

Cabinet

Tuesday 19 September 2017

4.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

Membership

Councillor Peter John OBE (Chair)
Councillor Stephanie Cryan

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

Portfolio

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

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

Councillor Peter John

Leader of the Council

Date: 11 September 2017



Cabinet

Tuesday 19 September 2017
4.00 pm

Ground Floor Meeting Room G02A - 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
	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 13 September 2017.	
6.	MINUTES	2 - 15
	To approve as a correct record the minutes of the open section of the meeting held on 18 July 2017.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Wednesday 13 September 2017.	
8.	PETITION FROM SOUTHWARK GROUP OF TENANT ORGANISATIONS (SGTO) - KEEP THE REPAIRS LINE FREE	16 - 19
	To consider a petition from Southwark Group of Tenant Organisations (SGTO) requesting to "keep the repairs line free."	
9.	CANADA WATER REGENERATION	20 - 47
	To agree revised heads of terms for a development agreement and agree that British Land should undertake a public consultation on options for entering a long term arrangement for the management of various areas of public realm.	
10.	APPROVAL OF THE COUNCIL'S LOCAL IMPLEMENTATION DELIVERY PLAN - ANNUAL SPENDING SUBMISSION FOR 2018-19	48 - 56
	To agree the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL local implementation plan (LIP) for 2018-19.	
11.	REVIEW OF THE LOCAL OFFER FOR CARE LEAVERS: REPORT FROM THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE	57 - 76
	To consider recommendations from the education and children's services scrutiny sub-committee.	

Item No.	Title	Page No.
12.	SOUTHWARK SCHOOL SCRUTINY IN A DAY: REPORT FROM THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE	77 - 97
	To consider recommendations from the education and children's services scrutiny sub-committee.	
13.	SOUTHWARK GP PRACTICES: QUALITY OF PROVISION AND LOCAL SUPPORT ARRANGEMENTS: REPORT FROM THE HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE	98 - 106
	To consider recommendations from the healthy communities scrutiny sub-committee.	
14.	A REVIEW OF FURTHER EDUCATION AND SKILLS PROVISION IN THE LONDON BOROUGH OF SOUTHWARK: A REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE	107 - 119
	To consider recommendations from the overview and scrutiny committee.	
15.	SOCIAL REGENERATION - EMERGING FRAMEWORK AND NEXT STEPS	120 - 129
	To agree a definition of social regeneration and to agree that the draft social regeneration policy framework be further shaped and used as part of the evidence for a wider consultation.	
16.	GATEWAY 1 AND 2: PROCUREMENT STRATEGY AND CONTRACT AWARD APPROVAL - INTEGRATED COMMUNITY EQUIPMENT SERVICE CONTRACT	130 - 142
	To approve the procurement strategy for the community equipment service.	
17.	GATEWAY 2: CONTRACT AWARD APPROVAL - AWARD OF CONTRACTS FOR THE PROVISION OF SEXUAL HEALTH SERVICES	143 - 157
	To approve the use of the open access pan-London contracts that Lambeth Council have with Kings College Hospital NHS Foundation and Trust and Guy's St Thomas NHS Foundation Trust for the provision of integrated sexual health services.	
18.	BOROUGH WIDE FIRE SAFETY	158 - 165
	To note the progress since the last cabinet report on fire safety.	

Item No.	Title	Page No.
19.	APPOINTMENT OF KEEPMOAT FOR EMERGENCY WORKS AT LEDBURY ESTATE	166 - 168
	To note the appointment of Keepmoat for emergency works at the Ledbury Estate tower blocks and to note that a further report will come to cabinet later in the year.	
20.	GATEWAY 3: VARIATION DECISION - HOUSING MAJOR WORKS CONTRACTS	169 - 179
	To approve the variation of contract to areas 3, 4 and 5 for a period of two years from 14 June 2018.	
21.	UPDATE ON THE DELIVERY OF THE HOUSING ASSET MANAGEMENT STRATEGY	180 - 199
	To note the status of the asset management investment programme.	
22.	GATEWAY 3: VARIATION DECISION - EXTENSION TO THE CONSOLIDATED FACILITIES MANAGEMENT CONTRACT	200 - 209
	To approve the variation to extend the term of the consolidated facilities management contract with Interserve (Facilities Management) Limited (Interserve FM) for a period of 24 months.	
23.	NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF POLICY FOR REVALUATION RELIEF, SUPPORTING SMALL BUSINESSES RELIEF AND PUBS RELIEF	210 - 226
	To approve the additional four year discretionary rate relief policy for revaluation relief as per the governments requirement to offer additional relief to the value of £6.9 million and to agree the policy incorporating small businesses and pubs relief.	
24.	POLICY AND RESOURCES STRATEGY: CAPITAL MONITORING REPORT, INCLUDING CAPITAL PROGRAMME UPDATE 2017-18 (MONTH 4)	227 - 248
	To approve the virements and variations to the general fund and housing investment capital programme and the inclusion in the programme of the capital bids.	
	To note recommendations relating to the general fund capital programme, housing investment programme, projected expenditure and resources and that external borrowing will be required for 2017-18.	

Item No.	Title	Page No.
25.	ACQUISITION OF FUTURE AFFORDABLE HOUSING IN BLACKFRIARS	249 - 258
	To approve the acquisition of affordable housing to be provided as part of the regeneration known as 18 Blackfriars.	
26.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	259 - 272
	To consider motions referred from council assembly as follows:	
	<ul style="list-style-type: none"> • What does Brexit mean for Southwark ? • Promoting the sale of new housing to local people • Southwark's response to the London Bridge attack • The terror attack on London Bridge and Borough Market • Southeastern Trains • Fire safety in Southwark • Safety on Ledbury Estate. 	
	OTHER REPORTS	
	The following items are also scheduled for consideration at this meeting:	
27.	OFSTED INSPECTION OF 'SERVICES FOR CHILDREN IN NEED OF HELP AND PROTECTION, CHILDREN LOOKED AFTER AND CARE LEAVERS' - POST INSPECTION PLAN	
28.	RESPONSE TO REVIEW OF LOCAL OFFER FOR CARE LEAVERS	
29.	GATEWAY 1: PROCUREMENT STRATEGY APPROVAL: SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) TAXIS FOR CHILDREN, YOUNG PEOPLE AND ADULTS	
30.	POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT, INCLUDING TREASURY MANAGEMENT 2017-18 (MONTH 4)	
	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**31. MINUTES**

To approve as a correct record the closed minutes of the meeting held on 18 July 2017.

32. ACQUISITION OF FUTURE AFFORDABLE HOUSING IN BLACKFRIARS

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

Date: 11 September 2017



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

Cabinet 19 September 2017

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 19 September 2017 at 4.00pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item 32: Acquisition of Future Affordable Housing in Blackfriars

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Everton Roberts
For Proper Constitutional Officer

Dated: 11 September 2017



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 18 July 2017 at 4.00pm 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 Ian Wingfield
Councillor Mark Williams

1. APOLOGIES

Apologies for absence were received 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 7: Deputation requests
- Item 20: Borough-wide Fire Safety
- Item 21: Borough Emergency Plan

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

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

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

4. **DISCLOSURE OF INTERESTS AND DISPENSATIONS**

None were declared.

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

Public Question from Paul Palley

How many refurbished tower blocks in Southwark combine cladding with an external gas pipe?

Response by Deputy Leader and Cabinet Member for Housing

Only 5 blocks over 18m have cladding. This is of the external wall insulation type installed by British Gas to provide better thermal efficiency to homes. British Gas specify the method in which gas pipework can be safely fitted onto this cladding and their specification has been met in full.

The five blocks are:

- Bradley House
- Morriss House, Cherry Garden Street
- Gould Court
- Forbes Court
- Astley House, 1-90 & 1A+1B.

Paul Palley did not attend the cabinet meeting. The response to this question would be emailed to him.

6. **MINUTES**

RESOLVED:

That the minutes of the meeting held on 20 June 2017 be approved as a correct record and signed by the chair.

7. **DEPUTATION REQUESTS**

The deputation requests had not been circulated five clear days in advance of the meeting. The chair agreed to accept as urgent as the requests had been received in line with the constitutional deadline for the receipt of deputation requests.

It was confirmed that the deputation request from Southwark Artist at Occupation Studios in Newington Ward had been withdrawn.

RESOLVED:

That the deputation requests be received.

The Walworth Society

The deputation spokesperson addressed the meeting providing a response to cabinet on the council's proposals for the Walworth Town Hall, as well the society's views on the future of the town hall buildings, the significance of civic buildings in the future of the Walworth area, the location of the proposed replacement library, the future of the Cuming Collection and related issues.

The deputation requested that:

- The council investigates whether the new library facility could be built south of Wansey Street and close to the heart of the Walworth area.
- The council maintain the Cuming Collection in one location (preferably in the Town Hall buildings) but if not possible, it was suggested that space is created that is additional to the new library.
- The council be encouraged to be open in the tender process to other more local development options, ranging from community asset transfer to external partners working with local community groups.

The deputation confirmed their willingness to work with the council on this issue.

Councillor Rebecca Lury (ward member) was also in attendance to support the deputation.

Bankside Residents Forum

The deputation addressed cabinet regarding creating affordable housing through community-led housing at Transport for London's (TfL) Landmark Court on Southwark Street. They have expressed their wish to work with the council and relevant stakeholders to achieve this and to explore different models/options. The deputation requested to meet with the cabinet member and Leader to discuss further, which was agreed.

8. AIR QUALITY STRATEGY AND ACTION PLAN (2017 - 2022)**RESOLVED:**

That the Air Quality Strategy and Action Plan attached at Appendix A of the report be agreed.

9. OFSTED INSPECTION REPORT MARCH 2017

The cabinet member for children and schools and strategic director of children's and adults placed expressed their thanks and commended the hard work of officers for their achievements in the recent Ofsted inspection report.

RESOLVED:

1. That the report of Her Majesty's Inspectorate, Ofsted, of its inspection of services for children in need of help and protection, children looked after and care leavers be noted.
2. That the post inspection action plan returns to cabinet in September prior to its submission to Ofsted.

10. COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2016-17**RESOLVED:**

That the council's performance over 2016-17 against the Council Plan 2014-2018 be noted.

11. GATEWAY 0: STRATEGIC OPTIONS ASSESSMENT FOR SERVICE PROVISION OF PROFESSIONAL TECHNICAL SERVICES**RESOLVED:**

1. That the strategic options assessment for delivery of professional technical services for the council be approved and the next steps set out in the report be noted.
2. That the publication of a Prior Information Notice (PIN) to inform the market of the council's intention to procure be approved.
3. That the issuing of leaseholder notice of intentions, prior to the Gateway 1 report approval be approved.
4. That officers investigate a multi-borough approach in order to address identified issues.

12. POLICY AND RESOURCES STRATEGY: 2017-18 AND 2018-19 UPDATED FINANCIAL REMIT**RESOLVED:**

1. That the spring government budget announcements be noted, including:
 - Adult Social Care (ASC) supplementary funding for the Improved Better Care Fund of £7.471m in 2017-18, reducing to £4.497m in 2018-19 and £2.223m in 2019-20 (paragraph 18 of the report)
 - A Business Rate Discretionary Support Fund allocated to local authorities for 2017-18 to 2019-20 (paragraph 27 of the report)
 - Increased targeted support for those businesses that lost Small Business Rate Relief entitlement as a result of revaluation 2017 and business rate discount for smaller public houses (paragraph 27 of the report)
 - The allocation of ring-fenced Flexible Homelessness Grant of £2.670m in 2017-18 and £3.165m in 2018-19 to be utilised in prevention of homelessness

(paragraph 23 of the report).

2. That it be noted that cabinet will receive a report in early autumn regarding the Discretionary Business Rate Relief (paragraph 29 of the report).
3. That it be noted that it is proposed that a budget is prepared for 2018-19 on a one year basis, recognising the funding uncertainties of the provisional settlement and the enduring budget pressures within children's and adults' services (paragraph 17 of the report).
4. That it be noted that the indicative resources available for 2018-19 budget (Appendix A of the report) indicate a budget gap of between £16.440m and £19.894m (the extent to which the council can fully utilise the additional £3.454m of Improved Better Care Fund impacts on the size of this gap).
5. That it be noted that this budget gap would reduce by £1.800m should the council decide to increase council tax by 2%.
6. That it be noted that this indicative budget is prepared on the following national and local factors:

National factors

- Known reduction of £13.594m in government resources from the Settlement Funding Assessment (SFA) and reduction in specific Grant Funding
- Inflation and pay award pressures of £6.000m have been provisionally assumed, subject to further analysis.

Local factors

- Increase of £3.400m of resources generated through council tax and business rates including the utilisation of powers to raise the council tax precept by 3%
 - Retaining a £4.000m contingency within the overall budget to support in year cost pressures
 - No utilisation of reserves have been included
 - An assumption that the budget recovery board is successful in addressing the underlying cost pressures within children's, adults' and public health (paragraphs 55 to 59 of the report).
7. That the key areas of risk for Southwark arising from the provisional settlement reported to cabinet are the ability to fully utilise the improved better care fund, lack of certainty for Business Rate Retention, New Homes Bonus, the levels of reserves, budget pressures arising from children's and adults', inflation increases and new commitments (paragraph 63 of the report) be noted.
 8. That the budget risks within the Dedicated Schools Grant as set out in paragraph 60 of the report be noted.
 9. That it be noted the revenue and capital outturn position and utilisation of reserves will be reported at the cabinet meeting in July. This will be a key factor to consider when finalising the 2018-19 budget (paragraph 51 of the report).

10. That a future report will consider the indicative savings and commitments for 2018-19 in order to balance the budget. This will include a review of the original indicative 2018-19 savings reported to cabinet in February 2016, 2016-17 outturn position and the impact of the budget recovery board (paragraph 66 of the report).

13. REVENUE MONITORING REPORT AND TREASURY MANAGEMENT 2016-17 OUTTURN REPORT

RESOLVED:

1. That the general fund outturn position for 2016-17 (table 1 of the report) be noted.
2. That the key variations and budget pressures underlying the outturn position be noted:
 - continuing pressures on children's and adults' social care and public health leading to an overall adverse variance of £14.887m (paragraphs 25 to 38 of the report)
 - the budget pressures on No Recourse to Public Funds (paragraph 48 of the report)
 - Other various adverse variations including ICT and facilities management (paragraphs 48 to 53 of the report).
3. That the actions of the budget recovery board set up to oversee action plans to address children's and adults social care pressures (paragraph 39, Appendix A of the report) be noted.
4. That the variations helping to relieve the outturn position be noted:
 - one-off favourable variances in strategic finance, including early realisation of MRP savings (paragraphs 56 of the report)
 - utilisation of £4m contingency (paragraph 60) to offset adverse variances across the council
 - planned use of earmarked reserves to fund the residual costs of the enhanced voluntary redundancy scheme (EVR) of £5.264m and a further £2.180m which has been capitalised
 - planned use of departmental and financial risk reserves of £18.058m.
5. That, as set out in the previous period 8 monitoring report to cabinet, the unplanned use of reserves to fund the total adverse variation from budget after the planned use of reserves of £8.830m be noted.
6. That the following in respect of ring-fenced budgets be noted:
 - housing revenue account outturn for 2016-17 (table 2, paragraphs 63 of the report)
 - the dedicated schools outturn and utilisation of £8.922m reserves (paragraphs 70).
7. That the detailed utilisation of reserves in 2016-17 and closing reserve balances as set out in the report (paragraph 73 to 78 of the report) be noted.

8. That the treasury management activity in 2016-17 (paragraphs 87 to 92 of the report) be noted.
9. That the general fund budget movements that exceed £250k, as shown in Appendix B of the report be approved.
10. That the general fund budget movements that are less than £250k as shown in Appendix B of the report be noted.
11. That the outturn position implications for the 2017-18 budgets and beyond set out in paragraph 84 of the report be noted.

14. OUTTURN CAPITAL MONITORING FOR 2016-17 AND CAPITAL PROGRAMME REFRESH FOR 2017-18 TO 2026-27

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 be approved.
3. That the outturn 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 be noted, as at Month 12 2016-17.
4. That the resulting general fund capital programme for the period 2016-17 to 2026-27 as at year-end, as detailed in Appendices A and D of the report be noted.
5. That the substantial funding requirement of £313.676m for future years 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 2026-27 as at Month 12 2016-17, as detailed in Appendix B of the report be noted.
7. That the significant funding requirement of £211.1m which needs to be identified for the housing investment programme to be fully delivered over the 10 year programme be noted.
8. That it be noted that any potential demand on the capital programme arising as a consequence of local or national demands for resources following the Grenfell fire are not included in this report.
9. Following on from the previous recommendation 8, it be noted that in the event of additional resources being required that the Leader delegates responsibility to the strategic director of finance and governance (in consultation with the cabinet member for finance, modernisation and performance and the cabinet member for housing) for identifying resources for this purpose, to be made available in a timely way.

10. That the update on local community infrastructure levy set out in paragraphs 46 and 47 of the report be noted.

15. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - SOUTHWARK EXTERNAL SOLICITORS FRAMEWORK

RESOLVED:

1. That the procurement strategy outlined in the report for an external solicitors framework serving Southwark and other London boroughs and their wholly owned companies, London fires and rescue service and Clinical Commissioning Groups (CCGs) in London for a period of 4 years commencing 2 July 2018 at an estimated cost (for Southwark) of £9 million for the 4 year period be approved.
2. That the overall value of the framework agreement is estimated to be in the range of £18 million to £25 million for all participating organisations (including Southwark) for the 4 year period be noted.

16. APPROPRIATION OF FORMER MANOR PLACE DEPOT FOR PLANNING PURPOSES

This item was withdrawn.

17. COMMERCIAL PROPERTY PORTFOLIO: ADDITION OF INCOME GENERATING ASSET

RESOLVED:

1. That the circumstances leading to the proposed acquisition of the freehold interest in the commercial property in question, and actions and investment due diligence being undertaken by officers and their advisors be noted.
2. That the acquisition of the freehold interest in the property, and all related costs be approved.
3. That it be delegated 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 interest in the asset
 - b) Agree detailed transactional terms pursuant to Heads of Terms
 - c) Agree the financing structure to be adopted to fund the acquisition of the assets.

NOTE: In accordance with the provisions of Rule 20 Access to Information rules (decisions for urgent implementation), the chair of overview and scrutiny committee has agreed that this item may be treated as a matter of urgency and is therefore not subject to call-in.

18. APPOINTMENTS TO OUTSIDE BODIES 2017-18 AND NOMINATIONS TO SHARED ICT SERVICE JOINT COMMITTEE

RESOLVED:

Decisions of the Cabinet

1. That the appointments to the outside bodies listed in Appendix A of the report for the 2017-18 municipal year be agreed as follows:

Age UK London

Councillor Richard Livingstone

Better Bankside Board

Councillor Mark Williams

Blue Bermondsey Bid

Councillor Leo Pollak

Board of Lewisham Southwark College Corporation

Councillor Johnson Situ

Canada Water Consultative Forum

Councillor Mark Williams
Councillor Kath Whittam
Councillor Stephanie Cryan
Councillor Dan Whitehead

Central London Forward

Councillor Peter John

Centre for Literacy in Primary Education

Councillor Catherine Rose

Creation Trust

Councillor Mark Williams
Councillor Lorraine Lauder
Councillor Paul Fleming

Cross River Board

Councillor Mark Williams

Crystal Palace Community Development Trust

Councillor Jon Hartley

Greater London Enterprise Limited

Councillor Mark Williams

Groundwork London, Local Authority Strategic Input Board

Councillor Ian Wingfield

Guys and St Thomas NHS Foundation (Council of Governors)

Councillor Bill Williams

Kings College Hospital NHS (Council of Governors)

Councillor Kieron Williams

London Road Safety Council (LRSC)

Councillor Ian Wingfield

Councillor Octavia Lamb

London Youth Games Limited

Councillor Barrie Hargrove / Councillor Maisie Anderson

Councillor Evelyn Akoto (deputy)

Millwall for All

Councillor Leo Pollak

North Southwark Environment Trust

Councillor Kath Whittam

Potters Fields Park Management Trust

Councillor Barrie Hargrove

Deborah Collins or Fiona Dean, Environment and Social Regeneration

South Bank Partnership

Councillor Johnson Situ

Councillor Adele Morris

Councillor David Noakes

Councillor Maria Linforth-Hall

South Bank and Bankside Cultural Quarter Directors Board

Councillor Octavia Lamb

South Bermondsey Big Local Partnership Steering Group

Councillor Richard Livingstone
Councillor Sunny Lambe

South London Gallery Trustee Limited

Councillor Cleo Soanes
Councillor Radha Burgess
Councillor Hamish McCallum

South London and Maudsley (SLaM) NHS Trust Members Council

Councillor Tom Flynn

Southwark Construction Skills Centre

Councillor Johnson Situ

Southwark and Lambeth Archaeological Committee (SLAEC)

Councillor Darren Merrill
Mr Bob Skelly (Deputy)

Southwark Cathedral Education Centre

Councillor Cleo Soanes

Safer Neighbourhood Board (Southwark)

Councillor Barrie Hargrove

**WeAreWaterloo BID
(Business Improvement District)**

Councillor David Noakes

Decision of the Leader of the Council

2. That Councillors Fiona Colley and Stephanie Cryan be nominated to sit on the Shared ICT Services Joint Committee and that Councillors Richard Livingstone and Ian Wingfield be nominated as deputies.

19. NOMINATIONS TO PANELS, BOARDS AND FORUMS 2017-18**RESOLVED:**

1. That the allocation of places to the panels and boards and forums set out in Appendix A of the report for the 2017-18 municipal year and member nominations be agreed as follows:

Joint Partnership Panel (Trade Union Consultation)

Councillor Peter John
Councillor Fiona Colley

Homeowners Service Charge Arbitration Panel

Councillor Sandra Rhule
Councillor Sunny Lambe
Councillor Sunil Chopra
Councillor Jon Hartley
Councillor Tom Flynn
Councillor Kath Whittam
Councillor Lorraine Lauder
Councillor Dora Dixon-Fyle
Councillor Anood Al-Samerai
Councillor Maria Linforth-Hall
Councillor Eliza Mann
Councillor David Hubber

Tenancy and Leasehold Arbitration Tribunals

Councillor Lorraine Lauder
Councillor Sandra Rhule
Councillor Paul Fleming
Councillor Sunil Chopra
Councillor Jon Hartley
Councillor Tom Flynn
Councillor Kath Whittam
Councillor Dora Dixon-Fyle
Councillor Maria Linforth-Hall
Councillor Eliza Mann
Councillor David Hubber
Councillor Hamish McCallum

Southwark Safeguarding Adults Board

Councillor Richard Livingstone

Southwark Safeguarding Children's Board

Councillor Victoria Mills

Standing Advisory on Religious Education

Councillor Sandra Rhule
Councillor Sunny Lambe
Councillor Evelyn Akoto
Councillor James Barber

Southwark Tenant Management Organisation Committee

Councillor Stephanie Cryan

Councillor Lucas Green
 Councillor Karl Eastham
 Councillor Sandra Rhule
 Councillor Anood A-Samerai

20. BOROUGH-WIDE FIRE SAFETY

This report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the report as urgent as the next decision period was September, and the council needed to give residents assurance and confidence in the safety precautions undertaken by the council in conjunction with the London Fire Brigade in the event of fire. Given the concerns this could not wait until September.

RESOLVED:

1. That the steps being taken to ensure the fire safety of the council's residential, commercial and office accommodation and other public council buildings be noted.
2. That the efforts being made to collate fire safety information for the borough's non-council residential property be noted.
3. That confirmation of timely fire risk assessments for buildings owned by housing association providers and managing agents of private residential properties be sought.
4. That licensed private sector landlords be required to confirm they have carried out FRA assessments for their properties that comply with the Regulatory Reform (Fire Safety) Order 2005.
5. That cabinet receive a progress report back to its September meeting.

21. BOROUGH EMERGENCY PLAN

This report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the report as urgent. In light of the recent tragic events the council wished to confirm the generic emergency borough plan at the earliest opportunity. In addition, cabinet also considered a report on borough wide fire safety and it was considered timely that the emergency plan was considered alongside this report.

RESOLVED:

1. That the generic borough emergency plan be approved.
2. That the future governance for the borough emergency plan remain with the cabinet.

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting for the following items of

business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed part of the meeting.

22. MINUTES

The minutes of the closed section of the meeting held on 20 June 2017 were approved as a correct record and signed by the chair.

23. COMMERCIAL PROPERTY: ADDITION OF INCOME GENERATING ASSET

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

The meeting ended at 5.55pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 26 JULY 2017.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE (WITH THE EXCEPTION OF ITEMS 17 AND 23 WHICH WERE SUBJECT TO AN URGENT IMPLEMENTATION AGREEMENT). 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: 19 September 2017	Meeting Name: Cabinet
Report title:		Petition from Southwark Group of Tenant Organisations (SGTO) – Keep the Repairs Line Free	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

RECOMMENDATION

1. That the cabinet consider a petition from Southwark Group of Tenant Organisations (SGTO) requesting to “keep the repairs line free.”

BACKGROUND INFORMATION

2. A petition containing 500 signatures or more maybe presented to the cabinet. A petition can be submitted by a person of any age who lives, works or studies in Southwark. Petitions must relate to matters which the council has powers or duties or which affects Southwark.
3. At the meeting, the spokesperson for the petition will be invited to speak up to five minutes on the subject matter. The cabinet will debate the petition for a period of up to 15 minutes and may decide how to respond to the petition at the meeting.

KEY ISSUES FOR CONSIDERATION

4. A petition containing 610 signatures (as at 4 September 2017) has been received from SGTO.
5. The petition states:

“Keep the Repairs Line Free

We the undersigned petition the council to reinstate and keep the freephone number for housing repairs.

We think that this change is unfair and will hit Southwark's most vulnerable tenants and residents the hardest.

Tenants and residents already pay for the repairs service through rents and service charges, and should not be charged twice to access such an essential council service.

The change will also create difficulty for tenants and residents who do not have access to the internet, such as the elderly and those with health complications. Having to pay to call up the repairs line will create barriers for people on pay as you go tariff who simply cannot afford the costs of waiting to have their call answered.

The average wait time for the call centre in February was 2 minutes and 40 seconds. If a caller is charged 55p per minute to make the call, they will be paying around £1.50. The longest wait time was for 48 minutes: here the caller would be charged £26.40. This is a cost that residents simply cannot afford.

The SGTO is also concerned about the council's drive to push residents into accessing services online more generally. Whilst most tenants and residents may not have any trouble using these online services, we are concerned that many people, particularly vulnerable people, risk being 'left behind' through not being able to access them. It is these people who rely on Council services the most who will be hit the hardest, and the change from the 0800 to the 0300 number illustrates this."

Community impact statement

6. The Southwark constitution allows for petitions to be presented by members of the public and can be submitted by a person of any age who lives, works or studies in Southwark.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Housing and Modernisation

7. Customers can call the council's contact centre or order a repair on-line. Our repairs service telephone line, 0800 952 4444, is free to residents but the cost is borne by the council's HRA fund. It is used by council tenants and leaseholders to report their property repairs issues. 0800 numbers are known as "Freephone" numbers. They have been free to call from both landline and mobile phones since 1st July 2015. While calling a Freephone number is "free" to the customer, the cost of the call is borne by the organisation that owns the number.
8. The cost of providing the present 0800 number is about £65K per annum. This is the first year that the National Rent Reduction of 1% kicks in, which the recent budget report estimates will cost the housing revenue account (HRA) £62.5m by 2020. Whilst this financial contribution is welcome, it isn't the main reason for seeking to cease the 0800 number.
9. It's really important that people think about getting on-line if they haven't already done so. We know that people who are on-line and use electronic service and methods of communication tend to be better connected with friends and family and may be better off because they can access better deals on goods and service. It is also a great benefit to those who are housebound or have limited mobility as it provides easy access to service providers, not to mention the ability to skype people they may otherwise not see. We want to make sure Southwark citizens aren't left behind. The council is investing heavily in the delivery of training for those who are currently digitally excluded. In 2017 our libraries will deliver over 5,000 training packages to those in need of on-line training.
10. We will of course maintain telephone services for those with an emergency or who are vulnerable and have no access to on-line services. Freephone numbers would encourage the use of the telephone when our strategy for future service delivery, is one of digital access where that is appropriate. By ceasing use of a Freephone number, we hope that this will encourage customers to go on-line.
11. A survey of some of our neighboring boroughs reveals the telephone numbers they have adopted for customers reporting repairs.

