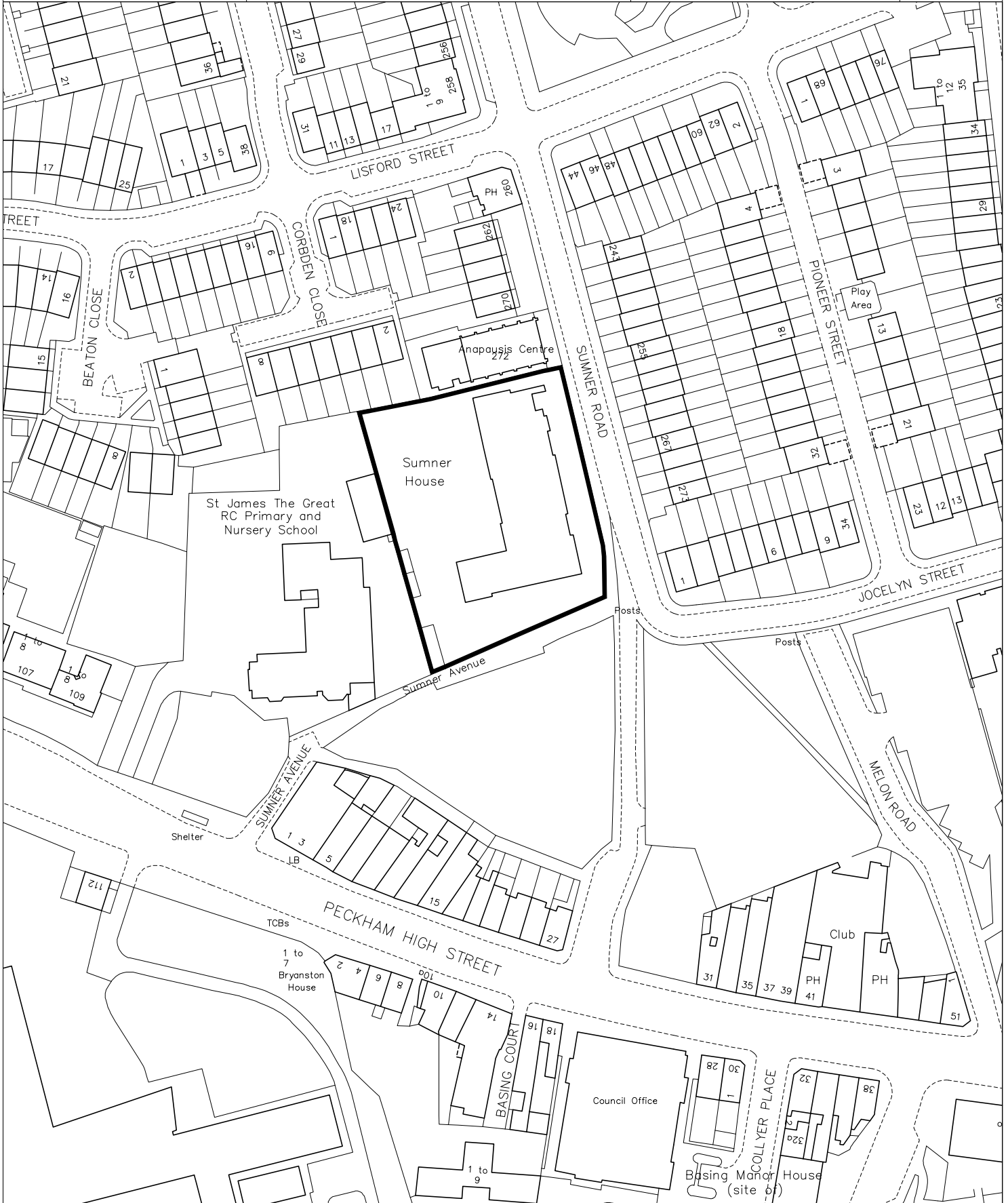
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TITLE.

Fred Francis,
Lordship Lane, SE22 8JG.

DRAWING No. LBS_3242(Layout2)