	Housing	Emergencies
Lambeth	020 7926 6000	020 7926 6666
Greenwich	020 8921 8900	020 8854 8888
Tower Hamlets	0800 376 1637	
Bromley	020 8464 3333	0300 303 8671
CityWest Homes (Westminster)	0800 358 3783	
Croydon	0208 726 6101	
Hackney	020 8356 3691	020 8356 2300

12. 0300 numbers are charged at the same rate as calling a local 01 or 02 number. They are non-geographic numbers so the rate will be the same wherever you are calling from.
13. The table below looks at the likely cost of a call at the wait times quoted in the petition, with the addition of the average "handle time", that is the average length of the conversation with the officer.

	PAYG cost p/min	12 min 40 sec	58 min
EE	£0.44	£5.57	£25.52
Virgin	£0.35	£4.43	£20.30
Vodafone	£0.30	£3.80	£17.40
Lyca Mobile	£0.12	£1.52	£6.96
Talk (via Vodafone)	£0.10	£1.27	£5.80
Tesco Mobile	£0.08	£1.01	£4.64
ASDA Mobile	£0.08	£1.01	£4.64
Three	£0.03	£0.38	£1.74

Average Cost

£2.37	£10.88
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14. From the above it is clear that the cost of a PAYG (pay-as-you-go) call varies significantly. Residents can minimise the cost of calls, not only to the repairs line, but also to many other public sector and other organisations, by shopping carefully for the best deals.
15. The plan is to roll the new number out over period of time, possibly over a 18-month period. We will promote the new 0300 number in preference to the 0800 number. The 0800 number appears on a lot of literature, posters, the sides of our contractor vans and will take a while to identify and remove.
16. We can monitor the take up of the new number and the level of continued use of the old number. That will enable us to choose when to turn off the 0800 number for good.
17. The risk might be that customers will be reluctant to call to report a legitimate repair. They will still be able to report repairs on-line for free.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Petition from SGTO online	Online	
Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/mgepetitionlistdisplay.aspx?bcr=1		
Cabinet procedure rule 2.13 on petitions	160 Tooley Street, London SE1 2QH	Paula Thornton 020 7525 4395
Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/documents/s67579/Committee%20Procedure%20Rules%20March%202017.pdf		

AUDIT TRAIL

Lead Officer	Everton Roberts, Principal Constitutional Officer	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	6 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Housing and Modernisation	Yes	Yes
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Date final report sent to Constitutional Team		6 September 2017

Item No. 9.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Canada Water Regeneration	
Ward affected:		Rotherhithe and Surrey Quays	
Cabinet Member:		Council Mark Williams, Regeneration and New Homes	

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

This report updates and sets out our revised approach for the commercial agreement between the council and British Land which will underpin and enable the delivery of 3,500 new homes – including affordable homes, thousands of new jobs, new public space, an increase in shopping choice and a wide range of leisure and cultural uses. We are clear that the regeneration at Canada Water must deliver benefits for both existing and future residents of the area and our wider borough.

This report also sets out a recommendation to consult with local residents on how by working with British Land we can potentially better manage the plaza and Canada Water itself, this will be subject to further consideration by cabinet before any agreement. The report also instructs officers to work in partnership with British Land to create a social regeneration charter for the Canada Water area in partnership with our residents as set out in the Social Regeneration cabinet report also being considered at this cabinet meeting.

RECOMMENDATIONS

That Cabinet:

1. Agree the revised heads of terms for a development agreement as set out in Appendix 3.
2. Agree that British Land (BL) should undertake public consultation on options for entering into a long term arrangement for the management of various areas of public realm so as to secure investment and a sustainable future for these important local assets and to report back as part of work on agreeing the final development agreement for Canada Water.
3. Instruct officers to work with BL to create a social regeneration charter for the Canada Water area as outlined in paragraph 25-26 below, for incorporation in the development agreement being finalised with BL.
4. Note the request from BL that the council will support the regeneration project with the use of its powers under section 203 of the Housing and Planning Act 2016 subject to satisfaction of the relevant legal requirements and a further specific cabinet approval.

BACKGROUND INFORMATION

5. On 17 November 2015 cabinet agreed the heads of terms for an agreement with British Land (BL) for the development of land at Canada Water. This report explains how it is proposed to change the heads of terms and seeks cabinet's authority to proceed.
6. After several years of concerted activity by the council and our partner BL, generously supported by local people in thousands of hours of direct community involvement, proposals for the comprehensive renewal of the central Canada Water area are crystallising rapidly. The emerging plan envisages around 3,500 new homes, thousands of new permanent jobs, an improved retail offer and a range of community facilities as well as extensive public realm.
7. BL's masterplan is progressing well and it is anticipated will be submitted for planning in the spring of 2018. This will set out the framework for the scale and nature of development across the central area, as well as specific, detailed proposals for the first phase of construction.
8. In parallel with this officers have continued to negotiate an agreement to allow council owned land to be part of the transformation. By creatively exploiting the council's property holdings and by forging a business like and constructive relationship with BL, provisional agreement has been reached on an innovative and unique form of contract. This will allow the council to retain a long term interest in the entire development area (even land where the council currently has no interest) with the opportunity to create a high value investment vehicle that will allow Southwark to benefit financially long into the future from the development.
9. The agreement covers three main sites: the former Print Works (PW); the Surrey Quays Shopping Centre (SQSC); and, the Mast Leisure Centre (MLC) as shown on the plans within Appendix 1. All of this land is owned freehold either by the council or BL and all of the council freehold land (other than some small miscellaneous sections of amenity land and highway) is occupied by BL under a number of leases.
10. The original heads of terms envisaged BL surrendering their current leases over PW and SQSC and the grant of two new long head leases. From these, individual plots would be sub-let for development in phases over several years in accordance with the masterplan for the entire area. It was further envisaged there would be a collaboration agreement between the council and BL to manage the development interface between MLC and the rest of the development area.
11. With the old model, the council would have had the right to invest in the development according to a formula linked to its underlying ownership position. As this varied from site to site (from zero interest on MLC to having half the ownership of PW) it meant having different arrangements for different sites, which led to an overly complex development agreement and a 'lumpy' investment profile where the council would have a significant financial interest in parts of the development but no interest in others.
12. The new arrangement is based on the principle of the council and BL pooling their ownership and sharing equally the risks and reward of the development.

Under the arrangement the masterplan will distribute development across the whole area in the most logical way irrespective of ownership. The council will then have the right to invest in individual development plots on a side by side basis with BL up to a maximum level, derived from the council's overall ownership share of all three sites (referred to as the blended ownership share). The arrangement is very flexible for the council that will also have the right on a plot by plot basis to sell its share in the plot land to BL.

13. This model for the development agreement is considered to be far superior for a number of reasons. The council has not given up the freehold of any of its land and throughout the life of the agreement will have an interest in all of the area, even sites it currently has no interest in. The use of one blended ownership share for the entire agreement means the council will have the opportunity to invest in a larger number of plots over a longer period of time, giving rise to a smoother investment profile that it is considered will be easier for the council to manage. This approach also has the considerable practical benefit of being less complicated and therefore much easier to document and administer.

KEY ISSUES FOR CONSIDERATION

14. To get to this point officers, supported by a team of external specialists, have been in detailed negotiation with BL on a range of points. The matters which for the purposes of this report are considered key are discussed below.
15. In the interests of full transparency, Appendix 4 includes a 'track change' version of the original heads of terms that show all of the changes along with explanatory comments.

BL CW Holdings Ltd

16. It is standard industry practice for developers to set up a special purpose vehicle to deliver a particular scheme. That is the case here and BL has confirmed that the development will be delivered through its wholly owned subsidiary BL CW Holding Ltd. This is not considered contentious and the documentation has been amended accordingly.

Affordable housing

17. There are no changes to the affordable housing requirements and BL will be required to deliver a planning policy compliant development.

Council sign off of masterplan

18. The revised heads of terms gives the council as landowner the opportunity to agree the masterplan prior to submission for planning consent. This is considered to be a key risk management tool for the council and removes the need for a rental shortfall account and the additional income provision.
19. When considering the final development agreement the council will have more certainty about its financial position and along with the new approach to a blended ownership position means the council will have more clarity over its financial position during the early stages of the development.

Lease structure and blended ownership share

20. The revised heads of terms are structured to include all three sites (PW, SQSC and MLC) in one new long head lease. The council will be the head lessee and shall receive consideration (either in the form of one off payments or as rent) based on the level of its investment into individual development plots; which are sub-leases carved out of the head lease area. The consideration receivable by the council will need to represent “best consideration” for the purposes of s123 Local Government Act 1972 and external advice has been and will continue to be taken as to how these requirements are being met.
21. The council’s ability to share in development profit shall be limited to its underlying ownership position, calculated as a blend of the ownership shares of the three individual sites. It has been provisionally agreed the blended ownership shares should be 80:20; that is, for the purposes of making investment decisions and distributing profit under the development agreement the council is credited with having a base ownership position of 20% of the entire masterplan area.
22. This is a flexible agreement and as each plot comes forward for development the council will also have the option to sell out its interest in the plot to BL should it so wish.

Treatment of public realm

23. Cabinet previously agreed that some council owned land (shown on the plan within Appendix 2) outside of the main development agreement area would be subject to an estate management agreement. It has become clear that in order to ensure the level of investment needed to protect these important pieces of public space it will be necessary to enter into a more formal long-term arrangement.
24. To that end one of the recommendations in this report is that BL should undertake public consultation on the treatment of public realm, in particular around Canada Water Basin.

Social regeneration

25. The council is in the process of developing a social regeneration framework, which is defined as being a process that ensures the places where people live, now and in the future, positively shape life opportunities and wellbeing, reduce inequalities and create engaged communities. Creating a new town centre at Canada Water is a great opportunity to apply these principles and one of the recommendations for this report is that the council works with BL to create a social regeneration charter for the area.
26. The purpose of the charter will be to address social, economic and health priorities across the area. Phase one, which will commence on signing of the agreement will be a detailed analysis of the communities at Canada Water to identify key issues and the opportunities to significantly improve individual and community wellbeing through regeneration. The second phase will be for BL to formulate a programme of interventions designed to address issues identified in the research and analysis and to set targets including Southwark’s social regeneration outcome indicators. BL will report on an annual basis through the development agreement administration systems on outcomes as assessed against key performance indicators with recommendations for further action. The

final phase will be an end of project review to assess the programme's success in achieving positive outcomes including improved health and wellbeing, for our residents.

Use of council's statutory powers

27. Cabinet is asked to note that BL has asked the council to support the regeneration project by making available its powers under s203 of the Housing and Planning Act 2016, which is a power available to local authorities to override easements and other third party rights.
28. This the council has done in other regeneration projects but the use of s203 powers is tightly controlled and limited by statute. Cabinet is therefore asked to note that it may be asked to make available this power when the project is sufficiently advance subject to satisfaction of all statutory requirements and a separate cabinet decision. A detailed report on the legal and other implications of this will be provided to support any such request when the time comes.

Policy implications

29. This report deals with a key step in delivering the council's aspirations for the regeneration of Canada Water. The main policy statement on this is the Canada Water Area Action Plan (AAP) and revised AAP adopted in 2015. The heads of terms are consistent with the council's ambitions for the area.
30. As explained above in paragraphs 25 and 26 the development partnership it is proposed to enter into with BL will also support the council's emerging approach to social regeneration.

Community impact statement

31. The public sector equality duty ("PSED"), at section 149 of the Equality Act requires public bodies to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and to advance equality of opportunity and foster good relations between different people when carrying out their activities.
32. The heads of terms is a technical matter that of itself give rise to no particular equality implications. However the council will give consideration to the PSED at all stages of the development programme.

Resource implications

33. The resource implications arising from this decision will be officer time to conclude negotiation of the development agreement and funding for external specialists to support the process. All of this activity forms part of existing budgets and gives rise to no new resource implication.
34. If ultimately a development agreement is completed, any new resource requirements that may flow from this, for example funding to build a new leisure centre, will be the subject of separate, specific reporting.

Legal implications

35. Please see the report from the director of law and democracy below.

Financial implications

36. External legal and internal recharges associated with the drafting of the detailed agreement will be met from Regeneration North budget.

Consultation

37. There has been extensive internal consultation between officers in regeneration, legal services and finance. It is not considered appropriate or necessary to carry out public consultation on the heads of terms.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

38. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the council's power to dispose of land.
39. The report refers at paragraph 20 to the council's obligation, set out in Section 123 of the Local Government Act 1972, not to dispose of land for a consideration less than the best that can reasonably be obtained. The report explains how independent expert advice will be taken to ensure that the council is obtaining best consideration for its land under the terms of the proposed transaction.
40. External legal advice has been sought which confirmed the council's ability to enter into negotiations with BL in respect of this development. This advice will be kept under review as the negotiations develop, and further advice sought before contracts are exchanged.
41. The cabinet will note the public sector equality duty (PSED) considerations detailed in paragraphs 31 and 32 above, and to have regard to the PSED consideration when making decisions

Strategic Director of Finance and Governance

42. The strategic director of finance and governance notes the recommendation for the revised heads of terms for the development of Canada Water and the advantages of this simpler, blended ownership approach set out in paragraph 13. The Canada Water Heads of Terms (Appendix 3), section 4 and 5, sets out remaining areas under consideration before the exchange of the overarching agreement. These arrangements are designed in such a way to provide the council with the flexibility to consider the options as each plot comes forward to sell, retain the land interest or increase their investment in the development up to 20%.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
New Southwark Plan –New & Amended Preferred Option Policies	Council website	
Current Local Plan		
Link:		
http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/local-plan		
Canada Water Area Action Plan 2015	Council website	
Link:		
http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plan		

APPENDICES

No.	Title
Appendix 1	Development site plan
Appendix 2	Estate management plan
Appendix 3	Canada Water site plan revised heads of terms
Appendix 4	Track change version of heads of terms

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Housing	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Jon Abbott, Head of Regeneration North	
Version	Final	
Dated	8 September 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
Director of Health and Wellbeing	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		8 September 2017



KEY



SURREY QUAYS SHOPPING CENTRE.



MAST LEISURE PARK.



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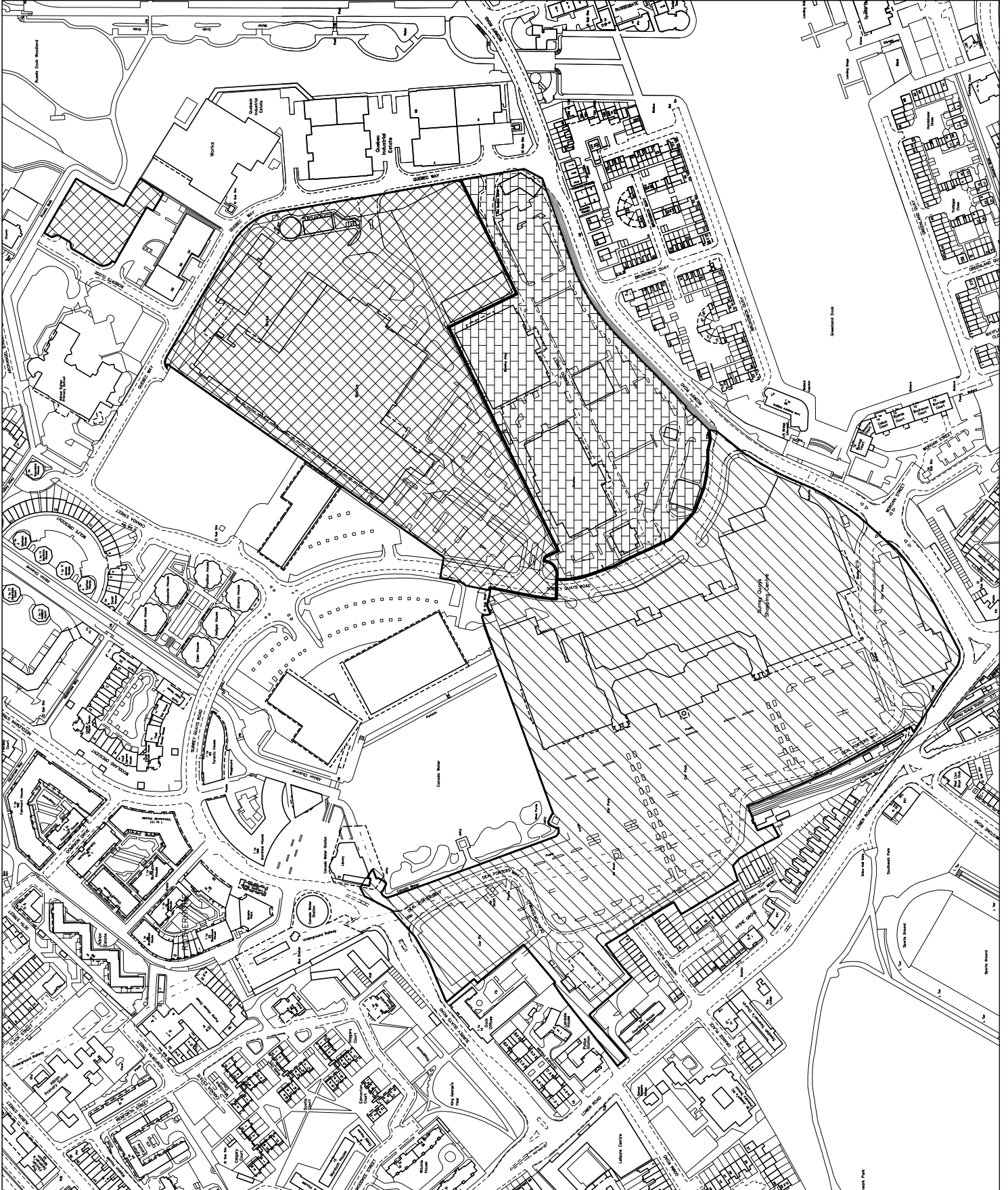
TITLE.

APPENDIX 1
SITE PLAN

DRAWING No.
LBS_3253(Layout4)

DRAWN BY.
MJMANKTELOW
Property Division

DATE.
21/10/2015





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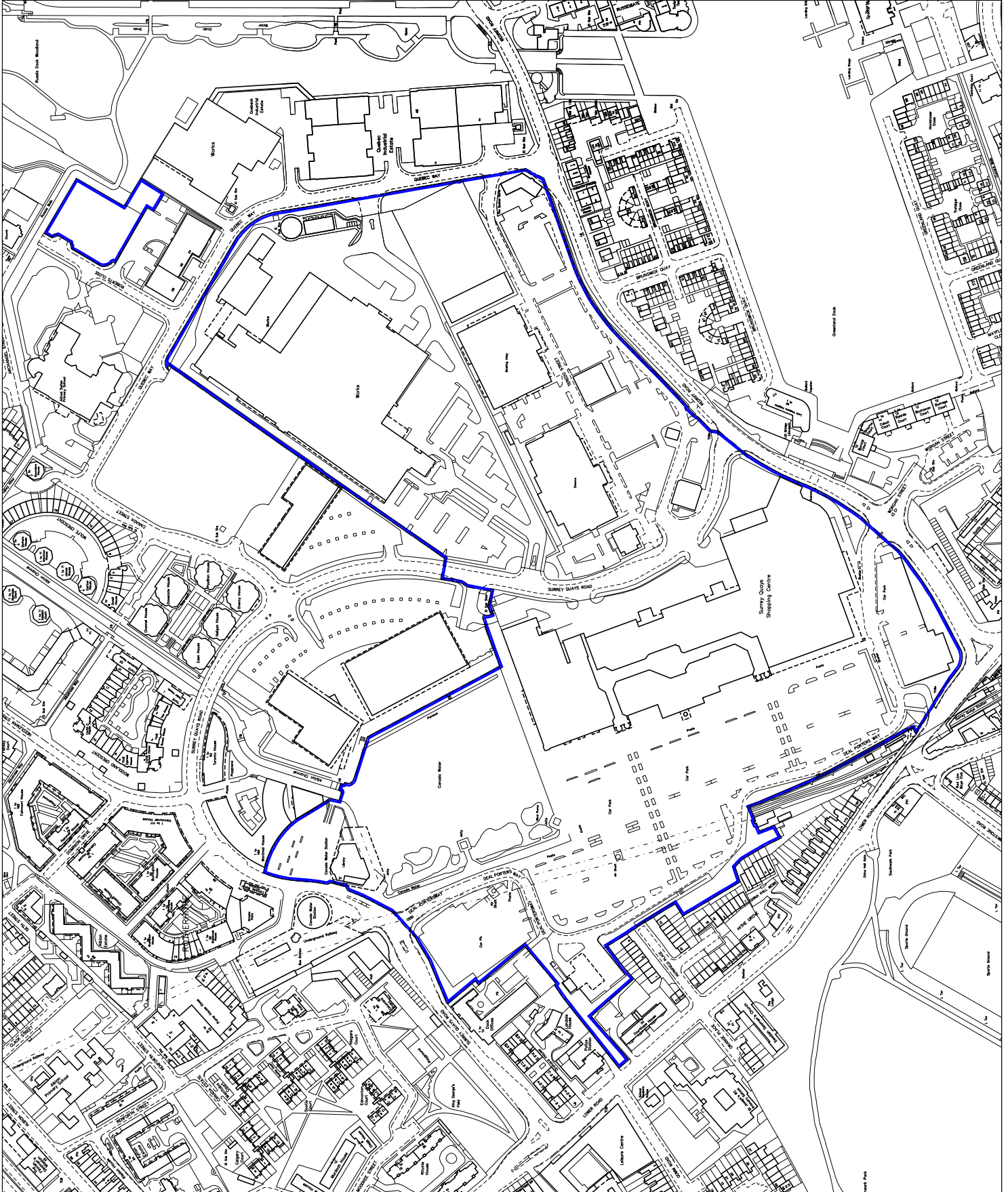
TITLE. Appendix 2

THE ESTATE MANAGEMENT AREA.

DRAWING No. LBS_3253(Layout7)

DRAWN BY. MJMANKTELOW Property Division

DATE. 21/10/2015 NOT TO RECOGNISED SCALE



CANADA WATER**HEADS OF TERMS****Subject to:**

- 1. BL board approval**
- 2. Formal approval by the Council**

CANADA WATER – HEADS OF TERMS

1. **PARTIES**

- 1.1 London Borough of Southwark of 160 Tooley Street, London SE1P 5LX (the "Council")
- 1.2 BL CW Holdings Ltd ("BL") A wholly owned subsidiary of British Land Plc. The development obligations of any BL subsidiary will be guaranteed by British Land Plc subject to release on completion of defects and subject to an appropriate liability cap, or such obligations will be subject to alternative guarantees or security as the Council shall approve.

2. **SITE**

The masterplan area known as Canada Water, Southwark ("Site") shown edged red on the attached plan (Appendix 1). The Site is broadly divided into the following components, each demarcated as such on the attached plan:-

- 2.1 Surrey Quays shopping centre ("SQSC):-
- 2.1.1 The vast majority of this site is currently held by BL on a lease with an unexpired term of 173 years where the Council is the freeholder.
- 2.1.2 Miscellaneous plots in the vicinity of the Shopping Centre owned by the Council.
- 2.2 Print Works ("PW") :-
- 2.2.1 The vast majority of the site is held by BL on a leasehold basis and the Council owns the freehold interest.
- 2.2.2 Roberts Close freehold owned by BL.
- 2.2.3 Car Park freehold owned by BL.
- 2.2.4 Miscellaneous plots in the vicinity of the Print Works owned by the Council.
- 2.3 Mast Leisure Centre ("MLC):-
- The freehold interest is owned by BL and includes access rights across the orange land shown on the plan at Appendix 1.
- 2.4 There will be a mechanism so that with the agreement of both parties the Site and the Estate Management Area can be changed.
- 2.5 The attached plan at Appendix 2 edged in blue ("The Estate Management Area") identifies land owned by the Council which will be subject to the estate management arrangements in accordance with the estate management agreement.

3. **OVERVIEW OF TRANSACTION STRUCTURE**

- 3.1 It is intended that BL will surrender its existing long leasehold interests in some or all of the sites referred to at paragraphs 2.2.2, 2.2.3 and 2.3 above to the Council and that the Council will grant a new long lease, broadly of (1) SQSC, (2) PW and (3) MLC, although the exact extent and mechanism for doing so will be worked up and agreed between the parties before the agreement is exchanged.

CANADA WATER – HEADS OF TERMS

- 3.2 BL is in discussions in relation to the leasing of part of the Site for the creation of a new educational campus. It is an objective of the parties that educational use is brought into the Site through a transaction with a high quality educational establishment such as Kings College London or a similar higher educational organisation. If it is not possible to conclude such a transaction prior to the collapse of the existing leases, the parties will continue to seek to reach agreement with a higher educational establishment. The parties' intention is to create a campus educational environment and not one dominated by student accommodation.
- 3.3 The Council and BL will enter into
- 3.3.1 an overarching agreement regulating the relationship between them in relation to SQSC, PW and MLC prior to the grant of the new headlease. This agreement will serve the same purpose as an agreement for lease and will "fall away" once the new headlease is completed.
- 3.3.2 BL and the Council will remain bound by the terms of the existing leases until their surrender.
- 3.4 Proceeds from the scheme will be generated as a mix of capital receipts and rent as appropriate for the uses. On completion of each plot the proceeds (both capital and rent) will be apportioned between the landowners and the developer (BL is both a landowner and the developer) based on initial landowner shares of : BL 80% and the Council 20%
- 3.5 The Council shall have an option to contribute towards total development cost up to these initial percentages. If the Council does not contribute fully to development cost the percentages will be recalculated on completion of each plot. The landowners share is an appropriate amount of total receipts having regard to the initial valuation.
- 3.6 The developer's share (which the Council will participate in when contributing to development costs) is an appropriate amount of total receipts having regard to the total development cost excluding the land element.

4. **KEY ISSUES TO BE RESOLVED BEFORE EXCHANGE**

The following matters need to be agreed between the parties prior to exchange of the overarching agreement so that they can be included in or appended to the agreement as appropriate:-

- 4.1 Masterplan including phases and plots within the masterplan. The Council as landowner to agree the masterplan prior to submission for planning consent and submission must be within 28 days of the Council formally agreeing the terms of the overarching agreement.
- 4.2 Historic costs are to be agreed and apportioned over the Site and injected into individual plot development accounts.
- 4.3 Build and development costs – agreed approach to demonstrating these costs. Treatment of cost overruns and costs arising from the developer's default. The Council to provide confirmation of its acceptance of the external consultants and the form of appointments and duties of care. The parties will rely on the advice provided by the BL professional team.
- 4.4 Finance – including agreed principles as to calculation of finance costs and allowable interest and the treatment of the development management account. Interest is to be rolled up on development costs at LIBOR + 3% subject to a minimum rate of 5.75% (compounded quarterly) on all expenditure which is not match funded (requirement for arrangements to vary the interest charge over time so that it remains appropriate).

CANADA WATER – HEADS OF TERMS

- 4.5 Strategic financial model demonstrating deliverable and viable Masterplan and the projected returns to the Council (assuming various levels of the Councils financial contribution). The Council will require the model to be developed on the basis of (1) no contribution and (2) various levels of financial contribution, so that it can make an informed decision on investing.
- 4.6 Profit and fees – agreed principles as to calculation. BL to receive a 15% profit on all expenditure which is not match funded (in the relevant leasehold percentages). BL to provide a schedule of Development Management, Project Management and Property Management fees. The Council to receive an annual fee (to be agreed) to cover the time commitment of the Regeneration team (this is separate from the PPA fees).
- 4.7 Business plan and its role within the overarching agreement.
- 4.8 Council contribution of equity – the Council is to have the ability to contribute equity.
- 4.9 Timetables and milestones for delivery of new scheme in phases.
- 4.10 Pro-forma appraisal for plot developments based on a template for Phase 1.
- 4.11 BL to deliver affordable housing in accordance with the Council's planning policy.
- 4.11.1 The Council will have the first option to buy the social rented units. If the Council do not exercise this option BL will have the second option to acquire the units. BL will have the first option to acquire the intermediate rental units.
- 4.11.2 The Council will (on land owned freehold) have the option to acquire additional units which can be made available for social renting to take the scheme to an equivalent 35%. BL will have the first option to acquire the additional intermediate rented units.
- 4.12 The parties agree to explore a range of options for securing and managing the affordable homes for incorporation into the final agreement as an alternative delivery route to the one set out in 4.11.
- 4.13 Community facilities strategy including funding and phasing.
- 4.14 New leisure centre – basis for funding, delivery and treatment of the land interest of the site. Procurement issues to be discussed and agreed.
- 4.15 Site wide infrastructure costs – a strategy including principles and methodology for assessing the Site wide costs and repayment of these for all phases/plots.
- 4.16 Approach to identifying and securing an appropriate higher educational occupier on the Site.
- 4.17 The treatment of any remaining land that needs to be secured for the development to take place to include the use by the Council of its statutory powers.

5. OVERARCHING AGREEMENT

The following matters will be covered in the overarching agreement (this list is not exhaustive, but sets out some of the key points):-

- 5.1 The parties' agreed objectives for the scheme being:-
- 5.1.1 creating a high quality mixed use development including uses such as retail leisure, offices, residential, cultural and public realm.

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- 5.1.2 the delivery of affordable housing in accordance with the Council's planning policy.
 - 5.1.3 the creation of an appropriate higher educational establishment.
 - 5.1.4 the delivery of the new Council leisure facility in phase 1.
 - 5.1.5 to make sure local people have the chance to directly benefit from the development by creating training and employment opportunities during the construction phase and exploring the viability of including business start up space and other support for small businesses as part of the finished scheme. BL's Corporate Policy is to pay the Living Wage (and therefore also the National Living Wage) to all staff directly employed by both British Land and Broadgate Estates, their wholly owned property management subsidiary. BL are already and will continue to explore ways in which they can promote the Living Wage amongst companies that they contract with as well as those companies further down the supply chain.
- 5.2 Agreement for:-
- 5.2.1 surrender of existing leases.
 - 5.2.2 grant of a new 500 year headlease in the form attached to the overarching agreement.
 - 5.2.3 preconditions to the surrender and grant of the headlease.
- 5.3 Preconditions to the grant of plot subleases by BL.
- 5.4 On-going cooperation obligations between the parties.
- 5.5 Financial principles and methodologies including:-
- 5.5.1 mechanisms for calculating land value, lease premium or geared rents.
 - 5.5.2 apportionment of land value.
 - 5.5.3 demonstration of overall masterplan viability. It is accepted that it may be necessary to develop some initial phases which generate profits below the target rate of return to establish Canada Water as a destination.
 - 5.5.4 principles for extraction of profit from scheme.
 - 5.5.5 Overage.
 - 5.5.6 viability target/hurdle rates for development plots etc.
 - 5.5.7 BL development return and management costs.
 - 5.5.8 BL provided finance rates. LIBOR + 3% subject to a minimum 5.75%. Provision for a periodic review of the finance rate.
- For the avoidance of doubt a number of the above items will be included in the development agreement annexed to the new headlease.
- 5.6 Delivery of the proposed new leisure centre for the Council including the financial and funding arrangements and ownership.
- 5.7 Provisions on development including:-
- 5.7.1 assurance for the Council on works to be carried out

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- 5.7.2 reporting on the carrying out of works including:-
- (a) process for tendering of the works.
 - (b) ensuring that the works are carried out in a responsible manner.
 - (c) input into the construction documents and warranties including step in rights.
- 5.8 Planning strategy and obligations– timing for submission of planning application(s) and the process of approvals of applications.
- 5.9 A framework for decision making between the parties on an ongoing basis including:-
- 5.9.1 procedure for obtaining Council approval/sign off.
- 5.9.2 dispute resolution as follows:-
- (a) escalation to senior officers/representatives.
 - (b) third party dispute resolution where possible.
 - (c) process to be followed where there is a deadlock.
- 5.10 Provisions for remedying breaches.
- 5.11 Provisions that bind the agreement to the headlease such that breach of agreement will constitute a breach of the headlease, and vice versa but in a manner which means that an undertenant does not require sight of the agreement.
- 5.12 A prohibition on assignment or novation separately from the parties' respective legal interests in the Site. Upon any disposal of such legal interest the purchaser must enter into a deed of adherence in relation to the infrastructure and development costs agreement.
- 5.13 A confidentiality provision and, for so long as this is applicable, an obligation on BL to co-operate at its own cost with any FOI request made of the Council.
- 5.14 Appropriate change of control provisions.
- 5.15 Treatment of copyright and intellectual property including designs and the business plan.

6. ARRANGEMENTS FOR GRANT OF NEW HEADLEASES

- 6.1 There will be one headlease (as identified on the plan at Appendix 1) to include SQSC, PW and MLC.
- 6.2 The agreement will set out the following preconditions:-
- 6.2.1 Masterplan and demonstration of masterplan viability/deliverability.
 - 6.2.2 Indicative infrastructure cost plan for whole scheme.
 - 6.2.3 Agreed programme for calculation of profit payments on extended schemes – staged distribution.
 - 6.2.4 Parties will agree how to distribute income received during the development phase.

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- 6.2.5 Business plan for whole scheme (including targeted revenue / capital split)
- 6.2.6
- 6.2.7 Marketing strategy for the scheme to contain:-
- (a) controls on the marketing of residential units which will balance the need for local marketing and achieving an acceptable rate of sales.
 - (b) marketing strategy for any land disposals.
 - (c) marketing strategy for the higher educational facility.
- 6.2.8 Estate management strategy for whole scheme.
- 6.2.9 A reasonable level of certainty of delivery on the whole of phase 1 including agreements with a reasonable percentage of occupiers (or an agreed percentage of floorspace) and construction contract in place.
- 6.3 The agreement will set out the following Phase 1 conditions:-
- 6.3.1 Financial model for phase 1 identifying departures to the model produced before exchange; the model to also show the cash cascade in terms of the priority of each item.
- 6.3.2 Delivery of a substantive and material element of phase 1, including the new Council leisure centre; the cost of delivering the leisure centre and the funding mechanism is to be agreed between the parties.
- 6.3.3 Receipt of satisfactory planning permission (outline for the Masterplan area and detailed for phase 1).
- 6.3.4 BL will need to demonstrate that they have sought to reach an agreement with a higher educational establishment for the creation of an educational campus. If it has not been possible to conclude terms by the time of the grant of the new headlease BL will continue to endeavour to reach such an agreement until the Council and BL conclude that it is not economically viable to do so.
- 6.3.5 Certainty of likely delivery on the first phase of PW including a reasonable number of agreements with occupiers (or an agreed percentage) and construction contract in place

7. ARRANGEMENTS FOR GRANT OF INDIVIDUAL PLOT SUBLEASES

The agreement will set out the following preconditions for the grant of individual plot subleases and relate to the first development of the plots:-

- 7.1.1 Individual plot appraisal which must achieve an agreed minimum viability i.e. surplus hurdle.
- 7.1.2 Detailed planning permission.
- 7.1.3 Appropriate confidence that a buyer/investor/tenant can be secured in line with the appraisal assumptions.
- 7.1.4 Detail of land payments, profit split, fees etc. on individual plot.

CANADA WATER – HEADS OF TERMS

8. **KEY HEADLEASE TERMS**

- 8.1 **Landlord:** the Council.
- 8.2 **Tenant:** BL CW Holdings Ltd plus guarantor where provided under the agreement.
- 8.3 **Term:** 500 years from the date of grant of the lease.
- 8.4 **Premium:** there will be no premium paid for initial grant of the lease but monies payable in accordance with the head lease.

- 8.5 **Initial rent and capital receipts:** in accordance with the following and subject to agreement and equalisation of base values:-

BL: 80%

The Council: 20%

- 8.6 Tenant's covenants:-

8.6.1 obligation to pay rent.

8.6.2 restrictions on alienation:-

(a) no assignment of whole without assignee entering into deed of adherence to the "annexed" agreements.

(b) no underletting of whole save as to be agreed by the parties and the form of the underletting of the whole to be agreed.

(c) no underlettings of part save as to be agreed by the parties and the form of underletting of the part to be agreed.

8.6.3 other links to the agreement, e.g. reporting on works to be carried out and payment of the monies due under the agreement/mechanism for rent increase.

- 8.7 Provisions for remedying breaches.

8.7.1 Arrangements to be agreed to ensure that BL may not landbank and will proceed with development unless it is judged reasonable not to do so (force majeure, adverse market conditions etc).

- 8.8 BL to have pre-emption rights over the sale of the freehold or grant of overriding leases.

9. **TESCO**

The Council and BL acknowledge that Tesco retain the right to contribute 50% of BL's equity requirement on the Shopping Centre.

Appendices

1. Site plan.

CANADA WATER – HEADS OF TERMS

2. Estate Management Area plan identifying the Council owned land which will be subject to the management arrangements.

Subject to Contract

CANADA WATER

HEADS OF TERMS

Subject to:

1. BL board approval
2. Formal approval by the Council

CANADA WATER – HEADS OF TERMS

1. PARTIES

- 1.1 London Borough of Southwark of 160 Tooley Street, London SE1P 5LX (the "Council")
- 1.2 ~~British Land~~ BL CW Holdings Ltd ("BL") A wholly owned subsidiary of British Land Plc. The development obligations of any BL subsidiary will be guaranteed by British Land Plc subject to release on completion of defects and subject to an appropriate liability cap, or such obligations will be subject to alternative guarantees or security as the Council shall approve.

Comment [A1]: The name of the special purpose vehicle that will take forward the development.

2. SITE

The masterplan area known as Canada Water, Southwark ("Site") shown edged red on the attached plan (Appendix 1). The Site is broadly divided into the following components, each demarcated as such on the attached plan:-

- 2.1 Surrey Quays shopping centre ("SQSC"):-
- 2.1.1 The vast majority of this site is currently held by BL on a lease with an unexpired term of 173 years where the Council is the freeholder.
- 2.1.2 Miscellaneous plots in the vicinity of the Shopping Centre owned by the Council.
- 2.2 Print Works ("PW") :-
- 2.2.1 The vast majority of the site is held by BL on a leasehold basis and the Council owns the freehold interest.
- 2.2.2 Roberts Close freehold owned by BL.
- 2.2.3 Car Park freehold owned by BL.
- 2.2.4 Miscellaneous plots in the vicinity of the Print Works owned by the Council.
- 2.3 Mast Leisure Centre ("MLC"):-
- The freehold interest is owned by BL and includes access rights across the orange land shown on the plan at Appendix 1.

- 2.4 There will be a mechanism so that with the agreement of both parties the Site and the Estate Management Area can be changed.

Comment [A2]: Confirm the principle that the site boundary can change should both parties agree.

- ~~2.4.5~~ The attached plan at Appendix 2 edged in blue ("The Estate Management Area") identifies land owned by the Council which will be subject to the estate management arrangements in accordance with the estate management agreement.

3. OVERVIEW OF TRANSACTION STRUCTURE

- 3.1 It is intended that BL will surrender its existing long leasehold interests and transfer its freehold interest in some or all of the sites referred to at paragraphs 2.2.2, 2.2.3 and ~~2.3.4~~ above to the Council and that the Council will grant two a new long leases, broadly of (1) SQSC, ~~and~~ (2) PW and (3) MLC, although the exact extent and mechanism for doing so will be worked up and agreed between the parties before the agreement is exchanged.

Comment [A3]: Gives more flexibility on the land ownership position behind the agreement and reflects the one lease approach.

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- 3.2 BL is in discussions in relation to the leasing of part of the Site for the creation of a new educational campus. It is an objective of the parties that educational use is brought into the Site through a transaction with a high quality educational establishment such as Kings College London or a similar higher educational organisation. If it is not possible to conclude such a transaction prior to the collapse of the existing leases, the parties will continue to seek to reach agreement with a higher educational establishment. The parties' intention is to create a campus educational environment and not one dominated by student accommodation.
- 3.3 The Council and BL will enter into
- 3.3.1 an overarching agreement regulating the relationship between them in relation to ~~the Shopping Centre and the Print Works~~ **SQSC, PW and MLC** prior to the grant of the new headleases. This agreement will serve the same purpose as an agreement for lease~~(s)~~ and will "fall away" once the ~~two~~ **new** headleases ~~are is~~ completed.
- 3.3.2 BL and the Council will remain bound by the terms of the existing leases until their surrender.
- ~~3.3.3 an agreement ("Collaboration Agreement") in relation to MLC which will deliver a scheme consistent with the master plan and will cover:~~
- ~~(a) planning the need for a unified approach across the Site.~~
- ~~(b) treatment of planning conditions and S106 provisions which jointly relate to MLC and the other components of the Site, how the cost/burden is to be shared, the equalisation of any costs/benefits between other components of the Site and MLC.~~
- ~~(c) infrastructure costs that will be shared between MLC, SQSC and PW including, the delivery of the works, how the costs are to be apportioned and the recovery of the costs.~~
- 3.4 Proceeds from the scheme will be generated as a mix of capital receipts and rent as appropriate for the uses. On completion of each plot the proceeds (both capital and rent) will be apportioned between the landowners and the developer (BL is both a landowner and the developer) based on initial landowner shares of : BL 80% and the Council 20%
- 3.4.1 ~~The initial landowners' share is in accordance with the following percentages.~~
- ~~(Subject to valuation and agreement on value and cost equalisation)~~
- SQSC**
- BL ————— 90%
- The Council ——— 10%
- PW**
- BL ————— 50%
- The Council ——— 50%
- 3.5 The Council shall have an option to contribute towards total development cost up to these initial percentages. If the Council does not contribute fully to development cost the percentages will be recalculated on completion of each plot. The landowners share is an appropriate amount of total receipts having regard to the initial valuation.

Comment [A4]: To reflect the one lease approach.

Comment [A5]: The one lease approach means the Collaboration Agreement is no longer needed.

Comment [A6]: Confirms the blended ownership shares to reflect the one lease approach.

Comment [A7]: Superseded by the new paragraph 3.4.

CANADA WATER – HEADS OF TERMS

- 3.6 The developer's share (which the Council will participate in when contributing to development costs) is an appropriate amount of total receipts having regard to the total development cost excluding the land element.

4. KEY ISSUES TO BE RESOLVED BEFORE EXCHANGE

The following matters need to be agreed between the parties prior to exchange of the overarching agreement so that they can be included in or appended to the agreement as appropriate:-

- 4.1 Masterplan including phases and plots within the masterplan. The Council as landowner to agree the masterplan prior to submission for planning consent and submission must be within 28 days of the Council formally agreeing the terms of the overarching agreement.
- 4.2 Historic costs ~~(to exclude costs specifically associated with MLC)~~ are to be agreed and apportioned over the Site ~~excluding MLC~~ and injected into individual plot development accounts.
- 4.3 Build and development costs – agreed approach to demonstrating these costs. Treatment of cost overruns and costs arising from the developer's default. The Council to provide confirmation of its acceptance of the external consultants and the form of appointments and duties of care. The parties will rely on the advice provided by the BL professional team.
- 4.4 Finance – including agreed principles as to calculation of finance costs and allowable interest and the treatment of the development management account. Interest is to be rolled up on development costs at LIBOR + 3% subject to a minimum rate of 5.75% (compounded quarterly) on all expenditure which is not match funded (requirement for arrangements to vary the interest charge over time so that it remains appropriate).
- 4.5 Strategic financial model demonstrating deliverable and viable Masterplan and the projected returns to the Council (assuming various levels of the Council's financial contribution). The Council will require the model to be developed on the basis of (1) no contribution and (2) various levels of financial contribution, so that it can make an informed decision on investing.
- 4.6 Profit and fees – agreed principles as to calculation. BL to receive a 15% profit on all expenditure which is not match funded (in the relevant leasehold percentages). BL to provide a schedule of Development Management, Project Management and Property Management fees. The Council to receive an annual fee (to be agreed) to cover the time commitment of the Regeneration team (this is separate from the PPA fees).
- 4.7 Business plan and its role within the overarching agreement.
- 4.8 Council contribution of equity – the Council is to have the ability to contribute equity.
- 4.9 Timetables and milestones for delivery of new scheme in phases.
- 4.10 Pro-forma appraisal for plot developments based on a template for Phase 1.
- 4.11 BL to deliver affordable housing in accordance with the Council's planning policy.
- 4.11.1 The Council will have the first option to buy the social rented units. If the Council do not exercise this option BL will have the second option to acquire the units. BL will have the first option to acquire the intermediate rental units.
- 4.11.2 The Council will (on land owned freehold) have the option to acquire additional units which can be made available for social renting to take the

Comment [A8]: Gives the council as landowner the right to formally agree the masterplan prior to submission for planning consent.

Comment [A9]: To confirm the one lease approach.

Comment [A10]: Clarification

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scheme to an equivalent 35%. BL will have the first option to acquire the additional intermediate rented units.

- 4.12 The parties agree to explore a range of options for securing and managing the affordable homes for incorporation into the final agreement as an alternative delivery route to the one set out in 4.11.
- 4.13 Community facilities strategy including funding and phasing.
- 4.14 New leisure centre – basis for funding, delivery and treatment of the land interest of the site. Procurement issues to be discussed and agreed.
- 4.15 Site wide infrastructure costs – a strategy including principles and methodology for assessing the Site wide costs and repayment of these for all phases/plots.
- 4.16 Approach to identifying and securing an appropriate higher educational occupier on the Site.

~~4.17 Robust mechanism and formula for objectively settling PW rent review. The rent review will need to be settled before exchange of contracts.~~

Comment [A11]: By agreeing the blended ownership shares settlement of the PW rent review is no longer relevant to this agreement.

~~4.18~~ 4.17 The treatment of any remaining land that needs to be secured for the development to take place to include the use by the Council of its statutory powers.

5. OVERARCHING AGREEMENT

The following matters will be covered in the overarching agreement (this list is not exhaustive, but sets out some of the key points):-

- 5.1 The parties' agreed objectives for the scheme being:-
- 5.1.1 creating a high quality mixed use development including uses such as retail leisure, offices, residential, cultural and public realm.
- 5.1.2 the delivery of affordable housing in accordance with the Council's planning policy.
- 5.1.3 the creation of an appropriate higher educational establishment.
- 5.1.4 the delivery of the new Council leisure facility in phase 1.
- 5.1.5 to make sure local people have the chance to directly benefit from the development by creating training and employment opportunities during the construction phase and exploring the viability of including business start up space and other support for small businesses as part of the finished scheme. BL's Corporate Policy is to pay the Living Wage (and therefore also the National Living Wage) to all staff directly employed by both British Land and Broadgate Estates, their wholly owned property management subsidiary. BL are already and will continue to explore ways in which they can promote the Living Wage amongst companies that they contract with as well as those companies further down the supply chain.
- 5.2 Agreement for:-
- 5.2.1 surrender of existing leases.
- 5.2.2 grant of ~~two~~ a new 500 year headleases in the form attached to the overarching agreement.

Comment [A12]: To reflect the one lease approach.

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- 5.2.3 preconditions to the surrender and grant of the headleases.
- 5.3 Preconditions to the grant of plot subleases by BL.
- 5.4 On-going cooperation obligations between the parties.
- 5.5 Financial principles and methodologies including:-
- 5.5.1 mechanisms for calculating land value, lease premium or geared rents.
- 5.5.2 apportionment of land value.
- 5.5.3 demonstration of overall masterplan viability. It is accepted that it may be necessary to develop some initial phases which generate profits below the target rate of return to establish Canada Water as a destination.
- 5.5.4 principles for extraction of profit from scheme.
- 5.5.5 Overage.
- 5.5.6 viability target/hurdle rates for development plots etc.
- 5.5.7 BL development return and management costs.
- 5.5.8 BL provided finance rates. LIBOR + 3% subject to a minimum 5.75%. Provision for a periodic review of the finance rate.
- For the avoidance of doubt a number of the above items will be included in the development agreement annexed to the new headleases.
- 5.6 Delivery of the proposed new leisure centre for the Council including the financial and funding arrangements and ownership.
- 5.7 Provisions on development including:-
- 5.7.1 assurance for the Council on works to be carried out
- 5.7.2 reporting on the carrying out of works including:-
- (a) process for tendering of the works.
- (b) ensuring that the works are carried out in a responsible manner.
- (c) input into the construction documents and warranties including step in rights.
- 5.8 Planning strategy and obligations– timing for submission of planning application(s) and the process of approvals of applications.
- 5.9 A framework for decision making between the parties on an ongoing basis including:-
- 5.9.1 procedure for obtaining Council approval/sign off.
- 5.9.2 dispute resolution as follows:-
- (a) escalation to senior officers/representatives.
- (b) third party dispute resolution where possible.
- (c) process to be followed where there is a deadlock.

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- 5.10 Provisions for remedying breaches.
- 5.11 Provisions that bind the agreement to ~~each of~~ the headleases such that breach of agreement will constitute a breach of the headleases, and vice versa but in a manner which means that an undertenant does not require sight of the agreement.
- 5.12 A prohibition on assignment or novation separately from the parties' respective legal interests in the Site. Upon any disposal of such legal interest the purchaser must enter into a deed of adherence in relation to the ~~collaboration agreement, infrastructure and development costs agreement.~~
- 5.13 A confidentiality provision and, for so long as this is applicable, an obligation on BL to co-operate at its own cost with any FOI request made of the Council.
- 5.14 Appropriate change of control provisions.
- 5.15 Treatment of copyright and intellectual property including designs and the business plan.

Comment [A13]: With the one lease approach the collaboration agreement is no longer needed but this ensures any assignee will comply with the requirements of the infrastructure and development cost agreement.

6. ARRANGEMENTS FOR GRANT OF NEW HEADLEASES

- 6.1 There will be ~~two one~~ headleases (as identified on the plan at Appendix 1) ~~as follows: to include SQSC, PW and MLC.~~
- 6.1.1 ~~“SQSC”.~~
- 6.1.2 ~~“PW”.~~
- 6.2 The agreement will set out the following preconditions:-
- 6.2.1 Masterplan and demonstration of masterplan viability/deliverability.
- 6.2.2 Indicative infrastructure cost plan for whole scheme.
- 6.2.3 Agreed programme for calculation of profit payments on extended schemes – staged distribution.
- 6.2.4 ~~Agreement as to the rent including the retention and distribution by the parties if income is unaffected by the development of individual plots. BL will fund a rental shortfall account of £3m. This is in relation to both SQSC and PW and will be put in place at the time of the grant of the new headlease of either SQSC or PW. This sum will be available for the Council to draw down once the existing lease or leases are collapsed up to a maximum total rent and rental shortfall equating to £1.3m pa. Parties will agree how to distribute income received during the development phase.~~
- 6.2.5 Business plan for whole scheme (including targeted revenue / capital split)
- 6.2.6 ~~Should the Council require additional income this can be drawn down from the development account subject to an interest charge which is to be rolled up at LIBOR + 3% subject to a minimum rate of 5.75% (compounded quarterly). This additional income is to be capped at £1.3m per annum across both SQSC and PW less the passing rents payable under the headleases. This additional income and rolled up interest will be included as a development cost within the relevant phases but will not attract a 15% priority return before the overage calculation.~~

Comment [A14]: To reflect the one lease approach.

Comment [A15]: Viability testing suggests there will never be a rent shortfall so this provision was given up as part of the negotiations.

Comment [A16]: It is considered unlikely the council would ever take advantage of this provision so it is removed to simplify the development agreement.

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- 6.2.7 Marketing strategy for the scheme to contain:-
- (a) controls on the marketing of residential units which will balance the need for local marketing and achieving an acceptable rate of sales.
 - (b) marketing strategy for any land disposals.
 - (c) marketing strategy for the higher educational facility.
- 6.2.8 Estate management strategy for whole scheme.
- 6.2.9 A reasonable level of certainty of delivery on the whole of phase 1 including agreements with a reasonable percentage of occupiers (or an agreed percentage of floorspace) and construction contract in place.
- 6.3 The agreement will set out the following ~~SQSC~~ Phase 1 conditions:-
- 6.3.1 Financial model for ~~the~~ phase 1 ~~SQSC~~ identifying departures to the model produced before exchange; the model to also show the cash cascade in terms of the priority of each item.
- 6.3.2 Delivery of a substantive and material element of phase 1, including the new Council leisure centre; ~~the cost of delivering the leisure centre and the funding mechanism is to be agreed between the parties.~~
- 6.3.3 Receipt of satisfactory planning permission (outline for the Masterplan area and detailed for phase 1).
- ~~6.4 The agreement will set out the following "PW Phase 1 Conditions":-~~
- ~~6.4.1~~ ~~6.3.4~~ BL will need to demonstrate that they have sought to reach an agreement with a higher educational establishment for the creation of an educational campus. If it has not been possible to conclude terms by the time of the grant of the new headlease BL will continue to endeavour to reach such an agreement until the Council and BL conclude that it is not possible ~~economically viable~~ to do so.
- ~~6.4.2~~ ~~The delivery of the first phase of PW to be a substantive and material element of the proposals for the whole of PW. The minimum phase which will trigger a collapse of the existing headlease is one which produces no less than £500,000 of head rent or combination of rent and decapitalised sales values. Additionally the first phase of PW cannot consist of wholly social rented accommodation.~~
- ~~6.4.3~~ ~~Receipt of satisfactory planning permission (outline for the Masterplan area and detailed for the first phase of PW)~~
- ~~6.4.4~~ ~~6.3.5~~ Certainty of likely delivery on the first phase of PW including a reasonable number of agreements with occupiers (or an agreed percentage) and construction contract in place

Comment [A17]: To reflect the one lease approach – there is no longer need for separate obligations as there will no longer be separate leases.

Comment [A18]: Inserted for clarity.

Comment [A19]: As 6.3, no longer needed as there will now be only one lease

Comment [A20]: Clarification of the education test.

Comment [A21]: This is no longer needed as cabinet will sign off on the masterplan before submission for planning and will see the full financial appraisal.

Comment [A22]: Duplication of paragraph 6.3.3.

7. ARRANGEMENTS FOR GRANT OF INDIVIDUAL PLOT SUBLEASES

The agreement will set out the following preconditions for the grant of individual plot subleases and relate to the first development of the plots:-

- 7.1.1 Individual plot appraisal which must achieve an agreed minimum viability i.e. surplus hurdle.

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- 7.1.2 Detailed planning permission.
- 7.1.3 Appropriate confidence that a buyer/investor/tenant can be secured in line with the appraisal assumptions.
- 7.1.4 Detail of land payments, profit split, fees etc. on individual plot.

8. KEY HEADLEASE TERMS

- 8.1 **Landlord:** the Council.
- 8.2 **Tenant:** BL CW Holdings Ltd plus guarantor where provided under the agreement.
- 8.3 **Term:** 500 years from the date of grant of the lease.
- 8.4 **Premium:** there will be no premium paid for initial grant of the lease but monies payable in accordance with the head lease.
- 8.5 **Initial rent and capital receipts:** in accordance with the following and subject to agreement and equalisation of base values:-

SQSCBL: 90 80%The Council: 40 20%PWBL: 50%The council: 50%

8.6 Tenant's covenants:-

- 8.6.1 obligation to pay rent.
- 8.6.2 restrictions on alienation:-
- (a) no assignment of whole without assignee entering into deed of adherence to the "annexed" agreements ~~and alongside an assignment of the other lease.~~
- (b) no underletting of whole save as to be agreed by the parties and the form of the underletting of the whole to be agreed.
- (c) no underlettings of part ~~unless the tenant obtains either the Council's consent or a certificate from the Council to confirm that the underletting is in accordance with the terms of the agreement~~ save as to be agreed by the parties and the form of underletting of the part to be agreed.
- 8.6.3 other links to the agreement, e.g. reporting on works to be carried out and payment of the monies due under the agreement/mechanism for rent increase.

8.7 Provisions for remedying breaches.

Comment [A23]: Confirms name of the SPV that will appear on the headlease.

Comment [A24]: Confirms the ownership shares that reflect the one lease approach

Comment [A25]: Not needed due to one lease approach.

Comment [A26]: Clarifies that agreement to and the form of any underletting of the whole will be as set out in the development agreement.

Comment [A27]: Confirms that agreement to and the form of any underletting of part of the site will be as set out in the development agreement.

CANADA WATER – HEADS OF TERMS

Subject to Contract

8.7.1 ~~No cross default between the two headleases.~~ Arrangements to be agreed to ensure that BL may not landbank and will proceed with development unless it is judged reasonable not to do so (force majeure, adverse market conditions etc).

Comment [A28]: To reflect the one lease approach.

8.8 BL to have pre-emption rights over the sale of the freehold or grant of overriding leases.

9. **TESCO**

The Council and BL acknowledge that Tesco retain the right to contribute 50% of BL's equity requirement on the Shopping Centre.

Appendices

1. Site plan.
2. Estate Management Area plan identifying the Council owned land which will be subject to the management arrangements.

Item No. 10.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Approval of the Council's Local Implementation Delivery Plan, Annual Spending Submission for 2018-19	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Environment and the Public Realm	

FOREWORD – COUNCILLOR IAN WINGFIELD, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM

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

LIP funding is allocated on an annual basis as part of the council’s yearly LIP funding submission and last year was the final year of the 3 year LIP programme agreed by Cabinet in 2013. The Mayor of London has published his revised Mayor’s Transport Strategy currently being consulted and as part of that we will continue with the existing LIP programme for the interim year on 2018 -19.

Therefore the proposals have been designed to help deliver the objectives and targets specified in the existing council’s Transport Plan as well as underpinning wider council strategic objectives and supporting the council’s recently adopted Cycling Strategy and the emerging Kerbside Policy.

The projects identified, have a particular emphasis on developing programmes to contribute to the Mayoral priorities of Vision Zero and Healthy Streets linking road safety, air quality and health and wellbeing.

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

RECOMMENDATIONS

Recommendations for the Cabinet

That the cabinet

1. Agrees the content of the council’s proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL LIP funding in 2018-19 Appendix A.
2. Agrees that the identified programme be submitted to TfL by 13 October 2017.