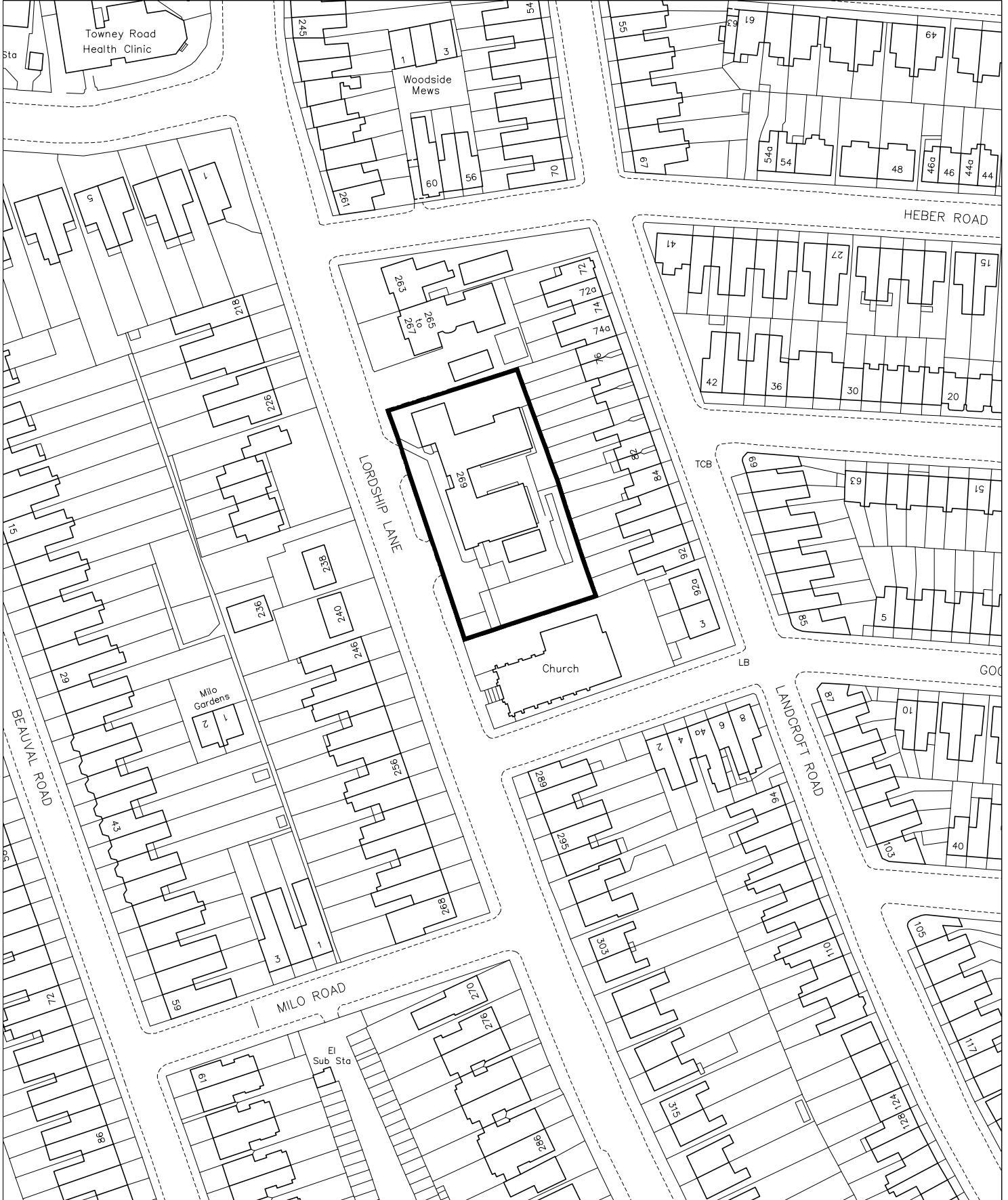
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DATE. 18/1/2017

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TITLE.

Wickway Community Centre,
Cator Street / St. George's Way, SE15.

APPROPRIATION EXTENT



DRAWING No. LBS_3245(Layout2)

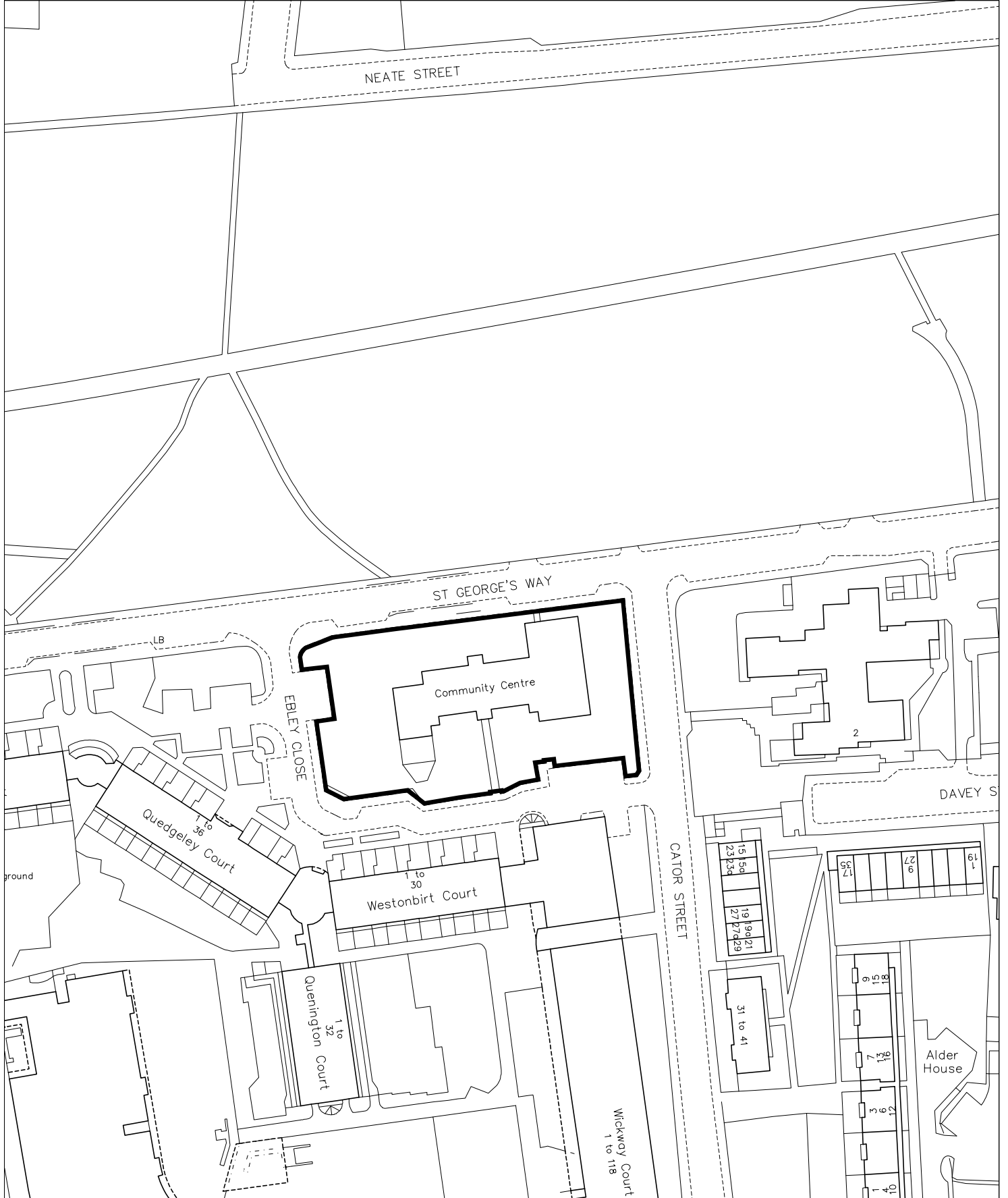
DRAWN BY. MMANKTELOW
Property Division

DATE. 18/1/2017

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Item No. 18.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		57 Elliotts Row, SE11, 9 Faunce Street, SE17, 24 Woodwarde Road SE22 – Disposal of Freehold interests	
Wards affected:		Cathedrals, Newington and Village	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This report proposes the sale of the council's freehold interest in three properties which are anticipated to have a value of more than £750,000 each. If not sold the properties would require expenditure of more than £90,000 each to bring them to a lettable standard.

The capital receipts from these sales are earmarked for the housing investment programme to help finance the building of new council homes and upgrades to existing council homes.

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

RECOMMENDATIONS

That the cabinet authorises

1. The head of property to dispose of the council's freehold interest in 57 Elliotts Row SE11, 9 Faunce Street SE17, 24 Woodwarde Road SE22 (the "Properties"), for a sum that equates to the market value of the individual properties.
2. The earmarking of the capital receipts for the purposes of funding the Housing Investment Programme.

BACKGROUND INFORMATION

3. On 17 March 2009 the then executive received a report from officers entitled 'Capital income generation for the Housing Investment Programme and Hidden Homes'. Amongst the recommendations of this report the Executive noted the funding gap to meet its investment needs for its housing stock, to deliver a Southwark Decent Homes Standard for all tenanted homes. Further to this the Executive noted the considerations for different funding options which were identified in the April 2008 Executive report (Southwark's Decent Homes Standard), and agreed the disposal of empty homes (voids) – in line with paragraphs 16-25 of the March 2009 report.

4. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.
5. In July 2014 cabinet reviewed the voids policy and revised the criteria for disposal. Specifically to increase the threshold for disposal of void properties valued at £300,000 to £500,000. With the additional proviso that such properties be backed by one further category.
6. The properties have been identified as suitable for disposal as they meet the value requirements of the amended criteria, i.e. it is considered that the properties each have a value in excess of £750,000.
7. 57 Elliotts Row, SE11 is a mid-terraced three storey Victorian house, 9 Faunce Street SE17 is similarly arranged, 24 Woodward Road, SE22 is a semi detached Edwardian two storey house currently arranged as two self contained flats. All three properties require comprehensive refurbishment internally and externally and have been identified as being 'uneconomic to repair.' The works costs have been estimated by a quantity surveyor to be upwards of £93,000 per property. The properties are identified in bold outline on the attached Ordnance Survey extracts at Appendix 1.
8. The properties are currently empty and are at further risk of deterioration and trespass.
9. The properties are held in the housing revenue account (HRA).
10. Authority to sell is delegated to the head of property in individual cases where the sale price is below £750,000. The sale price of the Properties will exceed this limit and cabinet approval is therefore required.
11. The properties have been declared surplus to the council's requirements by the director of regeneration on the 18 October 2016, except for 57 Elliotts Row, SE11 which was similarly declared surplus on the 19 August 2016.

KEY ISSUES FOR CONSIDERATION

12. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the Properties will comply with these requirements.
13. It is considered that due to the current condition and associated structural problems found at the properties, a sale by auction to be the most appropriate method of sale in this instance. The auction route is also quick and transparent. Prior to the auction for each of the Properties a suitable reserve price representing market value will be agreed by the head of property in consultation with the auctioneer. A sale will only proceed if the reserve price is met or exceeded.

14. The sale of the properties to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.
15. This report recommends that the receipts from the sale of the properties be earmarked for the housing investment programme.
16. The Housing and Planning Act 2016 contains sections setting out the Government's intention to require local authorities to remit sums to them equivalent to the value of sales of higher-value void properties. The Department of Communities and Local Government (DCLG) 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.
17. Whilst an indicative matrix of trigger points by bed-size and region beyond which the definition of "higher value" was published during the 2015 general election campaign, councils were anticipating the publication of regulations setting out the formal operation of the process during autumn/winter 2016. However, in late November 2016 DCLG indicated that since the voluntary right-to-buy extension has been supplanted as a policy priority by the need to prepare for the United Kingdom's exit from the European Union, the policy has been formally postponed to some future date. The sale of the Properties recommended for disposal will therefore not be subject to the requirements of the Housing and Planning Act 2016.