3. Agrees to the implementation of the programmes as set out in Appendix A.

Recommendation for the Leader of the Council

4. Delegates authority to the cabinet member for environment and public realm to amend the programme for 2018-19 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
5. Delegates authority to the cabinet member for environment and public realm to determine the most appropriate use of the £100k discretionary funding allocated by TfL for 2018-19.

BACKGROUND INFORMATION

6. Section 145 of the Greater London Authority Act 1999 (GLAA 1999) requires each council in London to prepare a Local implementation plan (LIP) to detail how the authority will assist in delivering the Mayor's Transport Strategy.
7. In May 2010, the Mayor of London published his revised transport strategy and all boroughs were required to prepare a local implementation plan in response to the new strategy. The council's Transport plan (incorporating the requirements of the LIP) was adopted by the council in July 2011 and sets out how the council works with partners to coordinate and improve its transport infrastructure and services in the borough.
8. In 2013 boroughs were required to produce a new 3 year delivery plan taking into account new initiatives such as the Mayor's Roads Task Force and Vision for Cycling strategies. Council Cabinet approved this delivery plan in September 2013 and funding was confirmed by Transport for London (TfL) in December 2013. 2016-17 was the final year of this agreed programme.
9. TfL provides financial assistance to boroughs, sub-regional partnerships and cross-borough initiatives under section 159 of the GLA Act 1999. All councils within London are able to obtain funding to deliver schemes identified in the LIP.
10. The borough is responsible for identifying a programme of transport improvements to reflect the core funding allocation for each year of the plan which is based on a formula. This programme is then submitted to TfL for confirmation based on compatibility with the Mayor's policy framework.
11. Southwark's allocation for 2018-19 is £2,960m, comprising £2.400m for corridors, neighbourhoods and supporting measures, £460k for principal road renewal funding and £100k of discretionary funding to be spent on a transport scheme as the council sees fit. These allocations are the total funding that the borough should expect to receive for corridors, neighbourhoods and supporting measures.
12. The above allocation does not include TfL funded schemes like Cycle Quietways, Central Grid and the Bus priority programmes.

KEY ISSUES FOR CONSIDERATION

13. Following the election of the new mayor in May 2016, he has published his Mayors Transport Strategy revision for consultation (response due October

2017) in turn the borough will be asked to update our Transport Plan and associated LIP delivery programme.

14. In the interim, boroughs were asked to prepare bids for LIP funding for 2017-18 which has now been extended to cover 2018-19. Project proposals contained within this report represent a response to that request.
15. This report is for a second year extension to the original three year programme which was developed in 2013 for implementation between 2014-15 to 2016-17;
16. In developing this programme, officers undertook an assessment of transport issues across the borough based on available data and known issues reported by the community. Workshops were also held with internal stakeholders from across the council in order to identify inter-linked themes and optimise resources. Further consultation on transport issues during the life of the existing Transport Strategy was carried out for the now adopted cycle strategy and the emerging kerbside strategy.
17. The council's funding allocation for 2018-19 of £2.960 million represents a slight decrease from last years (£3.147 million).
18. Given the limited amount of funding available and the number of possible projects, it has been necessary to prioritise projects to progress. Officers have reviewed the programme and identified the proposed schemes using available data and with reference to strategic priorities reflecting the Southwark Transport plan and broader council regeneration objectives to determine a final scheme list.
19. There is a natural link between schemes identified as part of the LIP process, the s106/CIL project list and other projects identified by the community such as cleaner, greener, safer (CGS). The schemes identified in this submission complement existing proposals, priorities and funding streams.
20. Following consideration of strategic priorities, the Cabinet Member for Environment and Public Realm has agreed the overall scheme list presented in this report.

Policy implications

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

Community impact statement

23. It is expected that the proposed schemes that receive funding will provide a positive benefit for those living and working in Southwark and local consultation will be undertaken as part of their implementation.
24. An equality analysis and a strategic environmental assessment were undertaken

as part of the development of the Transport plan and the impact on the community was considered as part of this.

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

Resource implications

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

Consultation

29. The submission builds on the consultation carried out during the compilation of the Transport plan, which underwent twelve weeks of community consultation in late 2010 and early 2011. As part of the Transport plan consultation, the community were invited to comment via community groups, community councils, the council's website, electronic newsletters and social media networks and via an online survey. In addition, the community had the opportunity to speak to officers directly through various community and stakeholder groups, local community councils and via two 'drop in' sessions.
30. Given the extensive consultation noted above and the short timescales involved for this submission, it has not been possible to consult with the public again on the current proposals. However, a key element of the evidence base, used to identify possible schemes, is the correspondence and feedback received from the public over previous years.
31. Once the projects proposed have been confirmed by TfL, separate formal consultation with stakeholders, residents and other interested parties, in accordance with the council's policies and commitments, will be undertaken prior to their detailed design or implementation.
32. Furthermore, all infrastructure schemes will now go before community council as part of that process where local people will be given the opportunity to influence the delivery of proposals affecting their area.
33. Where schemes are altered, dropped, or where new schemes are proposed, relevant ward councillors will be consulted.
34. With the preparation of the LIP3 transport strategy a wide reaching consultation

programme will be undertaken

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

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

43. Under paragraph 6, Part 3D of the constitution the Individual Member has authority to agree statutory or other strategies in relation to their area of responsibility. In addition under paragraph 4, the Individual Member has authority to approve the submission of bids for additional resources from government and other agencies in relation to their area of responsibility, where member level agreement is required by the external agency. However, due to the cross-cutting nature of transport projects, the Individual Member has requested that this matter be considered by full cabinet.

Strategic Director of Finance and Governance (FC17/064)

44. This report seeks cabinet approval to the submission of the council's proposed Local Implementation Plan (LIP) annual spending submission to TfL for the 2018-19 allocation of £2.960 million.
45. Once the LIP is approved by TfL, a programme budget will be set that will be regularly monitored and reported as part of the council's capital and revenue monitoring arrangements.
46. Staffing and any other costs connected with the recommendation are to be contained within existing departmental budgets

Strategic Director of Environment and Social Regeneration

47. The targets and actions contained in the Transport plan and this delivery plan have been developed in consultation with officers of the Environment and Social Regeneration department, and are consistent with our operational policies and plans in relation to highway asset management and design, parking, road network management, air quality and public health.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Transport plan 2011	Planning and Transport, 5 th Floor, Tooley Street	Pip Howson 020 7525 2952
Link: http://www.southwark.gov.uk/info/200107/transport_policy/1947/transport_plan		

APPENDICES

No.	Title
Appendix A	LIP Delivery Plan

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Environment and the Public Realm	
Lead Officer	Simon Bevan, Director of Planning	
Report Author	Pip Howson, Team Leader Transport Policy	
Version	Final	
Dated	7 September 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Director of Planning	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	7 September 2017	

APPENDIX A

LIP Delivery submission 2018-19 revised			Draft LIP
Project	Location	Description	Cost £'000
			2018-19
Behaviour change including Smarter travel and Road safety Education	Borough wide	Smarter travel programme including Road Safety, Travel Awareness and School Travel Plans. Cycle strategy smarter measures programme	415
Cycle Training programme	Borough wide	Cycle training programme and cycle parking programme including cycle hangers.	200
Southwark Cycle Spine	Borough wide	Design, development and delivery of Southwark cycle strategy 2015 including the development of the Southwark Cycle Spine	200
Cycle Parking	Borough wide	To prepare for dockless cycle hire	70
Scheme review	Borough wide	Safety audits and minor scheme amendments resulting	100
Surveys	Borough wide	Annual surveys	30
Grove Lane pocket place completion	Camberwell	Revisit Grove Lane post TfL scheme on Camberwell church Street	300
Local environmental improvements	Borough wide	Small scale interventions to address specific issues identified in year e.g. dropped kerbs, station access, as well as match funding to support air quality bids.	250
Long lane	Chaucer, Grange and Cathedral	Feasibility study of area to address rat running, improve connection to Guy's Hospital and improvements to the C10 bus route.	150
Healthy Street development programme	Borough wide	develop a prioritisation list of locations for the future LIP programme	150
Vision zero development programme	Borough wide	develop a prioritisation list of locations for the future LIP programme	150
EV charging points	Borough wide	Match funding for programme to convert street lighting columns to accommodate EV charging points	35

LIP Delivery submission 2018-19 revised			Draft LIP
Project	Location	Description	Cost £'000
			2018-19
Beat the Street - Canada Water	Rotherhithe	funding for programme to encourage behaviour change	100
Kerbside smarter street programme	Borough wide	Small scale interventions to pilot ideas proposed in the kerbside Strategy	250
		Totals	
		Corridors and neighbourhoods	2400
		Supporting measures	0
		Discretionary funding	100
		Principal Road Renewal	460
		TOTAL	2960

Item No. 11.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Review of the Local Offer for Care Leavers: Report from the Education and Children's Services Scrutiny Sub-Committee	
Ward(s) or groups affected:		All	
From:		Overview and Scrutiny Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations of the scrutiny report, set out in section 7 of the report, and the relevant cabinet member reports back within eight weeks.

BACKGROUND INFORMATION

2. The overview and scrutiny committee received and endorsed the report at its meeting on Wednesday 19 April 2017.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview and Scrutiny Committee Agenda 19 April 2017	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=5461&Ver=4		

APPENDICES

No.	Title
Appendix 1	Review of the Local Offer for Care Leavers. Report from the Education and Children's Services Scrutiny Sub-Committee

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Julie Timbrell, Scrutiny Project Manager	
Version	Final	
Dated	6 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Chief Officers	No	No
Cabinet Member		
Date final report sent to Constitutional Team		6 September 2017

Review of the Local Offer for Care Leavers

Report of the Education and Children's Services Scrutiny Sub-committee

April 2017

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i) Care leavers accommodation visits	
ii) Employment & training support visits	
iii) Commonweal Housing and Catch22 Peer Landlord Scheme Evaluation	

1 Introduction

1.1 The scrutiny subcommittee for education and children's services has now considered Southwark's local offer for care leavers. This is timely given that national government is looking closely at the experiences of care leavers, through its inquiry into foster care and its proposed legislative changes in the Children and Social Work Bill.

1.2 Southwark supports high numbers of children in care:

- 500 Looked After Children
- 330 children on Child Protection Plans
- 350 Care Leavers

Background

1.3 While growing up in care is not a barrier to a successful life, and many care leavers go on to achieve good outcomes, the life chances of the majority of children in care and care leavers are significantly worse than for those who have not grown up in care. Recent legislative and policy developments have prioritised services for children in and leaving care.

Legislation

1.4 The **Children and Social Work Bill** seeks to combine a commitment to protect the most vulnerable in society with the "ambition to ensure that disadvantaged children have the brightest possible future". The Bill has been heard in the House of Lords and will be debated in the House of Commons in October. A subsequent strategy entitled **Keep on Caring - Supporting Young People from Care to Independence**, published in July 2016, sets out a plan for the delivery of a 'step change' in services for children in and leaving care.

- 1.5 At the same time the House of Commons Education Committee published its inquiry into the **Mental Health and well-being of looked-after children 2015/16.**

The following report is the result of a year-long scrutiny review conducted into services for care leavers in Southwark.

2 The local offer

- 2.1 The local offer for care leavers is a combination of statutory entitlements i.e. what the law says must be given, and what Southwark and its partners can give, over and above its local duty. The Children and Social Work Bill wants local authorities to consult on and publish details of their local offer to care leavers, setting out areas such as education, health, employment and accommodation.
- 2.2 The scrutiny committee heard evidence on Southwark care services' statutory duties.

Personal Advisers

- 2.3 Currently all local authorities must appoint a personal adviser for care leavers until they are 21, or until they are 25 if they are in education or training.
- Once the Children and Social Work Bill is legislated, the right to a personal adviser will be extended to the age of 25.
- 2.4 In Southwark, personal advisers' case loads have been reduced to 20-25. They are located together in four practice groups. The service as it stands

cannot guarantee consistency of personal adviser for care leavers and is often reliant on agency staff.

2 Accommodation

- 2.3 In Southwark, following assessment, care leavers are offered a priority housing nomination and supported accommodation to continue preparation for independence. Support workers are employed to assist the young person in her/his transition and care leavers are entitled to £2,000 when gaining permanent tenancy.
- 2.4 The committee received evidence from the Southwark Care Leavers Accommodation and 16-Plus Support Project, but noted that most accommodation for care leavers is out of borough and out of London. Based on February performance data, 368 of our looked after children population were placed out of borough leaving 142 placed in borough.
- 2.5 The Children and Families Act 2014 introduced Staying Put to allow young people to stay with their foster families until the age of 21. However, for children who do not have that option - like those children in residential care or adolescents coming into the care system late - housing is an important and pressing issue.
- 2.6 In the course of this review we visited specialised accommodation for care leavers, such as Springfield Lodge accommodation for young homeless people including care leavers. The in-London support for care leavers included supported, semi-independent and independent placements to get the young people ready for independent living. This is an approach that has worked well for children leaving care in Southwark.
- 2.7 But such placements are in short supply. While Government may have committed to piloting 'Staying Close' arrangements for young people leaving

residential care, which would provide some form of suitable accommodation for young people in this category, this does not amount to a legal entitlement, so it is not equivalent to Staying Put. This is pertinent for Southwark care leavers.

Care leavers feedback

- 2.8 When we spoke to a focus group of 10 care leavers they told us that accommodation is a key issue, and nine said their accommodation options were limited and inadequate. One of the young people must commute to and from Southport to attend his London college course.
- 2.9 One young person has been placed in Birmingham but prefers to stay in overcrowded conditions at a friend's house in Croydon so that she can be near friends and family. One young man has been in 'semi independent' accommodation for five years. Although he likes where he is staying he has no idea or plan when he will move to his own permanent accommodation. For those that are 'staying put' with their respective foster carers, they are worried that they will end up having to leave London.
- 2.10 One young British Black young woman had been placed in Devon. She couldn't relate to anyone and came back to London.
- 2.11 When we spoke to the young care leavers' focus group, it was quite clear that they understood the pressures on the London housing market. They were not being unreasonable about the type of housing that could be available to them. The scrutiny committee considered alternative accommodation models that may be helpful to commission in Southwark for care leavers.

3 **Examples of successful care leavers' accommodation commissioning**

- 3.1 One example to consider is the Barnardo's Care Leavers Accommodation and Support Framework. This was written in 2015 by Barnardo's in partnership with St Basils (a Midlands youth homeless charity). It is a tool to help local authorities commission a wide range of accommodation and support for care leavers. The work was originally funded by DCLG to help local authorities prevent young people falling into homelessness.
- 3.2 The Framework is based on the Positive Youth Accommodation Pathway that St Basils produced five years ago. The DCLG funded it to better support young people at risk of homelessness. The DfE has provided money to roll this programme out for care leavers.
- 3.3 Young people leaving care need somewhere safe and suitable to live to help them make a positive transition into adulthood. Good housing underpins success in other areas of life. This framework draws together expertise from local authorities, voluntary sector organisations and young people across England on how to provide appropriate accommodation for care leavers.

Catch 22 and Commonweal Peer Landlords

- 3.4 The peer landlord scheme provides an innovative and supportive approach to housing for young people. The houses are jointly occupied by three or four young people. One is assigned the role of 'peer landlord'. The peer landlord has the responsibility of providing support to other tenants as well as overseeing the smooth functioning of the house on a day to day basis.
- 3.5 The first peer landlord who is 23 now sees himself as a live in property manager. He explained that the security and safety of the house was really important to him given his past experience in 2012 when he was living with friends in Lewisham, was burgled, and was forced out of his bedroom window

by a man holding a gun. He fell 40 feet. He likes being a peer landlord as he feels he has other people to look out for, not just himself.

- 3.6 Many young care leavers like the set up as they feel like they are living independently with a combination of house mates that feels like a family. These examples can serve as a model for the commissioning of local accommodation for care leavers.

3 Education and Employment

- 3.1 The government's [Keep on Caring Strategy](#) sees the local help and support that care leavers receive from their local authority as being critical to whether care leavers make the transition from care to independence successfully. One of the key outcomes of the strategy is to improve access to education, employment and training.
- 3.2 The Councils' Local Economy youth employment programmes are accessible to care leavers, though *they do not track outcomes for care leavers* specifically as part of their contract monitoring with providers.
- 3.3 This review notes the role of the Corporate Parenting Committee in monitoring education outcomes for children in care. The review was interested in the post 16 experience of children in care and care leavers.
- 3.4 As part of the review into Southwark's local offer to care leavers, the committee organised a visit to two significant services: St Giles Trust and Inspire. Both are examples of great work with young people to realise their educational and employment aspirations.

St Giles

- 3.5 The project confirmed that they work with care leavers, and other young people who need support, including young people with caring responsibilities. Some young people can only work for shorter periods due to restrictions on time.

The project addresses career progression, and can often include college and attending short courses. Smaller providers are able to build confidence with young people through developing relationships. Part of the project's work is employment engagement with actual and potential employers.

Inspire

- 3.6 Inspire delivers the *InSpired to Work* programme as part of *Southwark Works*. This programme supports young adults of 18-24 into employment by supporting them through training, job searching & creation, advocacy and bursaries. This programme includes the Employee Mentor programme, which matches a young person's aspirations with a mentor and placement in an organisation. An employer mentor guides the young person's work placement and supports their future career development.

- 3.7 The project is open to all young people who are local, not just Care Leavers. InSpire have been working with a specialised service that works with care leavers so they have received more referrals. More recently Inspire have been working with an officer who is the employment lead for Southwark on a council initiative recently convened to focus on 40 young people, in conjunction with other agencies. Relevant people and organisation all came together to create action plans for the young people and develop a range of services. The young people were not there for time efficiency reasons; however the young peoples' social workers & PAs were present. InSpire found this approach really valuable, particularly being able to hear from the range of professional expertise and understand the breadth of opportunities.

Each young person was assigned support and an action plan. The lead council officer is holding this process. Inspire received nine referrals.

- 3.8 Young people are supported to attend workshops about employment, and how to manage their money. Each young person has a dedicated case worker. Young people are matched with a placement and mentor from the industry they want to enter e.g. Accountancy. The initiative also holds unique events, such as event management.

Unresolved issues are wide ranging and challenging in the current financial climate. But better working arrangements between different departments and institutions could bring about improvements.

- There are problems in communication between housing and social care for the young people that the voluntary sector have to pick up.
- Apprenticeships are low pay jobs; the high living costs locally mean young people require extra support to be able to access an apprenticeship. This means that apprenticeships are unaffordable unless there is either family support, or additional social support.
- Care leavers can get support but those of them on the fringe might have problems – for example where they have accessed care services later.
- Young people who fall through the gaps are a concern.
- London living wage is needed for young people. This would make Apprenticeships fully accessible to a range of young people.
- There is an absence of a viable further education offer in Southwark which will have an impact on all young people planning to access higher education (OSC are considering this).
- University tuition fees present obstacles for care leavers to see higher education as a viable issue.

4 Mental Health

- 4.1 The state of mental health services for looked after children has been subjected to national scrutiny. The House of Commons Education Committee report *Mental health and well-being of looked-after children 2015/16* provoked a national outcry for putting the media spotlight on the inaccessibility of CAHMS to children in care and care leavers.
- 4.2 The mental health of looked after children is significantly poorer than that of their peers, with almost half of the children and young people in care meeting the criteria for a psychiatric disorder. The 2014 report into CAMHS is cited for revealing the crisis in the commissioning and provision of CAMHS.
- 4.3 The Government is investing £1.4 billion in children and young people's mental health services over the course of this parliament. Yet children in care and care leavers are more likely to experience poor health, education and social outcomes. Young people leaving care are five times more likely to attempt suicide than their peers, and looked-after children and care leavers are between four and five times more likely to self-harm in adulthood.
- 4.4 National statistics show that children leaving care are likely to enter the criminal justice system. 23% of adult prisoners have been in care and 40% of prisoners under 21. A comparative case study shows how one child's unstable and unsupported experience of care costs £22,415 more per year (including health, social care and criminal justice costs) than another child's stable and well supported care journey. It is widely accepted that seen in context, it makes more sense to invest in good mental health services earlier on, to prevent inflated costs for those children who have a poor experience of care and services.
- 4.5 The Education and Children's Scrutiny committee looked at the issue of looked after children and care leavers mental health in Southwark.

The issues are as follows:

- 4.6 It is widely accepted that Looked After Children (LAC) are too often based out of Southwark. This is more challenging for the council in its corporate parenting role. The committee asked how young people's health needs are addressed and officers responded that there is an out of borough nurse and we also work with GP receptionists to ensure registration.
- 4.7 The transition for young people into local borough CAMHS services remains patchy. With fostering done locally the transition is easier. For the cohort that often moves further out it is harder. There is a danger that children with self-harm issues, for example, are not accessing services. Elizabeth Murphy said she does extensive work with young people moved out of borough to advocate for young people to receive services from the borough that the young people are located in.
- 4.8 Local service providers can advocate but cannot force local CAMHS to provide services. However sometimes that is not adequate and the local CAMHS will not step in or it will be too late by the time the young person is accepted. In these circumstances, social care will privately commission services if young people are not able to access local services.
- 4.9 Young people with greater needs are often the people the council struggle to provide services for closest to home.
- 4.10 There is an issue of children on the edge of care. Commissioned services are not where we want them to be. Our staying put (with foster carers) is working well. Yet the availability of public housing has reduced drastically for all people.

- 4.11 So, if a person has been based in Kent for 10 years, it makes sense for them to live there. The developing post-16 accommodation strategy highlighted above acknowledges that young people are now sometimes placed outside of borough.
- 4.12 Southwark has good educational outcomes for its looked after children. But the issue of accommodation and the onset of mental health issues at the often 'tricky' adolescent stage of life can be a barrier for care leavers to realise their education or employment aspirations.
- 4.13 CareLink will accept all children for an assessment if they receive a referral where someone is raising a concern about a mental health issue.
- 4.14 Evidence shows that care leavers have poorer outcomes for physical & mental health, and are vulnerable to issues of Child Sexual Exploitation. The safeguarding board identifies risks to mitigate. Care leavers have been 'repositioned' within safeguarding as they have already reached that threshold.
- 4.15 The review looked at assessments for care leavers and found that the joint strategic needs assessment doesn't always meet needs.
- 4.16 Officers report risky behaviour indicators that demonstrate that responses are needed and this will be picked up in the Mental Health Strategy, due for completion in March.
- 4.17 Faced with this evidence it makes sense that all care leavers should receive the offer of a mental health assessment by a mental health professional so that they can be given the mental health and well-being support that is right for them.

Issues for consideration

- 4.18 There could be a better link between demand for local care leaving services and local commissioning.
- 4.19 As above a commissioning strategy for care leaver's accommodation locally would mean that care leavers with poor mental health could access local services.
- 4.20 The investment of £1.4 billion nationally in CAMHS announced by the Government is extremely welcome, but it is crucial that it is used locally to provide the best possible outcomes for children and young people, and particularly for vulnerable groups such as children in care.
- 4.21 There needs to be greater joint working and commissioning of services between early help and intervention, mental health assessment and housing. In short a joint commissioning strategy for care leavers in Southwark.

5 What Southwark care leavers want

- 5.1 On 05.04.17 we held a focus group with 10 Southwark care leavers at Talfourd Place. They were asked a series of questions on the key aspects of the Local Offer and mental health services. A note of the review can be found in the appendix.
- 5.2 Each young person was asked what if they would like to see anything change
- 5.3 The following suggestions were made.
- 1) Reinstate telephones with someone at the other end.
 - 2) Reinforce transparency and honesty on the decisions made about individual care leavers..
 - 3) Personal advisers, social workers and all other staff are asked to be professional when it comes to time keeping and always be on time.
 - 4) Young people requested that managers demonstrate better leadership of social workers and personal advisers.
 - 5) Move on accommodation should be made available in London – this doesn't have to be a house or flat – but could be shared options.
 - 6) Local emergency and temporary accommodation was required. One young person had to travel all the way to her job in Croydon because she had been moved to emergency accommodation in Waltham Forest
 - 7) More services; workshops on support on independent living were requested.
 - 8) A commissioning strategy for accommodation in multi cultural areas – as noted above one young British Black woman complained about placements in Devon. Others felt that placements in Scotland and the Isle of Wight are just too far away.
 - 9) Young people emphasised the importance of knowing their rights, and having good information about services. Specialised and generic services we visited were not always making use of the full range of services for Care Leavers.

6 Conclusion

The scrutiny review has revealed good practice in Southwark for care leavers. The areas which need improving are already known and understood by the children's workforce. The Council and its partners are working under considerable financial pressure which makes it doubly important that our care leavers service is fit for purpose. At the time of writing the DfE announced that the Council has been successful in its joint innovation bid with Catch 22 to transform our services for care leavers. This is welcome news which will enable greater positive outcomes for young people leaving care.

In addition, the opportunities for care leavers outlined in the Children and Social Work Bill along with further investment in CAHMS must be seized upon by the leaders of the Southwark children's workforce to better improve the life chances of children in care and leaving care.

The committee wishes to make sure that all care leavers can access a range of services to meet their needs including: financial support; access to education, training and employment; personal advisers and effective pathway planning; appropriate housing, including supported accommodation; and mental health and counselling services.

Given the well documented evidence that young people who have been in care are at risk of mental health problems, it is important that no young person in or leaving our care requiring emotional support falls through the safety net. It is vital that care leavers are able to access to child and adolescent mental health services (CAMHS) during their transition out of care and into independence, if needed.

7 Recommendations

The Local Offer

- The Council should begin its consultation on its implementation of the Care Leaver Covenant with all the relevant partners in the children's workforce, local economy and local businesses and health
- A new Care Leaver Offer as amended in line with the new legislation and attached recommendations must be communicated to children and young people in care and leaving care.
- The Local Offer for Care Leavers should be published so that both young people and agencies know their rights, entitlements and the range of support service available to meet their needs, and include both specialised and generic services that they are likely to make use of. This should include: housing entitlements; accommodation & housing support services; higher education grants; employment, training, education support services; apprenticeships programmes; counselling, mental health and emotional support; personal advisers; advocacy & mentoring; accesses to practical and relational courses to prepare young people for independent living.

Personal Advisers

- The extension of support from a Personal Adviser to all care leavers to age 25 must be communicated to those who have already left our services but will now be eligible for a 'retrospective personal adviser' service provision.
- A capability review of personal advisers could be made, so that the council and its partners can meet the expectations of the care leavers requiring services
- A plan is required to get in touch with care leavers retrospectively on the extended support arrangements.

Housing

- A joint commissioning strategy for care leavers must be drafted about housing and children's services.
- The commissioning strategy should consider examples of innovative accommodation commissioning featured in this report, with a view to commissioning accommodation for care leavers in Southwark.
- The Corporate Parenting Committee should review the commissioning strategy and its implementation

Mental Health

- Mental health assessments to be made available for every child in care and care leaver in Southwark.
- A joint commissioning strategy for care leavers services is urgently needed to find innovative solutions to find local placements for care leavers close to local mental health services.

Employment, education and training

- A programme of training for care leavers must be refreshed, published and widely advertised
- All care leavers must be supported to manage their finances, find safe and stable accommodation and not find themselves falling into debt.
- In the absence of a good further education offer Southwark should look at ways to increase the number of care leavers attending university. This should include lobbying government to waive tuition fees for care leavers or guarantee access to apprenticeships.
- To fully understand the impact of the local offer for care leavers, performance information should be collected on the above points. In addition, the Council should collect statistics on every care leaver accessing services like Inspire and St Giles and collect information on the outcomes in education and employment.

Item No. 12.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Southwark School Scrutiny in a Day: Report from the Education and Children Services Scrutiny Sub-Committee	
Ward(s) or groups affected:		All	
From:		Overview and Scrutiny Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations of the scrutiny report, set out in the executive summary and summary of recommendations in section 3 of the report, and the relevant cabinet member reports back within eight weeks.

BACKGROUND INFORMATION

2. The overview and scrutiny committee received and endorsed the report at its meeting on Wednesday 19 April 2017.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview and Scrutiny Committee Agenda 19 April 2017	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=5461&Ver=4		

APPENDICES

No.	Title
Appendix 1	Southwark Schools Scrutiny in a Day. A report from the Education and Children's Services Scrutiny Sub-Committee

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview and Scrutiny	
Report Author	Julie Timbrell, Scrutiny Project Manager	
Version	Final	
Dated	6 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Chief Officers	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team		6 September 2017

Southwark Schools

Scrutiny in a Day

Report of the Education and Children's Services Scrutiny
Sub-committee

April 2017

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Executive Summary

On 9 March 2017 Southwark Council's Education and Children's Services Scrutiny Committee held a Schools Scrutiny in a Day at the ARK Globe Academy, Harper Road, London, SE1 6AG. The aim of the day was to take scrutiny out of the Town Hall and into a local school along with teachers; head teachers; parents; lead members for children's services and jobs and skills; local businesses; representatives from the voluntary sector and young people, including the Southwark Apprentice of the Year.