Policy implications

18. The disposal of the Properties will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the Council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the current Southwark Housing Strategy adopted in 2015.
19. The disposal of the Properties is consistent with the recommendations contained within the report considered by Executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'. This policy was further endorsed by the 31 May 2011 Cabinet report which noted the progress made to date and resolved to continue and extend the void strategy. More recently in July 2014 Cabinet revised the value threshold for disposal and introduced the need for an additional criteria to trigger a disposal.

Effect of proposed changes on those affected

20. The sale of properties within the HRA stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains through the Hidden Homes programme and investment to retained stock, especially where decent homes have not yet been delivered.

21. Increased investment into Southwark's stock to provide warm, dry and safe homes will have a positive impact on disadvantaged and minority communities, who are statistically more likely to be council tenants than the general population as a whole.

Community impact statement

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

Resource implications

24. This report recommends the disposal of the Properties on the open market for a sum that equates to the individual market values of the properties. The Properties have been declared surplus to the council's housing requirement.
25. The HRA rent budget for 2016/17 allows for stock loss through void sales and we have requested that CLG take these into account in setting our self-financing debt level for 2017/18 onward. There is a loss of rental income for these properties in 2016/17. There are no current recurring costs.
26. As these properties are being disposed of under the void strategy, set out in the report to Executive on 17 March 2009 and endorsed and extended at cabinet on 31 May 2011 and 22 July 2014, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the Housing Revenue Account of this strategy.
27. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
28. There are no other risks or costs involved.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

29. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 is a pre-commencement statute which imposes limitations on the Council's power of disposal.
30. As the properties fall within the Council's Housing Portfolio, the disposals can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.

31. A number of General Consents have been issued in the General Housing Consents 2013.
32. Consent A3.1.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985-2013 enables a local authority to dispose of land for a consideration equal to its market value subject to exceptions in paragraph A3.1.2. The exceptions in paragraph A3.1.2 are disposals to a body owned or partly owned by the local authority, disposals that fall into a separate consent for reversionary interests in houses and flats and disposals that would result in a local authority tenant becoming the tenant of a private landlord.
33. The report also confirms in paragraph 11 that the properties were declared surplus to the council's requirements on the 18 October 2016, except for 57 Elliotts Row, SE22 which was declared surplus on the 19 August 2016.

Strategic Director of Finance and Governance (FC16/029)

34. This report is requesting cabinet to authorise the head of property to dispose of three properties on the open market as detailed in the report.
35. The strategic director of finance and governance notes that the properties have been declared surplus and the capital receipts generated from the disposal will be recycled into the council's housing investment programme.
36. The financial implication section also explains that the loss of rental income from the disposal has been considered as part of the housing revenue account budget setting process.
37. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	OS plans, 57 Elliotts Row, SE11 - highlighted in bold
Appendix 2	OS plans, 9 Faunce Street, SE17, - highlighted in bold
Appendix 3	OS plans, 24 Woodward Road, SE22 - highlighted in bold

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Paul Davies, Principal Surveyor	
Version	Final	
Dated	9 March 2017	
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	9 March 2017	

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TITLE.

57 Elliott's Row, SE11 4SZ.



DRAWING No.

LBS_3471

DRAWN BY.

MMANKTELOW
Property Division

DATE.

11/8/2016

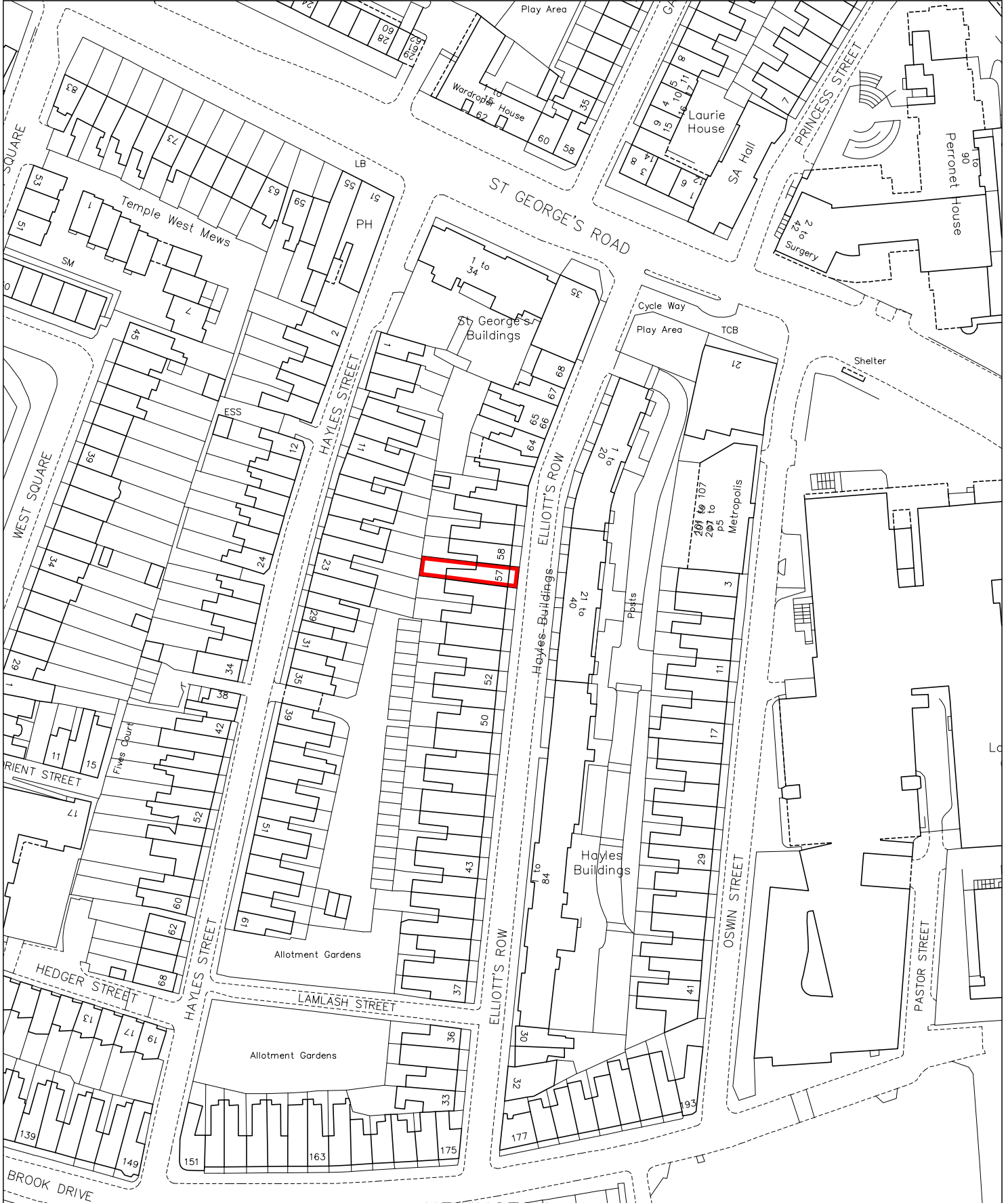
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TITLE.

9 Faunce Street, SE17 3TR.



DRAWING No.

LBS_3535

DRAWN BY.

MMANKTELOW
Property Division

DATE.

4/1/2017

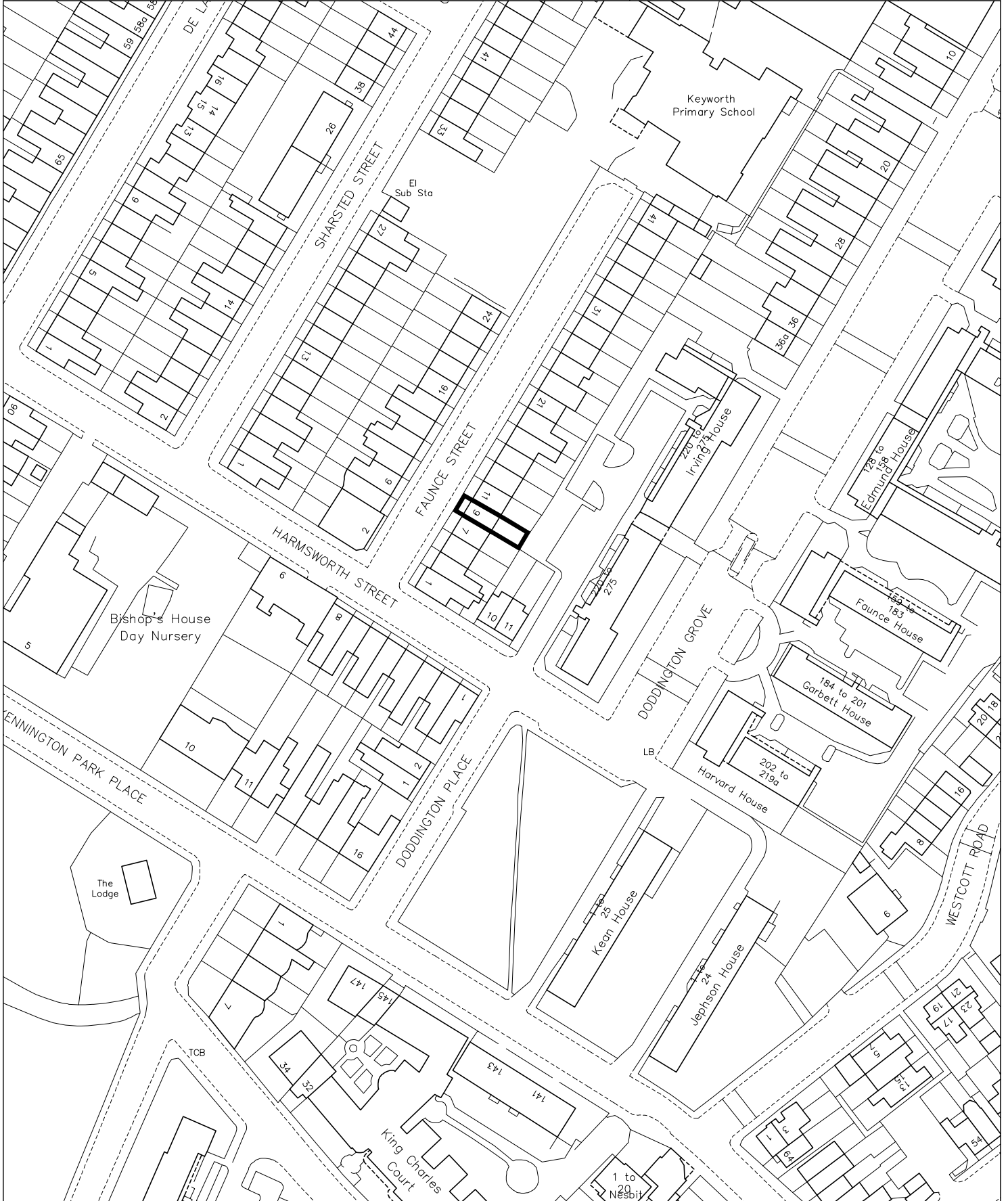
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TITLE. 24 Woodwarde Road, SE22 8UJ.