Change has been a major feature of school policy over the past few years and judging by the proposals in the recent 'Schools that Work for Everyone' consultation that trend is set to continue. It is in this context that the School Scrutiny in a Day shone the spotlight on the issues that matter most to our residents: School Governance, ensuring we secure great outcomes for all our young people post 16, and that we have enough resources for our local schools.

This report contains both a written record of the discussion and links to videos made on the day of each session. There is also a comprehensive summary of all the recommendations from the day. These include:

School governance

The schools' governance session highlighted the important role of governors, and parent governors in particular, in setting the ethos of the school. To do that effectively training is necessary and we have asked our school governance team to redouble their efforts in promoting this.

Great outcomes for post 16 pupils

Our session on securing great outcomes for all young people post 16 highlighted that there is some great work being done by the council, schools, businesses, universities and the voluntary sector in providing apprenticeships, employment support and brokering work experience, however there is a lack of coordination and communication. Much more needs to be done to bring this together so that young people can make the most of the opportunities.

School funding

The proposed reduction to the funding of schools in Southwark was the focus of the final session. The local campaign to prevent this has been growing, and the recommendations focus on enabling more parents to effectively respond to the consultation and recommends that the council reach out to the wider business community to engage them, who will also be affected. The results of the 'Fair funding' consultation is expected in July 2017. The council must be ready to continue its work with schools, parents and businesses to mount a lobbying programme to protect local schools from the proposed cuts.

The Scrutiny in a Day report recommendations are set out below in full. The report will be sent to the council cabinet, local schools and attendees. Although only the council has an obligation to formally consider the recommendations, we believe the content will resonate beyond this. We believe that by taking this scrutiny from the Town Hall and placing it in the local community we have built consensus that will influence future policy and the development of constructive partnerships, which will be crucial to effect change on the themes chosen.

School governance & parental involvement

- 1 Promote transparency on school governance by working with every Southwark school to ensure that it publicises the governance structure; provides the names of members of the local governing body and academy trustees; provides the link to the Declaration of Interests and promotes the election of parent governors widely.
- 2 Promote the school governors training to all schools and governors.
- 3 Review school governors training on Exclusions to ensure that all governors know what good practice looks like.

Securing great outcomes for all our young people post 16

- 4 Develop a 'supporting people' quality standard for local businesses that provide work experience, mentoring and employment support, to demonstrate appreciation and promote involvement; link this to demonstrating social value in the procurement process.
- 5 Work on better coordination and communication with schools on the post 16 training, employment and apprenticeship programme, making sure that schools are aware of the support available for children in need/ NEETS, and the pathways available for young people not pursuing university post 16.
- 6 Work with schools, the business community and colleges to ensure that young people have a broad range of work experience taster opportunities that dovetail with the school work experience programmes, to enable young people to choose their career path and develop work social skills.
- 7 Bring together school leaders with the council to: a) contribute to the development of the emerging post 16 offer (especially higher and degree level apprenticeships) with LSBU and b) explore potentially commissioning better pathway support post 16, including careers advice and guidance.
- 8 Promote the benefits of the apprenticeship levy to business and look at how this can fit in with the supply chain.
- 9 Integrate specific training with employment support providers on the needs of Care Leavers, and other young people in need.

School Funding

- 10 Make technical information available to enable parents to fill out the School Funding consultation form.
- 11 Brief local schools that the council is promoting Federations for mutual support, where suitable.
- 12 Raise the potential impact of school funding cuts with the broader local community, and particularly the potential adverse direct and indirect impacts on local businesses.

Lunch session featuring the Channel 4 documentary ‘Will Britain Ever Have a Black Prime Minister?’ linking to the second question: how do we secure great outcomes for all our children & young people post 16?

Video link : <http://bambuser.com/v/6661558>

Over lunch **Matt Jones, Principal at Ark Globe Academy**, introduced an excerpt from the documentary, which featured Globe school, and examined the differences in life chances between black and white children in 21st century Britain, focusing on how education can promote social mobility for communities and children that are historically less advantaged.

In Matt Jones’s introduction he spoke about the importance of education and that the school’s mission is to prepare children for university and to be leaders in the community. His conviction was that aspiration and achievement ought not to be determined by postcode. He had been invited by Channel 4 to contribute to a film focused on the first black prime minister, however he considered that the factor that most held back black young people was the proximity to poverty: 40% of black Caribbean / Black African young people are born into relative poverty, compared to 20% of white young people. He shared his conviction that aspiration and achievement ought not to be determined by postcode, and invited people to view the film partly through the lens of race, but particularly in terms of poverty and proximity to resources.

The film highlighted the socio economic deprivation that many young people are dealing with, and the lower levels of both achievement and aspiration. Black young people start out their school career at a lower educational level, with Caribbean children further dipping as they get older, however at 14 achievement rises, and at 16 another increase takes place with Black African pupils surpassing white pupils at GCSE. There is evidence that this is in part down to external examiners marking papers impartially, and that racial stereotypes in school can hold black pupils back.

Another segment dealt with confidence and developing interviewing skills and the social skills that young people will need in the work context.

The Principal said that whatever the perceived prejudices of teachers the film identified, the most important factor was that academic achievement matters and that black children, as well as white working class children, are under-achieving. He also emphasised the importance of developing the social skills expected in different, and unfamiliar, cultural contexts, in particular Russell Group universities and the particular social skills needed in order to network and build professional relationships effectively. The school teaches these explicitly. The other thing that school helps develop is the networks needed in order to provide young people with the opportunities to experience a range of work environments, including prestigious law and accountancy firms, politics and charities. This work is focused on developing the social and cultural capital young people will need in order to be comfortable in a variety of contexts, including the most aspirational contexts.

Session One: What are the governance arrangements for Southwark schools and what role do parents play?

Video link: <http://bambuser.com/v/6661558>

Introduction: The fast changing landscape of education has meant considerable uncertainty amongst local residents about what the future for schools – and the pupils, staff, parents and governors within them – will hold. There are now a number of different schools structures: maintained, academy & free school, and recent proposals to change the role of parent governors. This complexity can be confusing. This scrutiny session concentrated on bringing clarity to the governance arrangements for Southwark schools and examined the role of the school governing boards, parents and local authority governors in making sure that the schools work in the interests of all pupils, in order to amplify best practice and make it easier for parents to get involved.

Tom Crisp, Senior Lawyer - Governance, provided a paper and presentation on the governance structure of different school models: maintained, academy and free. The paper can be found here: <http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=380&MId=5552&Ver=4>

John Finch, Head of Governor Services provided a paper and presentation on how to become a school governor: opportunities, training, roles and responsibilities, with an appendix from the National Governors' Association (NGA). The papers can be located here: <http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=380&MId=5552&Ver=4>

John Fowler, LGiU, provided an update on the government's evolving position on governance and the role of parents. He opened by referring to the white paper, 'Education Excellence Everywhere', which was published this time last year. This set out the government's intention that by 2022 all schools would be academies, which caused uproar, particularly in Tory shires, possibly as it would see the end of small rural schools. Another paragraph talked about governors and the type of governors needed. There has been a long running debate on whether governors ought to be there as representatives of various constituencies or because they have the skills to govern a school and run a complex organisation. The paper discussed this and went on to say the government no longer intended to make it mandatory for academies to have two parent governors on the local governor bodies. This caused further uproar, with critics referring to the commitment given when academies were legislated for that there would be two parent governors. He added that following the publication of the white paper the government appears to have retreated from this position. When the new education minister, Justine Greening, went to an education select committee in the autumn she spoke about the important role of parent governors, and parental investment in schools.

The government handbook on governance, recently published, has 40 pages on the skills needed to be a governor; however the current composition remains in place, including the role of parent governors. He noted that one local large academy chain a website does publicise the role of governors, but not specifically the role of parent governors. He spoke about his experience with the variation in the quality of governors, and also the impartiality needed to negotiate matters such as salaries - this could be more challenging for parent governors at their own school.

The chair opened up the session for a discussion with the panel, and invited questions. The first question from an audience member queried the different governance arrangements for maintained

and academies/free schools. Officers explained that there are looser governance requirements for academies, and that there was no local authority governor. Recruitment of headteachers in maintained schools is done by governors, in academies it is by the company directors. The council offers training to all governors – whatever the school status. The importance and value of governor training was highlighted by the officers and endorsed by parent governors present.

There was a comment that in Southwark all secondary schools are academies (or church schools run by local diocese), and a query as to how many school do buy in governances service offered by the council. John Finch, Head of Governance, said about 70 % of Southwark schools buy into the training and governance service, which includes clerking support, off the shelf policies for adaptation, and training in HR. He was then asked how the other 30% of schools access governance training, and he responded that diocese schools will offer in house training.

The panel was then asked what can be done to ensure the impartiality in the election of governors, to ensure it is open to all and that the headteachers or the academy does not unduly influence the result. Officers explained that elections are open to all parents, and there is a requirement to publicise this- for example an expectation of notices in the school newsletter and on noticeboards. A further query asked about the other types of governors on academy boards. The questioner highlighted that a local secondary academy chain trustees are known to have the sponsor's family members on the board. Officers clarified that while parent governors and teachers are elected, other governors are appointed by the overarching academy trust. These trustees appoint governors to the local school. This means that more than one person will make the appointment, but it is not via election. The panel said there is nothing that can be done about opening up the appointment process, but it is possible to view a 'Register of Interests ', which contains a requirement to notify relationships and also to disclose if a trustee is a school trustee or governor of another school. However, John Fowler clarified that EduBase only has a Register of Interests for academy trust members, not local governing bodies members, and so the information being asked about is hard to find. He said at one point minutes of governor meetings were being published by some academy chains, and so it was possible to identify who the governors were, however it is likely that this openness is receding. Tom Crisp, Senior Lawyer said that schools are subject to FOI; however there is lesser requirement for academies than maintained schools, though they are obliged to respond to requests for information. This does give a level of transparency. John Finch said that academies are required to publish online their governance structure and who the governors are. The chair indicated that scrutiny could test who is abiding by this.

A committee member asked how the council addressed working with academies on issues that schools found difficult and could be reluctant to address openly because of reputational concerns. He gave the example of tackling knife crime and how discussion this might conflict with schools seeking to promote an aspirational ethos. Schools may focus on raising culture capital rather than looking at difficult issues. Officers said that the most important avenue for tackling these issues was by fostering good relationships; particularly as there are limited powers for the Local Authority to intervene, and those powers are limited mainly to maintained schools. The Director of Education, Nina Dohel, confirmed that the statutory powers are extremely limited and influence is primarily through developing relationships with teachers and governors, and taking the longer view about what is best for young people and the community.

Exclusions and the role of governors were raised by a committee member, and the tendency for the exclusion panels to rubber stamp the headteacher's recommendations. He said that in his experience as a governor 9/10 times the recommendation of the headteachers was followed, even when the governors had concerns about the circumstances or questions about the extent the school had offered enough support. He asked if there was legal guidance that governors were obliged to follow. Tom Crisp said that governors now have limited powers to reinstate exclusions by the head. After a permanent exclusion a parent can make representations to the governing body. The governing body can make a decision requiring the head to reinstate the pupil, but in practice this rarely happens. If the pupil is not reinstated, the parents can then ask for a review of that decision to be heard by an independent panel. This panel cannot direct the pupil be reinstated – their role is in effect limited to reviewing how the governing body went about its decision. They can uphold the governors' decision, recommend that they look at it again, or (in cases where they think the decision was unreasonably or procedurally unfair, quash the decision, and ask the governing body to look at the case again.)

John Fowler said that formerly there was also an appeals process but other than a judicial review, perhaps on the grounds of disability or other discrimination, there is no appeals system now. For academies there is recourse to take the matter to the academy trustees, and for the maintained school there is still the governing body. John Finch said that in the maintained sector the Local Authority Head of Exclusions is required to be invited to the exclusions meeting, so they can give advice on the case, and what other schools might do. The clerk can advise on the right process to be followed. Tom Crisp advised that there is clear statutory guidance on the processes to be followed for exclusions.

An audience member commented that there is a trend for schools to be operated like businesses, with large salaries and performance related pay. She asked if there anything to stop this unhealthy ethos developing? John Fowler said that in addressing this there is a distinction to be made between the maintained and academy sector. In the maintained sector staff need to be paid in accordance with national pay and conditions, however there was the local instance of a school federation head being paid a 'telephone figure' salary. This was awarded by the governors over and above the pay scale. The rationale was that the head was managing a number of schools. On performance related pay, good practice is that teachers would be clear about what outcomes pay awards were linked to and that there was proper process to earn any salary increase. The Education Director said this goes back to the role of the governors. In recent times there has been a questioning of the need for this role and even if schools actually need trustees and governors, but the rationale of having them is that having a broad range of governors inputting into the school allows an ethos and culture to be developed. Although there is guidance on pay and exclusions, there is still a huge range of scope for influence and variation. The governance group set the values that shape the decisions on matters such as exclusion and pay. If we do not have governors than it raises the question of who would do that and what would be the accountability mechanism.

An audience member asked who holds the governing body to account. John Finch responded that governors conduct a self audit, and also for maintained sector the Local Authority can step in and advise on issues on the governance composition, policies etc. OFSTED also has role.

Surrey Square parent governors: Simona Tottoli and Frances Edegbe provided a talk. They said that Surrey Square believes that children can achieve personal excellence through the teaching and modelling of values and skills. The school has 7 values – Responsibility, Respect, Enjoyment, Community, Perseverance, Compassion and Excellence - drive that shape every aspect of school life, and have taken the place of school 'rules' . These values are also reflected in the school engagement with the parents/ carers.

Surrey Square School manage to reach a wide range of parents/carers with a consistent approach. Parents know that the doors are always open and there is a non judgemental environment. The school understands that interaction with parents/carers will help to increase the children's learning. Parents/carers are not just recipients but active partners . The school believes in the importance of acknowledging the parents/carers efforts.

The school shows their commitment to support the parents/carers by investing in a pastoral post who help and signpost with housing issues, safeguarding, domestic violence, emigration issues, debts or just simply give advice. The school also runs a Positive Parenting course. This links to the school value of responsibility.

Training for parents/carers includes:

1. Teachers run workshops on different topics to help the parents/carers/carers to support the children with their learning/homework; these workshops are run at different times during the day, to make it more accessible.
2. The school offer the opportunity for parents/carers/carers to do work experience at the school
3. They facilitate and run ESOL classes

This links to the school value of excellence .

The school run cafe mornings for Spanish speakers' parents/carers, also for parents/carers of children with special needs, and run a mums exercise class during school hours. The school also provide a lending service for bilingual books for most of the languages spoken in the school. There are community nights which usually start with a motivational guest speaker and conclude with all of the families having dinner together, sharing food from different cultures. This links to the school value of community.

The school give some financial help i.e. if a family has more then one child that would like to attend one of the extra curriculum activities the school give sibling discounts. The school is aware of some families that are struggling and not been able to receive any benefits, so the dinner ladies prepare some take away food to be given to those families at the end of the day and some parents/carers also attend magic breakfast in the morning so are able to eat breakfast. This links to the school value of compassion.

The school employ a person from CAMHS (Child and Adolescent Mental Health) who supports some of the families in school and at home, and they also invest in Place to Be (a leading children's mental health charity). This links to the school value of respect.

The school have a parents/carers open mornings, which will include:

1. a workshop with all the parents/carers,
2. about an hour while parents/carers can seat and watch their children teacher teaching to the class
3. Feedback session on what is really important, in order to implement the suggestions given.

Last year a group of parents/carers recorded a Respect music video that can be seen on the website, of which the kids are really proud. This links to the school value of enjoyment.

Parents/carers can communicate with the school in lots of different ways: in person, on the phone, via email, texts, they also receive communication via ParentMail. Messages around the school are also available in other languages which shows that the school understand that one size does not fit all. This links to the school value of perseverance.

Following the presentation a Surrey Square film was shown:

<https://videocentralhd.lgfl.org.uk/Play.aspx?id=txKXKVRahEU5V9>

Attendees were invited to leave comments & questions and one was received from Will Carter, Southwark scholar, currently at Bristol University: *Do you feel that the recent statistics regarding the tendency for children with high income families to get there first choice of secondary schools highlights a new economic and social divide in Southwark. Especially as this often parallels race and ethnicity. And so I want to know what you are doing to protect the educational opportunities of people from low income/ethnic minority backgrounds?*

Recommendations:

- 1 Promote transparency on school governance by working with every Southwark schools to ensure that it publicises the governance structure; provides the names of members of the local governing body and academy trustees; provides the link to the Declaration of Interest, and promotes the election of parent governors widely.
- 2 Promote the school governors training to all schools and governors.
- 3 Review school governors training on Exclusions to ensure that all governors know what good practice looks like.

Session Two: How do we secure great outcomes for all our young people post 16?

Video link: <http://bambuser.com/v/6661576>

Introduction Most of our young people do well at exams with 75.5% of pupils in secondary schools achieving 5 good GCSE at A*C, but what more can we do to ensure there is a good post 16 offer, for 100 % of young people? How can we be sure that all our children are reaching their potential? How can the local community, voluntary services, colleges and business help support pupils in school as well as getting the post 16 offer right? Young people, educators, the council and business leaders have all identified the importance of really good work experience, excellent training, and high quality apprenticeships. The session set out to explore how post 16 support can be improved by working together , and to scrutinise the progress the council has made in delivering our promise to provide education, training or jobs for all school leavers, and to increase the quantity and quality of apprenticeships.

Cllr Mills, Cabinet Member for Children and School spoke about the great success story for Southwark schools: this includes 48% of children on Free School Meals achieving 5 GCSE and on Attainment 8 Southwark have achieved significantly higher than comparators. The council also have a good post 16 story to tell: most 16 - 18 year olds are achieving A levels and 94 % are in education training and employment. Most ethnic groups are outperforming other similar local boroughs, though Southwark is behind for white pupils and Chinese. In terms of progress after school, Southwark also have more people progressing well. Southwark is a high skill and high achieving borough. The council has strong business links through the business alliance, which is offering opportunities for our young people. Over 1000 work related opportunities were brokered last year. The council have a one million pound youth fund that particularly looks at education and employment opportunities, including some excellent employment support. NEET figures are low, but the cabinet lead said that there is more can we do. The council have agreed new career programs to work with those young people. One of the biggest challenges is that the local Further Education provider; Lewisham Southwark College, is weak , so for young people seeking to pursue vocational opportunities there is not a good enough offer .The careers service is variable - though some schools are probably doing this very well.

Cllr Johnson Situ, Cabinet Member for Business, Culture and Social Regeneration said a big part of a good post 16 offer is looking at the world of work and the opportunities offered by apprenticeships, work experience and vocational training. That is a key area that the local economy team and business forum work on. The borough recognises the importance of good apprenticeships and increasing employment opportunities. The council aim to support 5000 residents into employment, many of whom will be young. This includes a strand supporting young people into part time employment, which is often right for young people studying, and St Giles deliver this. The council also fund the SEEDS program that guarantees training, mentoring and support. They also offer pre-apprenticeship support, which concentrates on developing soft skills. The council's ambition is to create 2000 apprenticeships, and have delivered 900 of these - this is outperforming other local boroughs, who are coming to the council for advice. The council have developed an apprenticeship standard - which includes the London Living Wage, mentoring, training and support. Against our target of helping 5000 people into employment the cabinet lead said that the council

have achieved 3700. The council have also set up a business support space. The cabinet lead ended by saying that challenges include ensuring the vocational offer meets our needs.

The chair invited questions and the panel was asked about support for young people in need, because of youth offending, disabilities, or they are care leavers. The cabinet members responded that we have a very good support service. This was recently inspected, and was found to be doing a good job. We are looking to see if we do need a more specialised support service for care leavers; we now have group, facilitated by a council officer, looking at employment support for care leavers and other children in need¹ An issue to explore is do we support care leavers within our broader support or do we commission more specialised services. Scrutiny has raised improving tracking care leavers, and that our programmes like SEEDS have the capacity to support care leavers. SEEDS have had a learning process, with employers now understanding better the type of young people and the support needed.

Matt Jones was asked how he marries the talk about apprenticeships and training with the Globe statement about preparing young people for university. He contrasted the implicit assumption of private schools that their children will go to university, with the experience of many local young people, where only 15% people in the local ward go to university, whereas it is 40% nationally. The school therefore make the expectation of preparing for university explicit to Globe pupils, because it is not implicit in many of the pupils' communities. He also spoke about how this relates to lifelong learning and higher level qualifications, that meet or exceed this bar, but preparing for university is a pithy way of encapsulating the concept of preparation for higher learning, and ensuring young people feel university is a choice they can make.

Matt Jones Principal, Ark Globe Academy and Chair of SASH secondary school head opened his talk by agreeing that Southwark schools do well. He pointed out most are academies; either standalone or part of Multi Academy Trusts or diocese schools, rather than maintained by the council. However he emphasised the strong Southwark identity in the SASH network of secondary heads that he chairs. There is a feeling amongst SASH schools that for a proportion of post 16 the provision is not meeting their needs. Through the panel presentations he now realises that actually there is a whole lot going on, but he was not aware of this. The panel discussion has demonstrated a high level of commitment. He would welcome a further discussion on commissioning; someone coming to the school and asking what Globe is seeking for its young people, and most of all he would like to see better communication of what is on offer, and lastly a better focus on coordination. He said that although he is a secondary head he did not know how to access the provision outlined, and it was concerning. The perceived lack of provision amongst secondary heads had provoked the request for this session. Specifically he asked if there is a one stop or two step process, for those young people who are not achieving the grades to go to university, or have needs such as NEET, or are young offenders etc., or just want to pursue a vocational career path. In each year group we can identify about 10 young people who need opportunities to see that they are valuable and could make a contribution in the world of work. These young people often feel isolated - they recognise that university is not for them, but they need to access other opportunities, with the wrap around care they need. Yesterday the Globe was featured in The Guardian for its work brokering

¹ Southwark also has Southwark Education Business Alliance, which brings together schools, businesses and community organisations across Southwark

apprenticeships, which he is proud of, however it would be much easier to do this with the knowledge of the opportunities that council provides, which he has heard about today for the very first time.

Eleanor Wright , Community Executive, British Land , and Southwark Business Forum

representative, explained that she is a member of the Business Alliance , and the Career Ready cluster - which is focused on providing and mentoring young people in work placements. These have come about largely through British Land's relationships with local schools in Canada Water, where they are major developers. She has gone out to businesses to get them involved. She praised the Southwark Apprenticeship Standard, and suggested another standard might be a 'supporting standard' for businesses who offer work opportunities, get involved in the InSpire programme and in other ways support people in employment. Business often would welcome some kind of formal sign of appreciation, and this would encourage others to follow in their steps.

The chair invited comments and there was a discussion about using the procurement process and obligations for social value in the supply chain. Cllr Mills said this already includes offering apprenticeships and Danny Edwards, Local Economy Strategy and partnerships manager, said that there is currently a new procurement framework to improve this. Companies not offering social value will not score well enough to tender in the procurement process. The panel said there was scope to develop this further. Cabinet members welcomed the idea of an additional supporting standard for business offering employment support and work placement opportunities.

Matt Jones emphasised talking to school leaders & specialised teachers who are responsible for careers advice, prior to commissioning. His school offer a work experience programme and he would like an offer that dovetails with this. Eleanor suggested a shopping list approach whereby businesses can offer a range of things and choose the appropriate level and commitment. Businesses also need assistance in understanding more about 16 and 17 year olds; a practical thing might be a list of tasks that a young person would be able to do, and building in feedback loops. The cabinet lead pointed out that it does cost to run the Education Business Alliance, and with both council and school budgets under pressure, she raised the issue of business contributing to the costs, such as travel or paying for time.

Denrick Elliott, team leader, GROW, St Giles Trust spoke about GROW which offers support around training, employment and studying, and assisting young people with managing their lives - particularly debt management .

One big issue is career identification - young people can struggle to identify what they want to do, incur debt studying, and then discover it is not the right path. He recommended more quality career guidance.

He agreed with Matt that training in appropriate conduct for work environments, which the young people are unfamiliar with is crucial, and this can be a major problem. GROW has a relationship with PWC, where the young people visit to do interview workshops and work experience. Some young people realise the behaviour expected, but others can often react to that environment by withdrawing into a shell, or acting in ways that are totally inappropriate for the context. He recommended increasing the range of opportunities for work experience. He suggested 4 separate weeks spread over a longer period would be better, particularly for those young people who need to

develop the right social skills, and reflect between placements. Also young people need to get a variety of experiences so they understand what they do, and do not like, in order to understand what they want to do.

His work involves advocacy and work with young people to understand how to apply for work- CVs, cover letters, making online applications. Many of the young people who struggled in school are often finding things difficult. The advice to take a level one functional course does not provide a pathway. Young people need to understand that they can still achieve great things, and even if they did not get the right qualification at 16, and that at this young age they can still recover within one year, and go to university at 19 or 21. Others find routes to work via apprenticeships, which can work very well if it is the right apprenticeship. The crucial issue is finding out what young people want to do, and that takes young people getting out and about, experiencing different work environments.

The project works with care leavers from Talfourd Place. This cohort does need specific help; there is often a lot of anger. Care leavers even past 21 often have social and care needs that still need addressing. Care leaver can certainly achieve well, but are statistically over represented in offending etc, and are more at risk of not reaching their potential.

Apprentice, Suley Muhidin, Southwark Council Apprentice of the year 2015 / Communities

Projects Officer (Projects and Young People) said the apprenticeship he undertook prepared him for work. He had gone through university, however there is a difference between knowledge and experience and the council apprenticeship scheme gave him time to build up experience and apply his knowledge. Having a wide of variety of work placement is good for young people to explore what they want to pursue and for young people to understand where they can add value. There are challenges around education, what is on offer, and also the mentality of your people and the culture. One of the things in the council and the Globe are trying to do is develop leaders. One forum for this is the Youth Council. Leadership is not for everybody, but having youth council representative means people do have access to influence.

Cllr Mills commented that the present curriculum has shortfall in application. She asked about the Globe' careers advisor service. Matt Jones said that Globe has a careers advisor in position, and the school also has access to a careers network. Matt Jones suggested that the council acted as the commissioning body for this kind of service, which is focused on where young people are located (in schools) and where teachers can be upskilled by outside bodies coming in , such as the people here, to explain where the opportunities are. Services for young people at risk of NEET need to access and hook young people in while at still at school.

Michael Simmons, Director of Corporate Affairs, London South Bank University (LSBU) picked up on the point made by Cllr Mills and Suley Muhidin on the need for young people to be able to apply knowledge and the curricula gap there. Many of the students at LSBU are sponsored by industry and do have those links with their employers. Life-long learning is a key part of the LSBU offer, and it specialises in professional and technical education. LSBU has over a hundred degree level apprentices, which are set to grow further. From September LSBU will offer over 20 higher and degree apprenticeship courses. One of the critical issues is people seeing a career. LSBU has employers ringing up seeking applicants from our building surveyor course, as the university is the largest supplier of graduates in that sector. However we cannot meet that demand as our students

in that sector are mostly part-time and working for surveyors while they study. We even struggle to find students for employees to sponsor in education, whereby they pay no fees, and get a wage of £28,000. The problem is that young people are not aware of these industries and do not see a pathway. The government is looking at revamping technical qualifications, however we probably do not need this, and rather we need a better line of sight, so that people understand the career opportunities and trajectories that already exist. We want to grow apprenticeships, not just the higher levels, but also at the lower levels to provide an entrance at level three for young people and link with employers. The university is very supportive of the council's apprenticeship programme and seeking to work closely going forward.

He was asked about the qualifications needed for a technical course and responded that good English and Maths is needed, and this can be an issues for young people pursuing a technical career; the standard is often as high as those pursuing an academic career.eg Good maths is needed for quantity surveying. Matt pointed out that the loss of Connexions service meant that was a loss of knowledge in school to guide young people, and the lack of coordination between existing services, meant that schools were often in the dark. Matt said there was a tranche of young people who would probably benefit from a technical higher education route

The cabinet lead for employment spoke about the future opportunities in the borough, for example building the construction skills centre, to make the most of development in the area.

An audience member from British Land asked how the apprenticeship levy will impact when it comes into affect. She commented that it will be a pretty big pot. The cabinet lead said they recently brought together a group of business leaders over breakfast, some of whom see it as an opportunity and other as a tax that they are less engaged with. There are a significant number of business leaders who want to explore this further and want to take on both new apprenticeships and retrain the existing workforce. It is a mixed bag and both an opportunity and a risk. Michael Simmons highlighted the levy will come in very soon, in May, and one of the issues is the short time frame to prepare. The audience member said that for her business it is an opportunity, so she recommended educating businesses on the benefits. Eleanor said that British Land and other developers have been lobbying to use the money in their supply chair to support smaller business.