DRAWING No. LBS_3536

DRAWN BY. MMANKTELOW
Property Division

DATE. 4/1/2017

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Item No. 19.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Agreement of the Heads of Terms for the grant of a long leasehold interest in refurbished space to be provided at Maydew House and surrender of premises at Abbeyfield Road, SE16	
Ward(s) or groups affected:		Rotherhithe	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

I'm delighted to bring forward this report which takes forward our long-standing ambition to deliver a new home for the Bede Centre as part of the regeneration of Maydew House.

Bede are a key community partner for us and this agreement will see them move into bigger and better premises on the ground and first floor of Maydew House. The agreement also releases their current premises. This site has the potential for the development of approximately 90 new homes, the majority of which will be council homes.

RECOMMENDATIONS

1. That cabinet approves the grant of a 125-year lease of refurbished space to accommodate the Bede Centre at Maydew House, SE16.
2. That Bede surrender their existing lease on the premises in Abbeyfield Road.
3. That cabinet delegate authority to the head of property to conclude the detailed terms of the grant of the 125-year lease.

BACKGROUND INFORMATION

4. This report recommends the relocation of the Bede Centre, which currently occupies premises adjacent to Maydew House, into a new facility on the Ground and First floors of Maydew House. The location of both premises is shown on the plan in Appendix 1.
5. Bede's current premises are of 1970's construction, design and build quality and whilst broadly fit for purpose are approaching the end of their useful life. The Council owns the freehold and has granted a lease to Bede.
6. A programme of refurbishment and development works to Maydew House offers a unique opportunity for the relocation of the Bede Centre into better premises without any significant change in location. Importantly for the council it will also facilitate the early release of development site for the delivery of Affordable Housing.

7. Bede has operated a community facility from their current premises since the early 1970's and has been active in Bermondsey and Rotherhithe since 1938. They are a local community charity which provide support and services in the following areas; Learning Disabilities, Youth Work, Starfish Domestic Violence Project and Community Engagement. Relocation of the Bede Centre to adjacent, new, better and larger premises at Maydew House will allow Bede to continue this work within the local community with a minimum of disruption to the services they offer.
8. Bede have been involved with the design of the new facility which offers new, larger and higher quality fitted out space at Maydew House which is adjacent to their current premises on Abbeyfield Road, SE16.
9. Maydew House is held in the Housing Revenue Account (HRA), the space proposed to be let to the Bede Centre remains to be declared surplus to operational requirement.

KEY ISSUES FOR CONSIDERATION

10. The works to Maydew House were detailed within the approved 13 December 2016 cabinet report "Gateway 1: Procurement Strategy Approval Abbeyfield Estate HINE (Maydew House) Works". This includes cost provision for the new facility proposed to be used by the Bede Centre on the Ground and First floors.
11. A planning application for the Maydew House works and refurbishment inclusive of the refurbished ground and first floor space has been submitted and is under going the validation process of the planning department
12. The refurbishment and works to Maydew House are currently estimated to be completed by August 2021.

Policy implications

13. The Southwark Housing Strategy to 2043 targets the delivery of 11,000 new Council Homes by 2043, the relocation of the Bede Centre facilitates the early release of Council owned site which will be used for the delivery of Social Housing.
14. In November 2016 cabinet agreed the Southwark Voluntary and Community Sector Strategy 2017-2022. The course of action recommended with regard to Bede is fully consistent with the objective of building a sustainable, confident and resilient voluntary and community sector.

Community impact statement

15. Local people that benefit and use Bede's services will experience minimum disruption as The Bede Centre will continue operating from their current premises until the new facility at Maydew House is ready for occupation. Upon completion of lease in the new premises The Bede Centre will be able to continue offering their services to the local community for the next 125 years.
16. Refurbishment of the ground and first floor at Maydew House will happen within the construction programme for the wider refurbishment and works at Maydew

House, it will not cause additional inconvenience to local residents.

Resource implications

17. The cost of works for refurbishing and fitting out the ground and 1st floor of Maydew House proposed to be let to the Bede Centre has been accounted for in the total cost of the refurbishment and works to Maydew House. The procurement of the work was agreed at cabinet on the 13 December 2016 as part of the Maydew House works and refurbishment.

Legal Implications

18. Head of property is satisfied that the terms agreed represent Market Value, allowing for the cost of delivering the new accommodation, the premium agreed, and the benefit of obtaining early possession of the existing Bede site.
19. The Trustees of Bede have been represented by a chartered surveyor in negotiations with council property officers and are satisfied that the deal agreed meets their obligations under Section 119 of the Charities Act 2011.

Consultation

20. The following consultation has taken place concerning the refurbishment and development works at Maydew House of which space for the Bede Centre is part: Local residents will be consulted at each stage of proposals. Ward Councillors are being fully briefed prior to any public consultation and their comments and feedback incorporated in any initial proposals. Council officers will meet with tenant and resident association (T&RA) groups following Councillor briefings.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

21. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 and Section 120 of the Local Government Act 1972 are pre-commencement statutes which impose limitations on the Council's power of disposal and acquisition.
22. As the property falls within the Council's Housing Portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
23. A number of general consents have been issued in the general housing consents 2013.
24. Consent A3.1.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985-2013 enables a local authority to dispose of land for a consideration equal to its market value subject to exceptions in paragraph A3.1.2. The exceptions in paragraph A3.1.2 are

disposals to a body owned or partly owned by the local authority, disposals that fall into a separate consent for reversionary interests in houses and flats and disposals that would result in a local authority tenant becoming the tenant of a private landlord.

25. The report confirms that the transaction represents market value.
26. The disposal is conditional upon a declaration of surplus being obtained.
27. Section 120 of the Local Government Act 1972 states that a principal council may acquire by agreement any land, whether situated inside or outside of that area for the purposes of:
 - (a) any of their functions under that or any other enactment; or
 - (b) the benefit, improvement or development of their area;
28. Section 120(2) states that a principal council may acquire land for any purpose for which they are authorised by that or any other enactment to acquire land, notwithstanding the land is not immediately required for that purpose and until it is required for the purpose for which it is granted, any land acquired will be used for the purpose of any of the council's functions.

Strategic Director of Finance and Governance (FC16/045)

29. This report is requesting cabinet to approve the grant of a 125 year lease of refurbished space to accommodate the Bede Centre at Maydew House, SE16.
30. The strategic director of finance and governance notes that Bede will surrender their existing lease on the premises in Abbeyfield Road as part of the relocation arrangement and this will facilitate the early release of the development site for the delivery of Affordable Housing.
31. It is also noted that the costs of the refurbishment will be contained within the overall Maydew refurbishment costs budgeted within the Housing Investment Programme.
32. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

Strategic Director of Housing and Modernisation

33. The new refurbished space in Maydew House offers an opportunity for a new community resource and allows the release of land to help the council achieve its aims to deliver new council homes.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 1: Procurement Strategy Approval Abbeyfield Estate HINE (Maydew House) Works	Constitutional Team 160 Tooley Street SE1 2QH	Constitutional Team
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5376&Ver=4 (Item 17)		

APPENDICES

No.	Title
Appendix 1	Maydew House and Bede Centre location plan

AUDIT TRAIL

Cabinet Member	Councilor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Toby Sowter, Surveyor	
Version	Final	
Dated	9 March 2017	
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
Strategic Director of Housing and Modernisation	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	9 March 2017	



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Item No. 20.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Commercial Property Portfolio: Addition of Income Generating Assets	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This year the total income receivable from the Council’s commercial property portfolio is £11.65m. This is a vital source of income to support council services. However, this income has reduced by £2m over recent years as a number of sites have been either sold to help finance the capital programme or redeveloped to deliver new council homes.

An opportunity has arisen to add to our portfolio by purchasing three commercial properties in the borough. Having carefully assessed the capital value, income yield, financing costs and risks I am recommending the Cabinet approves the purchase of these buildings.

In this period of decreasing government funding for council services, this capital investment will generate much needed additional income into the general fund revenue budget and help support the delivery of our highly valued public services.

RECOMMENDATIONS

1. That Cabinet:
 - 1) Note the circumstances leading to the proposed acquisition of the freehold interests in three commercial properties and actions and investment due diligence undertaken by officers and their advisors:
 - 2) Approve the acquisition of the freehold interests in the three properties, and all related costs.
 - 3) That the cabinet delegate to the Chief Executive, advised by and in consultation with the Strategic Director of Finance and Governance and Head of Property, authority to:
 - a. Complete the purchase of the freehold interests in the assets;
 - b. Agree detailed transactional terms pursuant to the Heads of Terms;
 - c. Agree the financing structure to be adopted to fund the acquisition of the assets.

BACKGROUND INFORMATION

Income from the commercial portfolio

2. Rent from commercial property assets is a crucial funding source for council services. The nature, management and performance of the council's portfolio has been extensively reviewed over recent months; culminating in Cabinet giving its approval for a new Asset Management Plan for commercial property in December 2016.
3. Over the last four years, despite continuing improvement in the underlying rents obtainable from individual assets revenues have fallen by approximately £2 million, or 15%.
4. The cause lies in the release of assets in to other initiatives; to generate capital receipts, or otherwise into regeneration, Southwark Regeneration in Partnership Programme and Direct Delivery schemes to deliver a range of corporate priorities. Other significant reductions are expected to take place in the short to medium term.
5. Although a limited number of new income generating assets may be created through regeneration, appreciating that it is not the primary objective of these programmes to provide new commercial properties, officers have looked for other opportunities to replenish the diminishing asset base and incomes derived from it.

KEY ISSUES FOR CONSIDERATION

6. An opportunity has been identified to acquire an established portfolio consisting of three freehold, multi-let office/studio buildings, situated in the London Bridge area.

Sale process

7. The portfolio has been actively marketed through a competitive process by the seller's agents.
8. The council's offer for portfolio has been accepted in principle by the vendor. This is subject to formal approvals, and subject to exchange of legally binding contracts on or before the 28 March 2017. The vendor has issued completed Heads of Terms and the council and seller have entered in to a period of exclusivity to enable completion of the transaction within the timescale specified, if cabinet is agreeable.
9. Officers have commissioned full due diligence work in the acquisition to commence, including legal and building survey reports.

Financial due diligence and the council's bid

10. In advance of bidding, the investment opportunity and viable bid level was reviewed by independent property advisors who specialise in the acquisition and disposal of Investment property and are advising the council in this transaction.