Matt Jones emphasised making connections between apprenticeships and business. The Education Director said the council has been working with LSBU to develop a strategy for a local offer which links with schools .This is still in development, with a cabinet paper anticipated. Matt Jones recommended early meetings with local heads and other stakeholders to shape the strategy at the initial planning stage. The cabinet leads said the intention is to involve schools, once they have a concrete proposal to present.

There was a discussion about the contemporary pattern of a person having two or three careers, and how this can be supported. Michael Simmons, LSBU, said that this is about ensuring that university is about both education and acquiring skills, to enable people to make changes in the future, if their skills become obsolete. Matt Jones spoke about exposing children early to different experiences. He was asked about local connections and the community. The Globe has 48 feeder primary schools, and close links with about 9 schools. The Globe primary has relationships with the community, and for example, visits the Shard for projects so the young people make the most of the local opportunities.

The chair asked each panel member to sum up and make a recommendation:

- Denrick Elliott, Team Leader, GROW, St Giles Trust the council does a good job funding NEETS, but more needs to be done.
- Eleanor Wright, Community Executive, British Land think more about the role of parents, and how the wellbeing and economic agenda fits in with supporting young people post 16. Business can act as a critical friend to local economy functions and business fora.
- Michael Simmons, Director of Corporate Affairs, London South Bank University (LSBU) said collaboration is critical, both with the council and wider stakeholders to build partnerships for local learners.
- Cllr Mills, Cabinet Member for Children and School developing a quality FE college; communicating and collaborating better.
- Matt Jones Principal, Ark Globe Academy the council innovating and getting the right people in the room early to co-create.
- Cllr Johnson Situ, Cabinet Member for Business, Culture and Social Regeneration his is looking forward to new economic challenges, risks and opportunities, and working together to meet these.
- Suley Muhidin, Apprentice young people having exposure to more opportunities.

Recommendations

- 4 Develop a 'supporting people' quality standard for local businesses that provide work experience, mentoring and employment support, to demonstrate appreciation and promote involvement; link this to demonstrating social value in the procurement process.
- 5 Work on better coordination and communication with schools on the post 16 training, employment and apprenticeship programme, making sure that schools are aware of the support available for children in need/ NEETS, and the pathways available for young people not pursuing university post 16.
- 6 Work with schools, the business community and colleges to ensure that young people have a broad range of work experience taster opportunities that dovetail with the school work experience programmes, to enable young people to choose their career path and develop work social skills.
- 7 Bring together school leaders with the council to: a) contribute to the development of the emerging post 16 offer (especially higher and degree level apprenticeships) with LSBU and b) explore potentially commissioning better pathway support post 16, including careers advice and guidance
- 8 Promote the benefits of the apprenticeship levy to business and look at how this fits in with the supply chain
- 9 Integrate specific training with employment support providers on the needs of Care Leavers, and other young people in need.

Session Three: School Funding

Video link: <http://bambuser.com/v/6661554>

Introduction: London schools are expected to be hit particularly hard by both changes to direct school funding and the predicted demise of local authority grants to provide school services. We know that Southwark schools are very successful with 75.5% of pupils in secondary schools achieving 5 good GCSE at A*C, (outgoing measures) and above the national average against the new measures of Attainment 8, Progress 8 and English Baccalaureate. But can we maintain this if resources go down? Changes to National Funding Formula (NFF) could mean significant cuts to the funding for Southwark schools. The Education Services Grant (ESG), used to support Local Authority statutory functions in relation to schools, was reduced in 16/17 and will cease from 2017. There may be a partial replacement but there will still likely be a big impact. This session will look at the impact of these proposed cuts to schools and the responses to the current consultation on the proposed changes.

Nina Dohel, Director of Education and Russel Dyer, Departmental Finance Manager referred to the presentation: <http://modern.gov.southwark.gov.uk/documents/s67603/School%20funding.pdf>

The chair introduced the discussion by explaining that there are a number of rallies around the borough at local primaries involving parents about potential cuts to school funding, and commended committee member Cllr Catherine Rose, for her work on the campaign. A meeting will take place at John Donne School tonight, involving parents, teachers and local politicians.

The funding changes could see funding move from cities to rural schools, and this could impact on the good results that London has achieved. Many children are living below the poverty line in London, which is unacceptable, but it is still possible to be from a poor background and get a good education.

There was a question from a committee member about completion of the consultation form and the evidence needed, which is hard to find. She asked if it was possible for this to be made available so the data can then be personalised by respondents as it is crucial that as many people as possible send in consultation responses. Russel Dyer, finance manager, said the council has provided a response, and they would be happy to make that available. There is also information on the Fair Funding campaign website, and the national audit office has provided independent figures on their website. London Councils have identified that £350 million as the amount that needs to be found. The Education Director said that the council response has been shared with headteachers, who are well placed to advise parents. The cabinet member said that this is quite technical and there are other ways to highlight and campaign, other than completing a consultation response. The committee member agreed that there are a variety of ways of campaigning, but helping parents who want to complete the form is important. John Fowler commented that a mass response to consultations does impact on ministers. A committee member said that there are group sessions to help parent fill in the form. Postcards, email, meetings are also effective. The campaign will likely be long running.

The Education Director was asked if the local Multi Academy Trusts (MATs) have provided a response. She said that some have and they have said that while the cuts will affect the schools, these will be mitigated by the parent organisation. However it is not clear by how much the MATs will be able to subsidise the funding reductions, and for how long, possibly because the MATs do not know. Local schools are predicting a range of possible outcomes: these could include larger class

sizes, more unqualified teaching assistants, or only delivering the core educational offer and cutting back on extra curricula and pastoral activity . The Education Director said that she is aware of school budgets, and where they are more stretched, or have an underspend, which is the situation in some secondary schools. She added that we do not know what the outcome of the consultation will be. The council are receiving updates on little pockets of additional funding that we are then relaying to the schools, but information is unpredictable. School staffing is very expensive and important, so these tend to go last. One tactic to mitigate is to encourage schools to work together, in Federations for example. London Councils are also advocating for the ESG budget to stay.

The white paper suggested that the Schools Forum might go. John Fowler said that he thought the Schools Forum is secure, for the following year or so, however the function and parameters of what the Schools Forum would do could well change. The Education Director said there was a lack of clarity. John Fowler suggested that going forward Schools Forum may in future become a local choice.

A local headteacher in the audience cautioned against the promotion of Multi Academy Trusts, without the evidence to support these. Some Multi Academy Trust schools have said that it is very similar to being in a local authority and they have not realised the expected benefits. He questioned the promotion of Federations. The Education Director clarified that Federations, which the council are promoting, are not the same as MATS, which they are not promoting. Partnerships in Federation are about providing mutual support, while individual schools retain their leadership, governing body, and independence. The headteacher responded said that the language the council employ to describe this was important , as what the council thought it was communicating, is not necessarily what is being heard, particular when there is the perception of a wider strategic objective from central government for all schools to become part of MATs .

A committee member raised the importance of involving the wider community in the campaign to stop school funding cuts, as these cuts will impact on young people post 16, in employment, and therefor on businesses and the community. The potential reduction in funding will also impact directly on the delivery of pastoral and extra circular activities, and so there will be impacts on the local supply chain.

Recommendations

- 9 Make technical information available to enable parents to fill out the School Funding consultation form
- 10 Brief local schools that the council is promoting Federations for mutual support, where suitable.
- 11 Raise the potential impact of school funding cuts with the broader local community, and particularly the potential adverse direct and indirect impacts on local businesses.

Report contributors

The Committee would like to thank all the contributors to the Scrutiny in a Day, who made this report possible, as well as the committee members and officer:

Committee members:

Councillor Jasmine Ali, Chair

Councillor James Barber, Vice-Chair

Councillor James Coldwell

Councillor Jon Hartley

Councillor Lucas Green

Councillor James Okosun

Councillor Catherine Rose

Diocese representatives: Martin Brecknell & Lynette Murphy-O'Dwyer

Scrutiny project manager: Julie Timbrell

Item No. 13.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Southwark GP Practices: Quality of Provision and Local Support Arrangements A report from the Healthy Communities Scrutiny Committee	
Ward(s) or groups affected:		All	
From:		Overview & Scrutiny Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations in the report, as set out on the first page of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND INFORMATION

2. The overview and scrutiny committee received and endorsed the report at its meeting on 19 June 2017.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 19 June 2017	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=5814&Ver=4		

APPENDICES

No.	Title
Appendix 1	Southwark GP Practices: Quality of Provision and Local Support Arrangements. A report from the Healthy Communities Scrutiny Committee

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Fitzroy Williams, Scrutiny Project Assistant	
Version	Final	
Dated	11 July 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Chief Officers	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	11 July 2017	

APPENDIX 1

Southwark GP Practices: Quality of Provision and Local Support Arrangements A report from the Healthy Communities Scrutiny Committee

Introduction

For the last inquiry of 2016/17, the Healthy Communities Committee looked into the quality of provision and local support arrangements for GP surgeries in Southwark.

It focused on three key questions:

- What was the outcome of the CQC review of Southwark GP surgeries?
- What are the biggest pressures GPs are facing and what could the wider system do to help alleviate these problems?
- What is the role for (a) the council and (b) the CCG in helping to addressing the changing needs of primary care, including facilities?

Our recommendations were as follows:

1. The Committee recommends that Southwark look at the Well Centre which currently operates in Lambeth.
2. The Committee recommends that the Public Health Director look closely at the ways in which we can send a protection message to residents on issues including smoking cessation, obesity, and promote the role of health visitors and school nurses.
3. The Committee recommends that the Health and Wellbeing Board considers the outcomes from this consultation and the best ways in which a joined up approach can be taken to address issues.
4. The Committee recommends that the Council consider further ways in which to provide exercise and healthy eating for its residents.
5. The Committee recommends that the Council continues to work together with the CCG to promote the medical pathways across the Borough, including local pharmacies, GPs, walk-in-centres, A&E and urgent care facilities. This should include promotion through Community Councils and Southwark Life. Further consideration should also be given to the role of MySouthwark and how this can be used to promote GP services.
6. The Committee recommends that the CCG undertakes mystery shopping into the length of waits of GP appointments, and the extent to which GP surgeries are making people aware of the ability to use the Borough's extended access GP facilities.
7. The Committee recommends that there are stronger stipulations for the need for new health facilities as part of future planning agreements to ensure adequate provision is made available for new and existing populations.
8. The Committee further recommends that the Council works more closely with the CCG at an early stage to understand the likely pressures on general practice and build in adequate provision early in the process.
9. The Committee recommends a Memorandum of Understanding be developed which sets out the key questions to be asked of any new development in terms of addressing future population changes in respect of general practices and other health services.
10. The Committee recommends that the Council should consider negotiating lower rents for general practice as part of any new development to ensure that adequate provision is available for new and existing residents. This could include ringfencing portions of CIL to provide specifically for GP services.
11. The Committee recommends that key worker housing, or affordable housing prioritised for local workers should be seriously considered as part of any large planning agreement.

12. The Committee would therefore recommend that the CCG should monitor compliance with hospital contracts, and more effectively impose financial penalties when the requirements are not being met.
13. The Committee recommends that the CCG develop a clearer understanding of GP practice workforce and needs through the creation and use of a system-wide data set. This would enable them to better understand the issues, and create solutions to support struggling practices.
14. The Committee recommends that the CCG facilitates cross-learning across general practices throughout Southwark.

The Committee would like to thank all of those who made this report possible.

Healthy Communities scrutiny sub-committee members:

Councillor Rebecca Lury – Chair

Councillor David Noakes (Vice Chair)

Councillor Bill Williams

Councillor Martin Seaton

Councillor Ann Kirby

Councillor Sunny Lambe

Councillor Maria Linforth-Hall

Partners and health stakeholders:

Dr Jonty Heaversedge, Clinical Chair, NHS Southwark CCG

Andrew Bland, Chief Officer, NHS Southwark CCG

Caroline Gilmartin, Director of Integrated Commissioning, NHS Southwark CCG

Jean Young, Head of Primary Care Commissioning NHS Southwark CCG

Rebecca Scott, Programme Director, NHS Southwark CCG

Catherine Negus, Research and Intelligence Officer, Healthwatch

Caroline Gillmartin, NHS Southwark CCG

Emily Gibbs, GP clinical lead for GP services

GP Federation leads:

- Dr Olufemi Osonuga, Deputy Chair of QHS
- Dr Lauren Parry, IHL Director
- Dr Rebecca Dallmeyer R (QUAY HEALTH SOLUTIONS)

Jon Abott, Head of Regeneration, North, Southwark Council

Southwark Local Medical Committee

What was the outcome of the CQC Review of Southwark GP surgeries?



Figure 1: GP surgery locations across Southwark

There are currently 41 GP contracts over 42 sites, and 3 sites which have multiple practices: Borough Medical Centre, Lister Primary Care Centre and St Giles Surgery. The largest GP practices, Nexus, covers the north of the borough and has 58,000 registered patients.

The average Southwark practice has 8000 registered patients and there is 1 GP per 1000 registered patients, which is comparable to Lambeth (0.95) and South East London (0.96).

There has recently been an inspection by the CQC of all GP practices. At the time of writing this report, 21 practices have been rated 'good', and 7 have been placed in special measures.

As a result, and alongside this work, the Clinical Commissioning Group has been setting out the way in which they will be commissioning future GP surgeries.

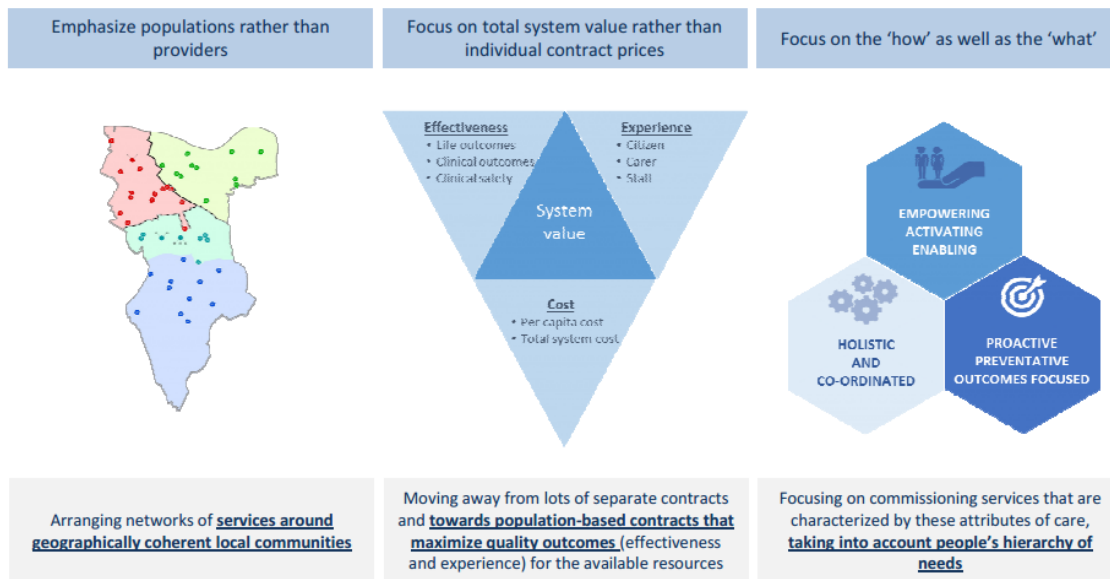


Figure 2: The CCG approach to commissioning¹

This ultimately comes down to approaching commissioning in two ways:

- Simplifying existing contracts and incentives so that practices can focus more time and resources on delivering fewer but more important priorities, such as: improved access; improved prevention; and improved care coordination. This approach will enable our residents to experience less variation and higher quality care.
- Investing in and 'pump-priming' new ways for GP practices to collaborate and share good practice, for example by continuing to invest in the federations that GP practices have setup to help them deliver at-scale and collaborative working, and by supporting the emergence of place-based Local Care Networks.

What are the biggest pressures that GPs are facing and what could the wider system do to help alleviate these?

GP surgeries across Southwark are facing increasing pressures. These include:

- **Morale and retention and recruitment:** There is an ever-increasing workload, increasing population, increased bureaucracy and the under investment of general practice. An increasing number of GPs are locums who are choosing to follow portfolio careers which means that they might not be looking to do a large number of sessions per week in general practice.

In the recent LMC survey, which was conducted in November/December 2016 and saw responses from 19 Southwark practices

- 14 practices currently carry vacancies
- 1 practice is considering closure
- 2 practices are planning to close within the next 3 years
- 2 practices would not rule closure out
- 2 practices do not know if they will consider closure

¹ CCG Slides, February 2017

- **Patient Demand:** The Government's promise to patients for 8 to 8 access 7 days a week is putting increased pressure on GP surgeries, and as a result of the announcement, some patients' expectations are that they should be seen immediately.
- **Under investment in General Practice:** Funding to general practice has been decreasing in recent years. Between 2009/10 and 20013/14 funding for general practice fell by an average rate of 1.3% in real terms.
- **Premises:** Many general premises are not considered to be fit for purpose and this is a result of under investment in general practice. It is difficult for practices to expand the services they offer to patients because of the limitations and costs they face for premises development.
- The CCG also notes a number of **health factors** specifically in Southwark which impact on GP attendances:
 - Rates of preventable mortality are higher in Southwark than the national average
 - Around 66% of all deaths in Southwark are due to cancer, cardiovascular and respiratory disease
 - There were 12006 alcohol related ambulance call-outs in 1 year costing £480,000
 - There is a 7 year gap in life expectancy between more affluent and deprived areas in Southwark
 - There are over 2000 adults with dementia (4.5% of those over 65)
 - Prevalence of mental health conditions was 30% and 12% higher compared to England and London prevalence respectively
- Healthwatch also raised a number of concerns, with issues raised around identifying **GP catchment areas, and registering with GPs**, especially those with language barriers. This further leads to issues with interpretation at appointments.

Addressing with problem: The role of the Council

The Committee recommends a number of ways in which the Council can support the future strategy for GP services across Southwark.

- **Providing excellent services for children and adolescents:** Health promotion, ill health prevention and investment in children and adolescents who present with relatively minor health issues is key to saving money in the long term.

The Committee recommends that Southwark look at the Well Centre which currently operates in Lambeth.

There is also a good opportunity with the incoming Public Health Director to have a clear focus on areas of high concern for Southwark.

The Committee recommends that the Public Health Director look closely at the ways in which we can send a protection message to residents on issues including smoking cessation, obesity, and promote the role of health visitors and school nurses.

This dovetails with the role of the Health and Wellbeing Board.

The Committee recommends that the Health and Wellbeing Board considers the outcomes from this consultation and the best ways in which a joined up approach can be taken to address issues.

The Council's policies of Free Swim & Gym, and Free Healthy School Meals were praised by those present at the roundtable and seen as a first step towards helping change the way in which health is addressed in the Borough.

The Committee recommends that the Council consider further ways in which to provide exercise and healthy eating for its residents.

- **Working together:** The pathways for medical assistance continue to be problematic, with individuals presenting at services which may not be the best service for their needs.

The Committee recommends that the Council continues to work together with the CCG to promote the medical pathways across the Borough, including local pharmacies, GPs, walk-in-centres, A&E and urgent care facilities. This should include promotion through Community Councils and Southwark Life. Further consideration should also be given to the role of MySouthwark and how this can be used to promote GP services.

The Committee recommends that the CCG undertakes mystery shopping into the length of waits of GP appointments, and the extent to which GP surgeries are making people aware of the ability to use the Borough's extended access GP facilities.

- **Regeneration:** Ensuring that there are adequate health needs is vital to the future of successful regeneration in the Borough. This Committee believes that there are ongoing concerns with large scale developments, particularly at Elephant & Castle where health needs have not been fully considered as part of the redevelopment of the area.

The Committee recommends that there are stronger stipulations for the need for new health facilities as part of future planning agreements to ensure adequate provision is made available for new and existing populations.

The Committee further recommends that the Council works more closely with the CCG at an early stage to understand the likely pressures on general practice and build in adequate provision early in the process.

The Committee recommends a Memorandum of Understanding be developed which sets out the key questions to be asked of any new development in terms of addressing future population changes in respect of general practices and other health services.

Another part of this is around the costs for general practice within any new development. There are concerns from the CCG and doctors that the high costs of new premises make them unsustainable.

The Committee recommends that the Council should consider negotiating lower rents for general practice as part of any new development to ensure that adequate provision is available for new and existing residents. This could include ringfencing portions of CIL to provide specifically for GP services.

- **Housing:** Many individuals train in the Borough and initially go into general practice. However, with rising living costs, they often only stay for a short period of time before moving out to the suburbs.

The Committee recommends that key worker housing, or affordable housing prioritised for local workers should be seriously considered as part of any large planning agreement.

Addressing the problem: The role for the CCG

There are a number of changes being made to the way in which GP services operate in the Borough.

This includes:

- **Extended access:** 7 days a week, 8am – 8pm since April 2015 with two standalone extended primary care service hubs providing additional pre-bookable and on the day urgent access to GP appointments.
- **Provider development:** Investment in GP federations supporting the resilience of GPs through business planning
- **Workforce:** Providing guidance and training, alongside supporting different ways of working e.g. medical assistants.
- **Funding:** A commitment through the General Practice Forward View of £2.4billion to support and improve general practice to 2020/2021. The CCG has committed £3 per patient in total over 2017/18 and 2018/19 to support the delivery of primary care services at scale

However, there are a number of areas where further support from the CCG would be welcomed:

- **Supporting transfer of work:** The LMC highlights a number of areas where the CCG could further support their work with the transfer of work from secondary to primary care including: prescribing, certification, poor communication, incomplete discharge summaries, patient bounce backs from missed appointments.

The Committee would therefore recommend that the CCG should monitor compliance with hospital contracts, and more effectively impose financial penalties when the requirements are not being met.

- **Workforce:** There are ongoing concerns about workforce at general practices across Southwark. There is a high turnover, both with individuals not entering general practice once qualified, but also leaving to move out of the Borough. There is a need for the CCG to play more of a role to support continuity:

The Committee recommends that the CCG develop a clearer understanding of GP practice workforce and needs through the creation and use of a system-wide data set. This would enable them to better understand the issues, and create solutions to support struggling practices.

- **Joint working:** Many of the problems experienced by one general practice are the same as those seen across the Borough. The Committee believes that these could be solved through services working more closely together to support each other, and learn from each other.

The Committee recommends that the CCG facilitates cross-learning across general practices throughout Southwark.

Item No. 14.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		A Review of Further Education and Skills Provision in the London Borough of Southwark: A report from the Overview and Scrutiny Committee	
Ward(s) or groups affected:		All	
From:		Overview & Scrutiny Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations of the scrutiny report, set out in section 4 of the report and the relevant cabinet member reports back within eight weeks.

BACKGROUND INFORMATION

2. The overview and scrutiny committee received and endorsed the report at its meeting on 19 June 2017.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 19 June 2017	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=5814&Ver=4		

APPENDICES

No.	Title
Appendix 1	Scrutiny report: A Review of Further Education and Skills Provision

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Fitzroy Williams, Scrutiny Project Assistant	
Version	Final	
Dated	11 July 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Chief Officers	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	11 July 2017	

Southwark Overview and Scrutiny Committee

A review of further education and skills provision in the London Borough of Southwark

June 2017

Section 1: Introduction and methods of scrutiny

The overview and scrutiny committee undertook this investigation to identify problems and issues with the further education offer in Southwark, particularly with regard to the offer made to young people. We want to make recommendations which will improve the FE offer so that a system is in place which harnesses their full potential and prepares them for the world of higher education and employment.

Clearly, a major focus of our work is Lewisham Southwark College. The college was assessed as 'inadequate' by Ofsted twice in the space of eighteen months between 2013 and 2015 and was given 'requires improvement' in 2016. In stark contrast to the college, Southwark's schools are now performing at their best rate in a generation, with nine in ten rated 'good' or 'outstanding' by Ofsted. In the Committee's view, it is a matter of great urgency that the FE offer within the borough is brought up to the high standards of our schools.

The methods used by the Committee to scrutinise this issue include:

- Interviewing the Cabinet Member for Business, Employment and Culture
- Interviewing the principal of Lewisham Southwark College
- Informal conversations with Southwark Education Policy officers
- Informal conversations with young people accessing further education in Southwark
- Review of the Government's Post-16 Skills Plan published in July 2016,
- Review of the Independent Panel on Technical Education (chaired by Lord Sainsbury)
- Review of the Lewisham, Lambeth and Southwark Skills Analysis (2013/14)
- Review of the Area Based Review of FE and Skills – setting out the FE and skills landscape in central London, presenting recommendations and wider conclusions for consideration.
- Review of the most recent Ofsted report for Lewisham Southwark College
- Review of Ofsted case studies exemplifying best practice

One action which the Committee was not able to carry out, but which was originally planned, was to visit Lewisham Southwark College in person. Eventually the committee was not able to do this, partly due to the unexpected calling of the 2017 General Election. We would like to put on record our thanks to the College for this invitation.

Section 2: Changes to the skills system, the context for Southwark

Any review of further education in Southwark must take account of the wider changes to the system currently taking place. The Independent Panel on Technical Education, chaired by Lord Sainsbury, was established to advise ministers on issues relating to technical education in England. Their report¹ published in April 2016 made a number of recommendations for the improvement of the skills system. A core focus was on simplifying the current offer and on making the sure qualifications are fit for purpose in a rapidly changing economy. The review identified a number of key challenges in the current system:

- Existing qualifications do not bear sufficient relation to occupational or employer requirements.
- The volume of qualifications on offer (over 13,000 technical qualifications including more than 33 in plumbing alone) drives down quality and makes it impossible for learners to make informed and effective decisions about what route is best for them.
- There is a market-based approach to qualifications which has reduced quality, particularly in level 2/3 qualifications.

The report recommends a fundamental shift in the structure of the technical education. It recommends two modes of learning – work-based (through apprenticeships) and college-based – structured around 15 routes anchored in occupations.

Responding to the report, the Government's post-16 Skills Plan² adopts all the recommendations included in the independent panel's review (within financial constraints). These include:

- Streamlining technical education to 15 occupation-based routes, grouping occupations where there are shared technical and skills requirements.
- Introducing a two-year programme at the beginning of all routes, centred around a common core of learning.
- Reforming qualification regulations generally, and specifically limiting qualifications for these two-year programmes to just one-per programme, delivered by licence following a competitive process.
- Offering transition years and bridging provision to help learners join and transfer on/off technical routes.
- Reforming careers education to ensure everyone knows the options available to them.

In addition to other issues identified by the Sainsbury review, the report highlights a persistent deficit in apprenticeship opportunities and a lack of technical education at higher levels to meet futures skills demand.

¹ Report of the Independent Panel on Technical Education, April 2016

² Post -16 Skills Plan, July 2016

The Government's plan also sets out four guiding principles by which these reforms will be shaped:

1. Employers must play a leading role.
2. Technical education needs to be fulfilling, aspirational, clearly explained and attractive to everyone, regardless of their gender, race, disability, sexual orientation, sexual identity or any other factor beyond their control.
3. We need to ensure that many more people can go on to meet the national standards set by employers.
4. We need close integration between college-based and employment-based technical education.

It is clear that there are some clear challenges around skills to be addressed both in the short and medium term. Plans to address some of the issues of complexity and poor-quality in the technical education offer nationally are in place.

It is widely accepted that there is a mismatch between the qualifications offered by providers and the skills required by employers. How effectively these solutions satisfy need at the local level will depend, to some extent, on the quality of information key stakeholders have access to.

Funding devolution

The devolution of the Adult Education Budget (AEB) to London (approximately £400 million per year) was confirmed in the 2016 Autumn Statement. It is anticipated that funds will be devolved to the GLA in 2019/20.

The AEB combines all Skills Funding Agency money that is not from the European Social Fund (ESF), Advanced Learner Loans or apprenticeship funding. It covers qualifications at Levels 2 and 3, and English and maths legal entitlements and can be used to support learners aged 19+. Funding levels vary according to the qualification, learner age and the current qualifications held by the learner.

A 'Skills and Employment Board' will be created in the central London sub-region with a view to creating a sub-regional skills strategy to support the administration of these funds. This board will feed in to the London-wide skills strategy and serve as a strategic framework for borough-based engagement with FE and skills providers.

How the GLA plans to administer these funds is not yet clear. This will, of course, have implications in terms of the scope for innovations. It is also noted that, at this time, the adult education budget is used to a greater or lesser extent to up skill adults who did not achieve Level 2 in school or further education. This will need to be considered in any plans for how the budget is allocated.

Advanced Learner Loans are available to support adults in accessing further education. The

loans cover qualifications at levels 3-6 (or, A Levels through to a graduate certificate) for adults aged 19 and over and are repayable only on completion of the course and once the loan recipient is earning at least £21,000 per year.

Area Based Review

The Central London Area Based Review of Skills covering all general further education and sixth form colleges across 12 local authority areas (Camden, City of London, Westminster, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets and Wandsworth) was released in January 2017. The reviews were designed to enable colleges to become financially sustainable. A response was presented to Cabinet in March 2017.

The report outlines the demographics of the area, sets out performance against key indicators and maps supply and demand for skills across the region. Key findings include:

Highest growth is forecasted in the following sectors:

- professional, real estate, scientific and technical
- administration and support
- health and care
- ICT
- accommodation and food service
- retail
- construction
- education

Southwark performs consistently above the London average at key stage 4.

Apprenticeships in the following areas are most popular: business administration, health and social care, and service enterprises.

There is limited apprenticeship delivery in key growth sectors such as IT, communication, leisure, travel and tourism, and education.

There is also a limited offer of higher apprenticeships from further education colleges.

The Review notes that there is a need for FE provision to better meet the needs of Central London's employers, and for improved dialogue between colleges, employers and local government to enable this. The Review also identifies a lack of quality information, advice and guidance, and the imbalance in the provision of apprenticeships between FE colleges and private providers.

Section 3: FE and Skills in Southwark

Given the evidence the committee has reviewed, it is clear Southwark residents have not had access to a quality Southwark-based FE offer for some years. The most recent Ofsted reports for both Lewisham Southwark College and Lambeth College gave ratings of 'requires improvement'. Further, Lewisham Southwark College is subject to a notice of concern for financial health and minimum standards, particularly regarding apprenticeships.

The committee notes that Southwark is among the top 5 boroughs exporting learners, with 71% of Southwark learners³ aged 16-18 choosing to leave Southwark for further education. This has implications for the retention of local talent as residents studying in other boroughs consider what their next steps following completion of their chosen course might be.

The merger of Lewisham Southwark College and Newcastle College Group was formalised Friday 12 May 2017. The committee notes that the council expressed a strong objection to this merger in favour of a more local arrangement, both directly and through formal consultation.

In the Southwark Cabinet Report responding to the Area Based Review in March 2017, the council once again voiced this opposition and went on to say:

“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.”

The Committee addresses these next steps in the recommendations below.

Features of Outstanding colleges

The committee has identified some key features of good and outstanding colleges in a review of Ofsted case studies exemplifying best practice.

The key areas of note that emerged from this research were:

- A strong focus on learner outcomes. While financial constraints are obviously given due consideration, the driving force behind any change is learner outcomes and how these relate to the skills and training needs of local employers.

³ London CCIS data (May 2016)

- Teaching and learning is a primary area of focus in tracking college performance. Learner outcomes are considered in performance management across every area of the college business, including finance, HR and business planning.
- Learner and employer feedback is used to improve all services, including teaching and learning, rather than purely support functions.
- Quality leadership and management. Leaders in outstanding institutions have a clear vision and direction for the colleges and are able to translate these in to the culture and ethos of their institution/s. This ensures that all staff and stakeholders understand the direction of travel and are able to develop their area of work in line with that.
- In addition, outstanding leaders and managers take a collaborative approach, communicating often and effectively through a variety of routine (scheduled meetings etc.) and ad-hoc (one-off whole staff meetings, open seminars etc.) forums.
- Performance management. Robust performance management is in place across the college, and managers and leaders at all levels are quick to act to address concerns.
- Quality governance (skill and diversity). Governors have a good grasp of the performance of the college and are able to ask probing questions in order to assess quality. They have a good relationship with the leadership team but are also practiced in challenging the team to secure best outcomes for learners.
- Innovation. The colleges use digital technology to ensure that teaching and learning – as well as other college processes – are flexible, enabling stakeholders to make learning work for them and reducing barriers to learning by increasing efficiency and flexibility of delivery.
- Finally, college leaders have a good grasp of the local area (both learners and employers) and have good links with employers and other learning providers.

OSC believes that it is essential that, where it is not already doing so, Lewisham Southwark College adopts these approaches in an effort to accelerate the improvement in standards. Whatever the conflicting views on the merger with Newcastle Colleges Group, the new governance and additional resources provided by the merger should be treated as an opportunity to do this. Measures to encourage this process of improvement are addressed in the recommendations of this report.

Interview with the Principal and Chair of Lewisham Southwark College

On 12th December 2016, the Overview and Scrutiny Committee interviewed Carole Kitching

(Principal and CEO at Lewisham Southwark College) and Chris Bilsland (Chair of Lewisham Southwark College).

The Principal described the current levels of provision at the College including what she considered to be a "Broad Curriculum." Carole Kitching pointed out that the curriculum was revamped in 2015 and that both Southwark and Lewisham Colleges were invited to take part in the review.

When asked about the current quality of provision, the Principal stated. "I am told that provision is not good enough and I would agree with that." She went on to describe a number of measures being carried out to improve this provision and stated that improvements were already being seen.

One issue mentioned by the Principal was that enforced changes in assessment regimes nationally meant a move from coursework to a greater emphasis on end point assessments. The college was therefore carrying out work with students to ensure they were ready for a greater emphasis on exams.

When asked what culture change was needed among staff in order to improve results, the Principal began by saying there had already been a big change in a number of areas. She stated that previously some teaching staff had "struggled with the concept of tough love" and were perhaps too flexible with students facing challenges at home, with regard to attendance. The College's new approach was to "lay down firmer ground rules" for students. The principal also cited the need for teachers to take greater advantage of online teaching resources. She finished by saying there was a still a way to go on a number of issues, but improvements were being seen.

When asked about the relationship between the College and the Council, and how it might be improved, the Principal agreed this was a very important issue. She went on to say that it would help if there was enough confidence in the council to work more closely with the College. She referenced previous disagreements with the council and expressed a wish to overcome these difficulties.

The Principal went on to say that the council could do more to encourage schools to engage with the College, particularly in offering the College the opportunity to go to schools and talk to potential students. She stated the following. "In the past year we have made over 50 visits into schools but only one of them has been in Southwark."

On the potential (at that time) merger with Newcastle Colleges Group Chris Bilsland said that the option was being considered and preferred because the leadership of the College wanted to accelerate the improvement process and the Group has the skills and resources to allow this to happen

He went on to say that other options would be considered if they were attractive but that currently, other London based offers did not meet their expectations.

During the questioning, it was stated several times by members of the committee, that there were deep concerns about the potential merger with Newcastle Colleges Group. The remoteness of the Group's senior leadership, the location of other colleges in the group and concerns about how well the Group would understand the needs of a borough like Southwark formed part of these concerns.

Apprenticeship provision

The Area Based Review identified that, overall, the most popular frameworks for apprenticeships 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).

Provision of apprenticeships is split between FE colleges and private training providers. In central London 8,690 apprenticeships were delivered by colleges in 2014-15. A further 16,800 starts were delivered in the area by private training providers in that same period.

The Committee notes that the 2014 Southwark Labour Manifesto pledged to create 2,000 new apprenticeships. To date the council has created 1184 apprenticeships through direct delivery, supply chain contracts, commissioning and local partnerships.

The Southwark Apprenticeship Standard has played a role in ensuring that newly created apprenticeships are good quality and rewarding opportunities.

The number of Southwark residents starting apprenticeships in 2014/15 and 2015/16 was 1,630 and 1,560 respectively. The majority of those starts were in administration, business and law (570/570), health, public services and care (440/410), and retail and commercial enterprise (280/270) (FE Data Skills Library).

Skills Strategy

A skills strategy has been commissioned by the Cabinet in light of the Area Based Review, with a view to increasing work readiness, influencing local provision and ensuring residents can access opportunities. A draft outline is proposed for July 2017 with a consultation to follow July-September 2017.

Links between further and higher education

The Committee also looked at the current state of links between further education providers and higher education institutions. They found:

- The National rate of progression to HE is 32.6%
- Majority of boroughs in the central London review areas have in excess of 40% rate of young people progressing in to HE
- The proposed merger of Lambeth College with LSBU bodes well in terms of a local journey from FE to HE.
- Passmore Centre at LSBU offering apprenticeships from levels 4-6 also allowed for a transition on the apprenticeship pathway – exact detail of qualifications that will be available TBC
- In her interview with OSC the principal of Lewisham Southwark College stated that the College did have links with HE institutions, but that these were mainly local, rather than with institutions in other parts of the country.

Section 4: Recommendations

1. The committee is disappointed that warnings about the merger with Newcastle College Group by Lewisham and Southwark College were not heeded. We believe a London based partner would have been more appropriate and been better placed to meet the challenges identified in this report. OSC now urges the leadership of the college to work with the council to demonstrate it is prepared to work constructively with the Council and other stakeholders.
2. However, the Area Review noted the need for improved dialogue between colleges, employers and local government to improve the offer to young people. Both the council and the Overview and Scrutiny Committee have voiced serious concerns about the merger between Lewisham Southwark College and Newcastle College Group. These concerns have not gone away, but the Committee believes that, now that the merger has taken place, a new effort needs to be made to engage positively with the college leadership to secure positive outcomes for local young people.

The Committee recognises that a Cabinet Member (Councillor Situ) sits on the Board of Governors of the college, but that there is also a need for a broader forum for discussion in order to build a better relationship between the College and the council.

With this in mind, the Committee recommends the establishment of a new forum to facilitate this engagement.

This would include both officer and political leadership from both Lewisham and Southwark council's and senior leadership from Lewisham Southwark College. We hope that all sides will be prepared to put aside previous differences in order to produce the best outcomes for Southwark's young people.

The Committee recommends that the Cabinet Member raises this at the next meeting of the College Board.

3. The mismatch between the skills employers want and the courses on offer is a clear problem. The council has a role to play in ensuring local FE providers have the information they need in order to construct less complex, more focused course offers. The data and intelligence gathered via the local business forum is just one example. The committee recommends that Southwark provides a formal written contribution to Lewisham Southwark College (and other relevant providers, where appropriate) informing their annual review of courses to be offered. This communication should be a public document.
4. The Committee has found that one of the reasons the skills offer does not tally with employer demand is that funding is tied to course completion rates, meaning that provision is steered very much by what learners request.

The Cabinet should consult with the college (and other local skills providers) about changing this incentive so that actual employment prospects and skills demand are more central to the courses offered.

5. One particular area where more apprenticeships are needed, as identified by the Area Review, is in IT, communication, leisure, travel and tourism, and education. The council should put particular focus on working with employers from these sectors in developing new apprenticeships.
6. This report notes the devolution of the Adult Education Budget (AEB) to London (approximately £400 million per year). The committee believes that the council should have a central role in deciding how these funds are spent in our borough. As with recommendation 2, the council is ideally placed to understand how to match this funding to practical support for adult learners, particularly with regard to up-skilling those wishing to improve their employment opportunities.

OSC recognises that Cllr Peter John is Deputy Chair on the Mayor of London's *Skills for Londoners Taskforce* which is tasked to:

- Help the Mayor meet his manifesto commitments on skills
- Support the Mayor to develop a London Skills Strategy
- Share creative and innovative ideas to improve City Hall policy making on skills

Using its influence, the Cabinet should lobby the Mayor and the GLA for a more central role for the council in allocating funding in the longer term.

7. The evidence in this report shows that one of the key challenges for the council, colleges and employers is to get the right information about further education to the right people. Currently there is a lack of quality information, advice and guidance for young people in London with regard to the opportunities which are available. The new skills strategy which is being developed by the council should include a proposed communications strategy to address this issue. The strategy should include working closely with other stakeholders.
8. The Cabinet should work with schools to see if more can be done to facilitate visits by FE providers to Southwark schools, to make pupils aware of appropriate courses. However, this work should only take place once Southwark Council is convinced that the courses on offer are high quality and would improve the life and employment chances of children in Southwark schools.

Item No. 15.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Social Regeneration – Emerging Framework and Next Steps	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Maisie Anderson, Public Health and Social Regeneration and Councillor Johnson Situ, Business, Culture and Social Regeneration	

FOREWORD – COUNCILLOR MAISIE ANDERSON, CABINET MEMBER FOR PUBLIC HEALTH AND SOCIAL REGENERATION AND COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR BUSINESS, CULTURE AND SOCIAL REGENERATION

Our borough has a long and proud history of regeneration and a strong social commitment to helping improve the lives of our residents, stretching back to the work of Ada and Alfred Salter 100 years ago. From the more obvious changes to the physical environment there has also been huge improvements to living standards, transport links, shopping and leisure facilities and so much more. Regeneration has brought with it job opportunities and economic vibrancy – and in recent years has truly put Southwark ‘on the map’, helped pull the centre of London south and expand opportunities for our residents.

Projects like Canada Water Library and Castle Leisure Centre highlight that the opportunities created by regeneration projects extend well beyond the residents immediately surrounding the scheme, and can become popular with people right across Southwark and beyond.

Changes to the built environment in our borough should not distract from the real social impacts of regeneration. The places where people live – and the opportunities therein – can reduce inequalities and help bring communities together. The council is committed to making sure that no one is left behind and this dedicated work on social regeneration going forward will form a key part of achieving this.

This report seeks to define our approach to social regeneration, one that primarily seeks to reduce economic and health inequalities and to strengthen existing communities. This paper also calls on cabinet to note the emerging social regeneration framework and reaffirms our commitment to ensure residents remain at the heart of regeneration across the borough. Most importantly, in the months ahead we will be talking to residents about the future of the borough.

We know that change can lead to uncertainty and this report builds on our continued commitment to work with residents for a ‘fairer future for all’.

RECOMMENDATIONS

That the cabinet:

1. Agree that social regeneration is about ensuring that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so people have better lives, in stronger communities, and achieve their potential.
2. Agree that the draft social regeneration policy framework (Appendix 1) be further shaped and used as part of the evidence for a wider conversation with residents, partners and stakeholders, with a report back on progress in early 2018.

BACKGROUND

3. Southwark is a place of growth, development and opportunity. It is a borough with a rich and proud history, a strong sense of community and a great ability to transform and renew, at times against the odds. The council's ambition (as expressed through the Council Plan) is of "a fairer future for all" where everyone can achieve their potential, and be more than the sum of our parts in a borough that is proud of its place in the world.
4. The ambition is underpinned by plain speaking principles that guide everything that we do. These include making Southwark a place to be proud of and treating residents as if they were a valued member of our own family. It is this ambition and fairer future values that provide the twin basis for developing a social regeneration policy framework, a draft of which is set out in this report.
5. The social regeneration policy framework is being proposed at this time as a basis for a wider conversation on Southwark's future. This conversation will need to involve everyone with a stake in improving the well-being of those who visit the borough, work here and call Southwark their home.

KEY ISSUES FOR CONSIDERATION

6. Social regeneration is not something new to Southwark. The borough has always been a place of visionary change. It was home to Ada and Alfred Salter, pioneering MPs in the early twentieth century, who brought one of the first public health services to this corner of London. More recently, Southwark has led successful urban regeneration, working to boost local economic growth, revitalise neighbourhoods and create opportunities for all.
7. In the ten years prior to 2015, Southwark fell from being the tenth most deprived borough in the UK to the forty first. More, with children's services rated 'good' by Ofsted and schools performing among the best in the country and more Southwark residents in work than at any time this century, this is a borough where families want to raise their children so they too can take up the opportunities from the borough's place at the centre of London.
8. Working with residents, development partners and the community, Southwark is delivering some of Europe's most exciting and complex regeneration schemes. This is helping to shape future neighbourhoods at Elephant and Castle, Aylesbury, Canada Water and the London Bridge Quarter among others.

9. Regeneration has brought thousands of new homes and jobs to the borough. This is being achieved through a mixture of public and private investment. Since 2010 Southwark has built more new homes than many other London boroughs, and as a borough has built among the highest number of affordable homes in the country using the proceeds of regeneration to deliver borough-wide investment.
10. Major regeneration has helped deliver investment in transport facilities and environment improvements as well as wider benefits such as improved leisure centres (e.g. the Castle), libraries, parks, community facilities, business space and upgrading of local healthcare facilities. This is investment that would have been very difficult to otherwise achieve in the face of continued austerity from government cuts to Southwark's income. To provide some context, the council has had to save £180million from council revenue budgets in the last six years, putting pressure on all service budgets in the face of rising demand and need.
11. Southwark has therefore achieved demonstrable improvements across a range of well-being outcomes – more jobs and apprenticeships, improved educational attainment, 93% of homes classed “decent”, second highest number of green flag awarded parks in London, free gym and swim for residents at new and upgraded leisure centres and no libraries closed and even new facilities opened (e.g. Canada Water). This progress highlights the strong baseline upon which our approach to social regeneration is being built. However, there is no room for complacency.
12. The progress is evidence of our determination and innovation in Southwark as well as the way in which communities can work together with the council to achieve improvements for residents. This is in spite of unprecedented reductions in public finances. However it's now even more important than ever to ensure that no one is left behind and that people have control over their lives and choices about change.
13. Importantly, the achievements to date create the right conditions and timing to develop a social regeneration policy framework to help secure ongoing and sustained improvements in well-being across Southwark.

Social regeneration policy framework

14. Regeneration is considered by some in terms of the built environment such as development of new housing at Elephant Park or new public spaces in Borough or Peckham, or the implementation of green gyms in Dulwich and Southwark Parks. Regeneration in this sense is clearly linked to improving living conditions. But regeneration also has a fundamental role in improving the life chances of those who live, work and visit places in Southwark. This is because of the ‘social’ aspect of regeneration which includes health, education and skills, community spaces, arts and culture, family and child wellbeing.
15. Social regeneration is the way we ensure that the places where people live, now and in the future, create new life opportunities, promote wellbeing and reduce inequalities. This means that people have better lives, in stronger communities, and achieve their potential. It is about harnessing change to reduce inequalities in a borough where people are healthy and resilient, feel connected, and there are opportunities for all.
16. Southwark's emerging policy framework on social regeneration proposes a number of starting objectives:

- A borough wide approach to improving the wellbeing of current and future generations;
 - A one council approach to ensure all our assets are used and aligned effectively to bring about improved well-being for people and places across Southwark;
 - Wellbeing as a primary outcome of all our work, whether in regeneration or across the broader work that we do together as a Southwark community.
17. The borough is already achieving much in advancing these objectives. Appendix 1 sets out further detail on the key features for social regeneration. Outcome measures will be developed in line with the key features, building on what is already tracked across council programmes and activity plus new indicators. Potential high level examples of these indicators are included in Appendix 2 for illustration. The outcomes are the things that demonstrate how social regeneration does, can and will continue to make a difference to people's everyday lives. For example, having the best start in life; being in good work and financially independent; enjoying safe and healthy places that are affordable to people on a range of incomes; living long, happy, active and healthy lives; having quality support networks through friends, family and in the community and so on.
18. Through tracking of outcomes we will learn from our own progress. We will look at other good practice and what works, integrate our activities together and reinforce strategy and programme delivery.

Community impact statement

19. The emerging social regeneration policy framework will support a wider conversation with communities about wellbeing and the future of the borough. Initial work is underway with officers to develop a plan for that conversation exercise, with the aim of starting activity in the autumn. The conversation is likely to draw on planned events in the council calendar, use of resident surveys, other community conversations as well as more innovative approaches to engagement. Groups and individuals that may not always be heard as often as others will be a focus. We'd like to hear what people think has worked well, what we need to keep doing and do more of as well as things that may need to change.
20. We want to develop a deeper understanding of what people think about social regeneration and wellbeing, which will include drawing from the everyday conversations in our shops, streets and schools and the places where people and communities come together. As the conversation progresses the social regeneration policy framework will be shaped and updated to reflect what is said, heard and learned. This is so that Southwark has the most rigorous possible framework with qualitative and quantitative evidence upon which to plan and continue to deliver into the future.
21. The emerging framework puts people at the heart of everything we do, engaging with them in an ongoing process to co-identify priorities and co-design solutions. NICE guidance endorses community engagement as a strategy for health improvement. Local government and their partners have important roles in creating safe and supportive places, fostering resilience and enabling individuals and communities to take more control of their health and lives. The development of a social regeneration policy framework is built upon these considerations.

Policy implications

22. The draft framework has been partly designed from a review of literature of social regeneration and the common principles underpinning it. The framework is also developed from a capture of work already underway across council services. This includes lessons from previous major regeneration programmes in the borough, including the Single Regeneration Budget, New Deal for Communities and Neighbourhood Renewal Fund.
23. Draft policies attached to the New Southwark Plan (NSP) will ensure physical change goes hand in hand with positive social change. It is proposed in the NSP that development should contribute towards social regeneration by enhancing the health and wellbeing of residents. The social regeneration policy framework is informed by the Council Plan 2014-18, and will align with key strategies to improve well-being such as Southwark's Housing Strategy, Air Quality Strategy, Cultural Strategy, Economic Wellbeing Strategy, Voluntary & Community Sector Strategy and plans around youth and play.

Resource implications

24. This report proposes a draft social regeneration policy framework. It will be used to influence council policies, projects and activities and guide delivery of shorter time milestones in the current Council Plan to 2018 (e.g. Old Kent Road area action plan). Resources for those projects will be delivered within planned budgets. There is no specific resource implication attached to the emerging framework itself. As the framework is developed there may be consequential impacts on how resources are planned.

Legal implications

25. In the exercise of its functions, the council is subject to the public sector equality duty, in section 149 Equality Act 2010. Social regeneration is about creating opportunities, promoting wellbeing and reducing inequalities so people can achieve their potential. The framework, conversation and consequential work will be delivered with regard given to the objectives described in section 149.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

26. This report asks cabinet to agree an approach to "social regeneration" and that further work be undertaken to develop the draft social regeneration policy framework (at Appendix 1) and a progress report be brought back to cabinet in 2018. As it is a decision on a matter that affects more than one portfolio area, it is appropriate for the decision to be taken by cabinet in accordance with Part 3D of the council's constitution.
27. Local authorities in England were until 2015 subject to a requirement to produce a "sustainable community strategy" for promoting and improving the economic, social and environmental well-being of its area and contributing to the achievement of sustainable development. This accompanied a general power to do anything the council considered likely to achieve these objectives, which in 2012 was itself revoked, in relation to local authorities in England, and replaced by the "general power of competence" giving councils the power to do any thing that individuals generally may do. Councils also retain their subsidiary power under section 111

Local Government Act 1972 to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

28. In 2012 local authorities in England were made subject to a duty to take such steps as they considered appropriate to for improving the health of people in their areas (section 2A National Health Service Act 2006, as amended). The summary of the aims of the emerging framework (at paragraph 17) states that health and well-being is at the centre of the council's developing approach to social regeneration. It can be said therefore that a development and adoption of the framework is directed at facilitating, and/or is conducive or incidental to, the fulfilment of council's duty in this area.
29. Paragraph 25 of the report refers to the public sector equality duty in section 149 Equality Act 2010. This requires the council, in the exercise of all its functions, to have due regard to the need to
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The duty will apply throughout the development of the policy framework.

30. The report also refers to encouraging a "wider conversation" and engaging with Southwark's communities in further developing the framework. Procedural fairness may require a council to undertake consultation before taking a decision on a proposal, and any consultation that takes place should take account of the principles enshrined in *R (Moseley) v Haringey London Borough Council* [2014] LGR 823, namely that consultation must always (i) take place at a formative stage; (ii) give sufficient reasons to permit intelligent consideration and response; and (iii) give adequate time for a response. Further, the response to a consultation must be conscientiously taken into account by a decision-maker before finalising any proposal.

Strategic Director of Finance and Governance (FC17/061)

31. The strategic director of finance and governance notes the recommendations in this report for the further development of the draft social regeneration policy framework and a report back on progress in early 2018.
32. Whilst in itself these recommendations have no direct costs attached, as the council's social regeneration framework continues to develop there will be impacts on council policies, projects and activities. It is important that those activities and projects are included in developing budget proposals and delivered within planned budgets, which may include general fund revenue, housing revenue account, and the council's capital programme including housing investment.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None.		

APPENDICES

No.	Title
Appendix 1	Draft social regeneration policy framework
Appendix 2	Illustrative examples of high-level social regeneration indicators

AUDIT TRAIL

Cabinet Member	Councillors Maisie Anderson, Public Health and Social Regeneration and Councillor Johnson Situ, Business, Culture and Social Regeneration	
Lead Officer	Deborah Collins, Strategic Director of Environment and Social Regeneration Kevin Fenton, Director of Health and Wellbeing	
Report Author	Kevin Fenton, Director of Health and Wellbeing Stephen Gaskell, Head of Chief Executive's Office	
Version	Final	
Dated	7 September 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Law and Democracy	Yes
	Strategic Director of Finance and Governance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	7 September 2017

DRAFT Social Regeneration Framework

“Social regeneration is about ensuring that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so that people have better lives, in stronger communities, and achieve their potential” (working definition)

Some key lessons on social regeneration from previous efforts

It's about life opportunities, well-being and equality

- Good social regeneration aligns the built environment (i.e. where people live, shop, work and socialise) with the 'social' aspects such as health improvement, education and skills, community spaces, arts and culture & family and child wellbeing.
- Empowering and engaging individuals and communities to be equal and active partners in creating and protecting places and spaces are essential for improvement and enduring change
- Community based activities take place alongside physical and economic regeneration.
- Work with those who face particular disadvantages, are vulnerable or at risk to ensure that they are able to access the full range of opportunities offered.

It's about whole community action

- Residents, partners, stakeholders and everyone with a stake in improving the well-being of the borough should be engaged from the earliest possible point.
- Communities provide valuable insights to inform local developments. They should be provided with opportunities to identify local needs, voice their aspirations and concerns and help develop solutions.
- Trust and good communication are essential throughout the regeneration process
- No community is left behind, recognising that support will be needed in areas that may not benefit from physical regeneration schemes or activity

It's about future generations and their future too

- Developing and strengthening access to local resources for communities help create sustainability so that today and future generations can benefit from living in quality places.
- Resources means places where there are different things on offer for people to do, with community groups and social networks to get involved in, as well as infrastructure, such as leisure centres, good transport links and so on.
- To be sustainable and future proof, area based regeneration programmes need to draw on resources from outside the area as well as to extend the benefits of regeneration beyond the geographically defined area.
- The 'social' aspects of regeneration are important to sustainability and how we invest in good, inclusive growth (e.g. a borough that's inclusive with shops and local services that continue to support existing as well as new residents).

In creating regeneration that works for everyone, Southwark has 3 primary objectives

<p>I. A borough wide approach to improving the wellbeing of current and future generations.</p>	<p>II. A one Council approach to ensure all our assets are used and aligned effectively to bring about improved well-being for people and places across Southwark.</p>	<p>III. Wellbeing as a primary outcome of all our work.</p>
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Against these objectives, key features of social regeneration in Southwark will include...

<p>I.</p> <p>A borough wide approach to improving the wellbeing of current and future generations.</p>	<p>II.</p> <p>A one Council approach to ensure all our assets are used and aligned effectively to bring about improved well-being for people and places across Southwark.</p>	<p>III.</p> <p>Wellbeing as a primary outcome of all our work.</p>
<p>Key features:</p> <ul style="list-style-type: none"> • Inclusive engagement of a broad range of communities across the borough and not just in defined regeneration areas • Enhanced engagement through proactive community empowerment and development • Working with communities who may be vulnerable or at risk to ensure greater participation, engagement & ownership • Collaborative working across all we do so that all partners and VCS are engaged and not just stakeholders in defined regeneration areas. This will help ensure that the lessons and benefits of regeneration extend across the borough and can benefit all • Improved baseline and outcomes monitoring, using a comprehensive range of measures of success, to guide improvement and shared learning 	<p>Key features:</p> <ul style="list-style-type: none"> • Making social regeneration a high priority and ensure link up across all the other policies in the Southwark Plan through the social regeneration strategic policy in the new Southwark Plan • Ensuring that all key Council strategies are explicit on how they address and support social regeneration. • Ensuring appropriate governance is in place to support, celebrate, and hold accountable cross-Council working in support of social regeneration • Building on existing work and focus existing Council assets and partners around social regeneration, including access to well developed mechanisms for community engagement, community spaces to host local activities, and a range of supportive services for education, employment and health and wellbeing 	<p>Key features:</p> <ul style="list-style-type: none"> • Ensuring regeneration provides more opportunities for people to improve their well-being: to connect, be active, keep learning, have quality jobs and homes, be engaged and give back to their communities • Cherishing the things that make Southwark great; Create and protect spaces and places that bring communities together, promote social cohesion, increase participation in local voluntary, community and social networks, and build resilience. • Listening and working with our communities to better understand their needs and aspirations and to jointly develop places and solutions that encourage healthy living and support people to have a good quality of life • Developing new approaches to make this explicit such as specific planning guidance setting out our intentions on health and wellbeing for major regeneration areas

Outcomes

- Social regeneration indicators are being developed, that build on existing Council Plan measures and align with strategic plans, frameworks and monitoring programmes. These will include measures that track the things that matter to people's everyday lives in Southwark such as having the best start in life; being in good work and financially independent; enjoying safe and healthy places that are affordable to people on a range of incomes; living long, happy, active and healthy lives; having quality support networks through friends, family and in the community
- The indicators will allow us to measure our progress and success. They will also help in framing community dialogues and enable the Council, communities and partners to track and evidence change more systematically.
- Local communities will inform how we define, measure and evaluate what good outcomes look like e.g. full employment, health inequalities narrowed, better skilled labour market, safe and clean places to live.
- The indicator set will integrate both physical and social indicators of regeneration to ensure that our social regeneration approach is across all that we do, borough wide and benefits everyone.