11. The council's bid is supported by investment valuations undertaken by the council's advisors in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation Professional Standards ("the Red Book").
12. The purchase will provide a commercial return to the council as part of its property portfolio. The rationale for the council to invest can be summarised as follows:
 - An established income stream;
 - A favourable yield, which will be significantly above financing costs and interest rates for money on deposit;
 - Asset management opportunities to increase rents in the short to medium term;
 - Poorer quality assets released into other initiatives mentioned previously will be replaced by significantly better ones in investment terms.
13. As with any investment there is risk. However the central London property market is perceived to be relatively resilient in times of uncertainty. In acquiring this portfolio there is future investment and strategic potential in an attractive and regenerating location, close to London Bridge Station, More London, Bermondsey Village and Tower Bridge / Butlers Wharf.

Community impact statement

14. In formulating the recommendations of this report the potential impact on the Community has been taken into account, including people identified as having protected characteristics. No specific equality implications have been identified in relation to this report.

Policy implications

15. The holding of investment property to generate income, which in turn is used to fund council services pursuant to agreed policies, is consistent with the new Asset Management Plan for commercial property agreed by Cabinet in December 2016.

Financial Implications

16. The financial implications for the council from this prospective purchase are contained in the closed version of this report.

Consultation

17. In view of confidentiality requirements and commercial sensitivity in relation to this as yet uncompleted transaction external, consultation has not been undertaken. Internal consultation has taken place with all relevant departments, including the provision of advice from Director of Law and Democracy and Strategic Director of Finance and Governance.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

18. The Council is authorised in accordance with section 120(1), Local Government Act 1972 to acquire any land by agreement for the purposes of (a) any of its statutory functions, or (b) for the benefit, improvement or development of its area. Further, section 120(2) allows the Council to acquire land even though it may not immediately be required for a particular purpose.
19. External legal advisers have been instructed to undertake a legal due diligence report on behalf of the Council and this will be appended to the report. This will comment and advise on contract and title issues, the costs which will be incurred in the purchase and on the transaction generally.

Strategic Director of Finance and Governance

20. The financial implications are contained in the closed version of this report and demonstrate a financial benefit to the council both in the short and longer term from this purchase, regardless of the method of financing the acquisition.
21. This acquisition will allow the council to efficiently utilise existing resources and available external borrowing options to generate a secure source of ongoing funding, without exposing the council to undue risk.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		-

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Matthew Jackson, Head of Property	
Version	Final	
Dated	10 March 2017	
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/ Team	10 March 2017	

Item No. 21.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Authorisation of Debt Write-off over £50,000 for Chief Executives Department, Commercial Rent	
Ward(s) or groups affected:		All	
Cabinet Member		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

It is good financial practise to ensure that our accounts accurately reflect the council's financial position and that includes being realistic about the possibility of collecting money owed to the authority. If the fact is that we will not be able to recoup a debt we should write it off as uncollectable rather than inaccurately showing it as money we will eventually receive.

In this case significant rent arrears built up on a commercial property and the tenant was evicted. Following checks with Charity Commission it appears the charity do not have any assets whatsoever and their finances are in the red. Our litigation team have advised not pursue the matter as it is extremely unlikely to recovery any monies and as such I am recommending that we write-off this debt.

RECOMMENDATIONS

1. That approval is given for the write off of £69,316.79 for one debt.
2. That cabinet advise any further action they require on any write-off not agreed within this report.

BACKGROUND INFORMATION

3. Under the council's constitution write-off of debts of £5,000 up to £50,000 has been delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers. Write-off of any debt of £50,000 or over must be referred to cabinet for authorisation.
4. There are a number of key reasons why the council may wish to write-off a debt. These are :
 - The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.

- The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
- There has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
- The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
- The debtor is deceased and there is no likely settlement from the estate or next of kin.
- Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.

KEY ISSUES FOR CONSIDERATION

Policy implications

5. The proposed write-off set out in this report is recommended in accordance with the council's agreed write-off policies and procedures in accordance with the list in paragraph 4 above.

Community impact statement

6. All write-offs are considered with due regard to any potential community impact and on their own merits. This decision has been judged to have no or a very small impact on local people and communities

Resource implications

7. The cost of writing-off the commercial rent debt will be contained within the bad debt provisions held within the HRA.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law & Democracy

8. This report recommends that the debt be written off in accordance with the council's procedure on debt write off.
9. The report has set out circumstances whereby debts can lawfully be written off by the council and these include circumstances when a debtor has gone bankrupt, the debt is time barred, where the debtor is deceased or gone away or where the debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt. In such circumstances to pursue the debt would be very difficult and costly exercise with little or no chances of success.

10. The approval of write-offs of any debt over £50,000 must be referred to cabinet for authorisation. This particular debt has arisen as a result of non payment of commercial rent.
11. The director of law and democracy considers this write-off to be in accordance with the council's procedures and lawful.

Strategic Director of Finance and Governance

12. As per paragraph 5 the write-off complies in accordance with the council's agreed policy and procedures.
13. The debt recommended for write-off, is considered either irrecoverable or uneconomical to collect.
14. The recommended write-off of £69,316.79 is contained within the housing revenue account's bad debt provision.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Stephen Platts, Director of Regeneration	
Report Author	Julia Page, Business Development Manager	
Version	Final	
Dated	9 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law & Democracy	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 March 2017

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