DRAFT	
Potential high level social regeneration indicators	
Social regeneration objective	Exemplar Indicators
I. A borough wide approach to improving the wellbeing of current and future generations.	Life expectancy among males ¹
	Life expectancy among females ¹
	Slope index of inequality for life expectancy among males ¹
	Slope index of inequality for life expectancy among females ¹
	Childhood excess weight <ul style="list-style-type: none"> • 10 - 11 year olds • 4 - 5 year olds
	Population eating "5-a-day" on a usual day ¹
II. A one Council approach to ensure all our assets are used and aligned effectively to bring about improved well-being for people and places across Southwark.	Good level of development at age 5 ¹
	GCSE achieved 5 A* to C inc. English and Maths ¹
	Adults in employment ²
	Gross weekly pay among full time workers ²
	Young people not in education, employment or training ¹
	Recorded violent crime against the person ¹
	People killed or injured on the roads ¹
	Households in temporary accommodation ¹
	Use of outdoor space for exercise / health reasons ¹
III. Wellbeing as a primary outcome of all our work.	To what extent do you agree or disagree that this local area is a place where people from different ethnic backgrounds get on well together? ³

These exemplar, draft indicators build upon the three objectives of our approach to social regeneration in Southwark. When finalised, they will enable us to track progress and evaluate impact of regeneration across the borough and within areas specifically targeted for redevelopment. It is important that the outcomes reflect the role and contribution that the different assets and partners across the borough (including our residents) have in making social regeneration a success.

Sources:

[1] Public Health Outcomes Framework. Public Health England. Accessed August 2017. www.phoutcomes.info

[2] Annual population survey. Office for National Statistics. April 2016 - March 2017.

[3] Southwark Residents Survey. London Borough of Southwark. June 2017.

Item No. 16.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Gateway 1 and 2 – Procurement Strategy and Contract Award Approval: Integrated Community Equipment Service	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Richard Livingstone, Adult Care and Financial Inclusion	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR ADULT CARE AND FINANCIAL INCLUSION

Southwark's Integrated Community Equipment Service is a key service to ensure we support our residents to live independently in their own homes, and ensure Southwark residents can get home from hospital on time after a period of admission, with all the necessary health and social care support in place to support their continued independence. Using an integrated service to provide health and social care equipment and simple aids for daily living provides the best outcomes for our residents, allowing for a streamlined assessment across health and social care professionals of what aids are needed to support residents, and enables co-ordinated and convenient delivery of aids and equipment.

This contract provides a strong value for money offer, with competitive equipment pricing. The service provided also reduces duplication of assessments, and equipment orders, across health and social care teams supporting our residents. The contract is based on a loan system, with active maintenance of equipment, allowing equipment to be sustainably and appropriately recycled, and kept in the best possible condition throughout its useful life, providing an environmentally and financially sustainable service to the borough.

RECOMMENDATIONS

That cabinet:

1. Approves the procurement strategy for the community equipment service set out in this report as a participant of the London Consortium.
2. Approves the option to call-off the London community equipment single-supplier consortium framework, to award a 3.5 year contract, with an option to extend for 2 years, to Medequip Assistive Technology, for an estimated maximum total cost of £3,465,000 for Southwark Council (£630,000 annual value), or £4,050,000 to include the estimated £585,000 portion of the contract to be provided on behalf of the Southwark Clinical Commissioning Group from 1 October 2017 to 31 March 2018.
3. Approves the proposal set out at paragraph 35 for the council to act as the lead commissioner on behalf of NHS Southwark CCG for an integrated community

equipment service for 2017-18, and approves the proposed agreement under s75 of the National Health Services (NHS) Act relating to Lead Commissioning of an Integrated Community Equipment Service.

4. Delegates decision making on any future variations to amend or extend the s75 arrangements with NHS Southwark CCG to the strategic director for children's and adults' services.
5. Notes that a bridging contract was put in place for this service for six months from 1 April to 30 September 2017 in order to ensure service continuation and to enable the successful conclusion of negotiations with NHS Southwark CCG, as set out at paragraph 14 below.

BACKGROUND INFORMATION

Integrated Community Equipment Services

6. Local authorities and the NHS provide short-term and long-term loans of community equipment for people with an assessed health or care need in order to support them to live independently at home. In the majority of cases, community equipment is prescribed to an individual following a stay in hospital in circumstances where they would not otherwise be able to return home without this help. There is a range of community equipment items which range from walking aids through to pressure relieving mattresses, hoists, grab rails, bath boards and adapted toilet seats.
7. The assessment of an individual's equipment needs is carried out by a number of different health and social care practitioners, including occupational therapists, social workers, physiotherapists and nurses. These teams are also responsible for the prescribing and ordering of equipment, a task often completed under the tight timescales of an individual being discharged from hospital.
8. Community equipment is provided for both children and adults who have an assessed need where this service is required.
9. There are two mechanisms in place for the delivery of community equipment to people in Southwark:
 - The contracted Integrated Community Equipment Service (ICES) ensures that community equipment items are manufactured/or purchased and delivered to meet individuals' needs.
 - The local retail model allows clients with specific prescribed items to purchase this through a vendor (such as a pharmacy).
10. The provision of community equipment to certain individuals is vital in helping to achieve efficiency and cost-effectiveness across a range of other local authority and health authority services, and it is also important to help achieve local and health authority strategic objectives. Provision of the right community equipment can:
 - promote independence, safety, social inclusion, quality of life, improved end of life care

- cut unscheduled hospital admissions and Accident & Emergency attendance
- reduce the length of hospital stay and reduce delayed discharges from hospitals
- reduce the costs of long term care by avoiding the need for care home admissions
- reduce the costs of long term care by avoiding the need for paid carers, and/or by reducing the number of carers or frequency of care visits required;
- play a key role in the delivery of early intervention and prevention strategies, and in avoiding crisis admissions to high cost services; and,
- help to give elderly and disabled people control over their own lives.

Southwark Integrated Community Equipment Service – background to consortium contract

11. In their coordinating role across the pan-London ICES consortium, the Royal Borough of Kensington and Chelsea (RBKC) do not undertake any work to support each borough's individual decision-making or the procurement of the letting of contracts, which remains the responsibility of each consortium partner. The consortium also has no role in the performance monitoring of local Medequip-delivered services. This role in Southwark is provided by the council's contract monitoring team.
12. Using the London Consortium Framework Agreement, initially established by RBKC, and utilised by a pan-London group of Local Authorities, and in line with the 2004 lead commissioning arrangements agreed with the then PCT, the council put in place a contract with Medequip to supply community equipment services, commencing on 1 May 2010, and ending 31 March 2017. Staff across social care and health (including community, acute and mental health) had used this contract to order equipment for patients / service users.
13. The aim of this cross authority working was to secure:
 - lower cost by maximising our joint purchasing power, including the move to generic products
 - greater use of non standard stock thereby increasing the use of returned specials
 - service efficiencies in terms of common processes and documentation
 - a forward looking information system that supports future changes; and,
 - direct influence in suppliers contract management and developmental processes.
14. In 2015-16 the council entered into detailed discussions with NHS Southwark CCG regarding the future of the integrated community equipment service ahead of the end of the consortium contract. These discussions were ongoing at the time of the contract expiry. In order to ensure continuation of service provision,

the Director of Commissioning exercised emergency powers from 1 April 2017 to 30 September 2017 to put in place a bridging arrangement with Medequip to provide a community equipment service in Southwark and to ensure continued provision to service users. This additional time enabled discussions with the CCG to continue and to be successfully concluded, and are the basis of the proposals set out in the proposed s75 agreement.

Procurement Project Plan

15. The London Borough of Hammersmith and Fulham (LBHF), acting on behalf of the London Consortium has procured a new framework agreement through a competitive tender, which the local authority can call-off.

Table 1	
Activity	Completed by/Complete by:
London Consortium Framework available for call-off	31/03/2016
Forward Plan – Gateway 1 & 2	02/06/2017
DCRB Review Gateway 1 & 2	26/07/2017
Brief cabinet member for Adult Care and Financial Inclusion	01/08/2017
CCRB Review Gateway 1 & 2	17/08/2017
Notification of forthcoming decision – despatch of cabinet agenda papers	11/09/2017
Approval of Gateway 1 & 2: Contract Award Report	19/09/2017
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	29/09/2017
Contract award	30/09/2017
Add to Contract Register	30/09/2017
Contract start	01/10/2017
Publication of award notice on Contracts Finder	01/10/2017
Contract completion date	31/03/2021
Contract completion date – if extension exercised	31/03/2023

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

16. Table 2 below sets out the potential options for procurement:

Table 2: Procurement options		
No.	Option	Impact
1.	Do nothing	- The council would not meet its legal duties under the Care Act 2014.

Table 2: Procurement options		
No.	Option	Impact
2.	Provide the service in-house	<ul style="list-style-type: none"> - The current arrangements cease and provision of a Southwark integrated equipment service lapses with it. - Individual social work teams and occupational therapy teams would need to source equipment to meet eligible needs identified under the Care Act 2014 and arrange delivery. - Likely higher costs for equipment and delivery, and significant resources needed by practitioners to implement.
3.	Conduct an open competitive procurement / tender process for a Southwark integrated community equipment service	<ul style="list-style-type: none"> - The process would ensure the potential for a competition between providers for the service provision. - Provision is likely to be more expensive than the current service, as economies of scale from the consortium are lost. - The tender process and mobilisation for the service would complete at the earliest by July 2018.
4.	Join the London consortium for a London integrated community equipment service	<ul style="list-style-type: none"> - The process would ensure the potential for a competition between providers for the service provision. - The number of boroughs (20) and likely volume of equipment indicated for the joint procurement are likely to result in better value and economies of scale. - Provision is likely to be cheaper than the current service, as improved contracting options to secure cheaper equipment alternatives are included. In the new contract.

Proposed procurement route

17. The recommended procurement route would be participation in the London consortium for an integrated community equipment service.

Description of procurement outcomes

18. This report seeks approval to award a call off order under the Framework Agreement of the London Consortium for the supply of community equipment.
19. The community equipment will be supplied on short and long term loan terms for people with an assessed care need in order to support them to live independently at home.

Policy implications

20. Local authorities have a statutory duty (under the Care Act 2014 and Children & Families Act 2014) to make arrangements for the provision of disability aids and “community equipment”, to meet the assessed, eligible needs of individuals who are resident in their area.
21. The community equipment contract will have cross cutting benefits to the quality of life for adults across their adult social care and needs, and the outcomes individuals wish to achieve in day to day life through having those needs supported. The contract will assist the local authority to prevent social care needs arising, and will assist the local authority in meeting assessed, eligible needs under the Care Act 2014.
22. The community equipment contract is aligned with the council’s “Fairer Future for All” vision, including the Fairer Future promises to create an age friendly borough and secure value for money services.
23. The community equipment contract is aligned with Southwark’s Health and Wellbeing Strategy 2015-20 by supporting independent living for older people.

Tender process

24. LBHF procured a new framework contract for the supply of Community Equipment on behalf of the London Consortium. Southwark Council has been a member of the London Consortium since 2010.
25. The procurement followed an EU compliant competitive tendering process, in compliance with LBHF’s contract and financial standing orders.
26. LB Hammersmith and Fulham carried out a detailed commissioning review on behalf of the Consortium, to understand the service requirements for community equipment ahead of the procurement. The review included consultation with stakeholders and an options appraisal.
27. The invitation to tender process was conducted using LB Hammersmith and Fulham’s capitalSourcing portal, with tender submissions closing on 27 October 2016. 31 companies registered an interest on the portal, and a number of the interested companies asked questions during the tender process. Only one tender was submitted on the portal, by Medequip, the incumbent supplier. The market for supply is a limited market and the council is satisfied that the market has been properly tested and that the supplier offer represents value for money.

Tender evaluation

28. LB Hammersmith and Fulham co-ordinated the tender evaluation on behalf of the London Consortium.
29. LB Hammersmith and Fulham conducted a two stage tender evaluation, with pre-specified qualification questions being reviewed prior to the main tender evaluation. These required the provision of financial, insurance and experience based evidence, which were all successfully met by Medequip. The award criteria used a price:quality split of 45% price and 55% quality.

30. Tenderers were required to respond to quality questions in 18 sections (12 on Equipment and 6 on Information Technology), specific to the service. Evaluation panel members scored the responses out of 5. Panel members then attended moderation meetings where consensus scores were agreed, along with supporting statements. Medequip scored 65.4% (out of a maximum of 100%) for their responses to the quality questions. The financial submissions from Medequip were reviewed and the result of this evaluation is summarised in Appendix 3 of this report. Owing to Medequip being the sole bidder, they were awarded a score of 100% for the financial element. The scores for quality and price were then multiplied by their respective weightings (55% and 45% respectively) and added to give an overall score of 81 out of 100.
31. LB Hammersmith and Fulham assessed that the Medequip quality responses either met or exceeded minimum requirements. Their bid, being the sole bid, is the most economically advantageous tender and the financial analysis carried out, which included a benchmarking exercise, showed that the contract should provide good value for money for consortium boroughs relative to the current community equipment contract.
32. The framework is activity-based and there is no minimum spend guaranteed for the supplier, therefore, in awarding the contract the council and CCG will retain control over their activity based spend.
33. The framework is available to call-off from 1 April 2017, with a duration of 4 years, with an option for up to two years extension.

Plans for the transition from the old to the new contract

34. The current service is provided by Medequip. Medequip is also the successful provider from the London consortium tender, which we are recommending to call-off.

Plans for monitoring and management of the contract

35. The contribution from the Southwark Clinical Commissioning Group for its portion of the contract will be governed by a s75 agreement, with a risk share arrangement in place for overall equipment and associated spend to be split 35 : 65 between the council and the CCG for the period 1 October 2017 to 31 March 2018. A governance review of s75 arrangements between the council and CCG is taking place.
36. The contract monitoring team will conduct monthly monitoring of performance and finance information, including progress against an agreed action plan for contract management and financial control measures. Monitoring information will also be shared with the Director of Integrated Commissioning and Director of Finance for the Southwark Clinical Commissioning Group.
37. A review report will be taken to the Health and Social Care Partnership Board in December 2017 to review the performance of the contract and the operation of the partnership arrangements.
38. In line with the council's Contract Standing Orders, a six-month report will be taken to Children and Adults' Board, as the established Departmental Contract Review Board, and a one year report will be provided to the Corporate Contracts Review Board.

39. An annual review of contract performance and arrangements will be undertaken at the end of the year, and reported to the Health and Social Care Board.
40. The contract management team and the Occupational Therapy lead will also attend relevant contract review meetings of the London Consortium.
41. Council prescribing under the contract is guided by eligibility criteria from the Care Act 2014.

Identified risks for the procurement/new contract

Award of a contract for an integrated community equipment service for 2017-2021

42. Identified risks are set out in the table below:

No.	Risk	Risk Level	Mitigating Action
1.	Legal challenge from other providers	Low	- The London consortium conducted a full open tender process, in compliance with EU procedures. The council was a named body in the procurement, and is able to call-off the framework agreement.
2.	Sustainability of the provider	Low	- Medequip are a well-established provider, of significant size, and has a broad customer base within London, and across the country. Medequip conducted a detailed financial submission as part of the tender process for the consortium.
3.	Increased activity within the service	Medium	- Arrangements are in place for regular and robust contract management of the contract, including a review of prescribing activity against the contract, and will identify any significant increases in prescribing by teams early. - Ongoing work is in place to continue to increase the rate of collections to reduce new spend on equipment across the contract. - The OT team are conducting training with prescribers to ensure they are informed about the different pieces of equipment that may be prescribed, to ensure that correct items of equipment are prescribed, and over-prescribing does not take place.

Community impact statement

43. The community equipment service is used to promote independence within groups who require support and assistance to meet needs that will help support them to achieve identified health and social care outcomes.
44. Improved outcomes will have a positive impact on service users and carers of service users, as well as the wider local communities, where service users and carers will be able to participate more fully in community life.

Social value considerations

45. 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 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

46. Medequip staff associated with the contract are paid above the London Living Wage. The future service provision will also include the London Living Wage.

Social considerations

47. The service will promote independence and people's ability to live longer in their own homes, and be discharged to their own homes sooner after a hospital admission, promoting their social wellbeing within their own communities.

Environmental/sustainability considerations

48. The service creates an improved environmental footprint through loaning, sharing, refurbishing and disposing of equipment and use of electronic systems to operate the service.

Market considerations

49. The community equipment market is specialist in nature, with a limited number of suppliers. As part of the consortium procurement, the consortium considered dividing the contract into small "lots" to facilitate bids from small local businesses with specialist skills. The consortium considered this would be disadvantageous by substantially increasing contract and supplier management costs, increasing communication difficulties, and removing economies of scale.

Staffing implications

50. The contract management team and occupational therapy team currently support the Integrated Community Equipment Service contract. Under these proposals the posts will be part funded by the Clinical Commissioning Group. The OT team will use the additional funding from the CCG to backfill the senior OT post to allow the lead OT for the ICES contract to focus on the ICES contract management and service improvements full-time.

Financial implications

51. This report asks for the award of a community equipment contract to Medequip and for approval of the proposed S.75 agreement with the CCG detailing how this will be funded.
52. The ICES service is currently funded via a pooled budget arrangement under a S.75 agreement with Southwark CCG. The council's net expenditure budget for 2017-18 is £187k, a saving of £900k on the prior year budget. The proposed S.75 agreement entails a change in the terms of the S.75 agreement to better reflect the respective prescribing patterns of the partner bodies. Effective 1 April 2017, the CCG will contribute 65% of the gross cost of equipment (up from 40%) and will make a further contribution towards the staffing and consortium costs the service incurs.
53. An estimate of the financial impact in 2017-18 is shown in the table below:

	£000
Forecast equipment cost	1,800
<i>Less: 65% contribution from CCG</i>	(1,170)
<i>Less: Staffing & consortium cost contribution from CCG</i>	(104)
<i>Less: Better Care Fund grant applied</i>	(400)
Projected Outturn	126
Budget	187
Projected Underspend	(61)

54. The table above demonstrates that the proposed contract with Medequip and the S.75 agreement with Southwark CCG will achieve the budgeted saving of £900k and result in an additional underspend of £61k.
55. The forecast equipment cost of £1.8m in 2017-18 is based on an outturn of £1.9m in 2016-17 and taking into account commitments from both the council and CCG to work together to reduce these costs. Any overspend risk is shared with the CCG under the 65%/35% arrangement.
56. The £900k saving attached to the ICES contract is subject to close scrutiny via the Budget Recovery Board and, as such, the spend on equipment is being closely monitored.

Legal implications

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

Consultation

58. The consortium team carried out a detailed commissioning review to understand the service requirements for community equipment ahead of the procurement of the framework agreement, which included consultation with stakeholders.

59. Calling-off the proposed contract will not significantly affect the service that users receive from the current community equipment service.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (13DK1718)

60. The strategic director of finance and governance notes the financial implications of the contract with the provider and the Section 75 agreement with Southwark CCG, in particular as stated in paragraph 35. The service will need to monitor demand and expenditure levels closely to ensure that a cost pressure is not experienced by the council.

Head of Procurement

61. This report seeks the approval of cabinet to call-off the London community equipment single-supplier consortium framework to award the integrated community equipment services contract to Medequip Assistive Technology. This report seeks both approval of the procurement strategy, and approval to award the contract.
62. The report also seeks the approval of cabinet for the council to act as the lead commissioner on behalf of NHS Southwark CCG in the award of this contract, and for the decision making on future variations to amend or extend the s75 agreement between the council and NHS Southwark CCG be delegated to the strategic director for children's and adults services.
63. Paragraph 34 highlights that the proposed supplier is already delivering services under the current contract, meaning that there are limited risks associated with transition.
64. Paragraph 52 mentions that there has been a change in the terms of the s75 agreement which now means that the CCG will contribute 65% of the gross cost of equipment, as opposed to 40% previously, as well as making an increased contribution towards staffing and consortium costs.
65. Paragraph 30 outlines the procurement process conducted by the London Borough of Hammersmith and Fulham which led to Medequip's inclusion on the framework.
66. Paragraphs 35 – 41 outline the monitoring arrangements for the contract, which includes reporting mechanisms between the council and CCG.

Director of Law and Democracy

67. This report seeks approval of a procurement strategy and contract award involving the call-off from the London community equipment consortium framework established on behalf of the London Consortium, of which Southwark is a member. The ability to call-off the framework will allow the council to place orders with the sole framework supplier, Medequip Assistive Technology (Medequip).
68. The report also seeks approval for the council to act as the lead commissioner of a community equipment service on behalf of NHS Southwark CCG, and for decisions on future variations to amend or extend the section 75 agreement

between those parties to be delegated to the strategic director for children's and adults services. The decision to approve the report recommendations is reserved to cabinet under the council's Contract Standing Orders (CSOs).

69. 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. The report confirms from paragraph 24 that the London Borough of Hammersmith and Fulham, acting on behalf of the London Consortium has conducted an EU compliant competitive tendering process in order to establish a framework for use by the Consortium members. Southwark, in line with the other members will pay an annual contract management fee of £10,150 and an IT licence fee of £10,500 in order to be able to access the framework and issue orders to Medequip.
70. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. Paragraphs 52 to 56 of this report confirm the relevant financial implications arising from the council's proposed use of the framework.
71. Cabinet will be aware of the Public Sector Equality Duty (PSED) set out 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.

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.

72. Paragraphs 43, 44, 47, 58 and 59 of the report which note the community impact statement and the consultation undertaken by officers demonstrate how the council has had due regard to the PSED in this procurement and cabinet should satisfy itself that this duty as been complied with when considering these recommendations.
73. The director of law and democracy is advising officers in connection with the terms of the proposed agreement between the council and the NHS Southwark Clinical Commissioning Group under section 75 of the NHS Act 2006.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 3 – Contract Extension Approval Integrated Community Equipment Service Contract via the London Consortium Framework	Commissioning Children's and Adults' Services	James Postgate 020 7525 7627
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4551		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Adult Care and Financial Inclusion	
Lead Officer	Genette Laws, Director of Commissioning	
Report Author	James Postgate, Commissioning Manager Layla Davidson, Senior Commissioning Officer	
Version	Final	
Dated	7 September 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	7 September 2017	

Item No. 17.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Gateway 2 - Contract Award Approval Award of Contracts for the Provision of Sexual Health Services	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Maisie Anderson, Public Health and Social Regeneration	

FOREWORD – COUNCILLOR MAISIE ANDERSON, CABINET MEMBER FOR PUBLIC HEALTH AND SOCIAL REGENERATION

Southwark has a young, mobile and international population. Much work has been undertaken over the last decade to improve the sexual health of our borough and there have been considerable successes. However, we know that some Southwark residents are still engaging in risky activities and sexually transmitted infections (STIs) remain prevalent in our borough. We also know that there is an unacceptable correlation between deprivation and STIs, teenage conceptions and abortions, and that the highest rates of STIs in our borough are found in men who have sex with men (MSM), young people and black and minority ethnic groups. Through commissioning and providing our services, we must continue to strive to ensure that no community is being left behind and that regardless of age, ethnicity or financial means, everyone in Southwark has whatever they need to stay healthy and achieve wellbeing in their lives. Alongside other inner London boroughs with similar demographics, it is therefore imperative that we find new, innovative, and cost-effective ways of maintaining and improving the sexual health of our residents. There are many ways in which we do this; targeted prevention programmes, open access, modern sexual health clinics and more recently, the provision of increasingly popular self-testing kits, available online.

Open access sexual health services, based in clinics in Camberwell, Streatham, Burrell Street and Walworth, are hugely important part of what we do. Providing these open access clinics is a requirement by statute, and they are well used by our residents. Specialist open access clinics do, however, come at a substantial cost. In response to seismic cuts in national government funding to local government – in particular to the ring fenced public health grant – it is critical that we find lower cost and more efficient ways of providing our residents with high quality sexual health services, that will meet the sexual and reproductive health needs of residents in the coming years.

By approving the use of the new open access pan-London contracts with Kings College Hospital NHS Foundation Trust (KCH) and Guy's and St Thomas' NHS Foundation Trust (GSTT) – our two clinic providers in the borough – Cabinet would be unlocking a £9.31m saving over the 4.5 year lifespan of the contracts. Furthermore, the use of these block contracts will allow the council to have improved management of future budget uncertainties and the wider benefits of the continued relationship with key local NHS partners. It should be noted that some of these contract savings will need to be reinvested in expanding the provision of online self-testing kits, as part of a wider transformation programme in order to deliver lower sexual health costs into the future.

These contracts form part of a matrix of measures designed to modernise rationalise and reduce the cost of our sexual health service provision in Southwark. At a time of

growing need and diminishing resources from national government, it is more important than ever that we use our commissioning responsibilities to maximise value for our most vulnerable residents.

RECOMMENDATIONS

That cabinet:

1. Approves the use of the open access pan-London contract that Lambeth Council have with Kings College Hospital NHS Foundation Trust (KCH) for the provision of integrated sexual health services, from 1 October 2017 to a maximum end date of 31 March 2022, producing an estimated maximum spend of £6,764,000 as detailed in paragraph 37.
2. Approves the use of the open access pan-London contract that Lambeth Council have with Guy's and St Thomas' NHS Foundation Trust (GSTT) for the provision of integrated sexual health services, from 1 October 2017 to a maximum end date of 31 March 2022, producing an estimated maximum spend of £13,450,000 as detailed in paragraph 38.
3. Notes that the total spend detailed in paragraphs 1 and 2 includes costs for growth linked to the repatriation of patients into local services from clinics outside the area (as per paragraph 45 of this report), as follows:
 - a. a maximum spend of £225,000 over the maximum 4.5 year contract duration, which equates to £50,000 per annum, for KCH; and
 - b. a maximum spend of £450,000 over the maximum 4.5 year contract duration, which equates to £100,000 per annum, for GSTT.

These costs will only be paid if evidence of that repatriation (and attributable out of area cost savings) is provided.
4. Notes that the successful partnership working between Southwark Public Health, the two trusts, and the commissioners in Lambeth Council provides the council with significantly reduced contract costs in delivering integrated sexual health services. Over the lifetime of the contracts contract values will be reduced by £9.31m. The annual contract cost of the KCH contract will reduce from £2.44m in 2016-17 to £1.60m in 2018-19. For GSTT, the reduction is from £4.12m in 2016-17 to £3.04m in 2018-19.
5. Notes that some of these reductions in contract costs for integrated sexual health services will be reinvested in expanding the provision of online testing, as part of the transformation programme to deliver lower sexual health costs into the future. This is in line with the Gateway 1 report and subject to separate Gateway 2 decisions. Moving asymptomatic testing out of clinic enables continuing cost efficiencies (online testing is cheaper than clinic testing), ensures a sustainable local sexual health system, and enables the council to continue to manage clinic demand and capacity. Early diagnosis also prevents onward infection (reducing the number of transmitted infections) and is essential in reducing the prevalence of infection within the population (and associated treatment costs, for which the council is responsible).

BACKGROUND INFORMATION

6. The Health and Social Care Act 2012 transferred, with effect from 1 April 2013, substantial duties to local authorities to improve the health and well-being of the population and reduce health inequalities. This includes the requirement to provide statutory open access sexual health services which provide residents with contraceptive services, the testing and treatment of sexually transmitted infections, sexual health promotion and other forms of genito-urinary medicine.
7. Local authorities receive a ring-fenced Public Health grant to fund these services. In common with most of England, sexual health services of this type are delivered in a clinical setting by hospital trusts.
8. This report seeks approval for the council to access the new London-wide sexual health contracts awarded to KCH and GSTT for the provision of integrated sexual health services at clinics in Camberwell, Streatham, Burrell Street and Walworth. The contracts for both trusts are due to begin on 1 October 2017 and will run for a period of four and a half years ending on 31 March 2022. These new contracts will implement the new Integrated Sexual Health Tariff (ISHT) at KCH and GSTT clinics and ensure that, where appropriate, asymptomatic testing is shifted into online services. ISHT is forecast to deliver significant savings for all London local authorities and will replace the current Payment by Results (PbR) system which sees a flat rate paid to the provider for each clinic attendance no matter what activity is undertaken within the appointment.
9. The council currently pays for sexual health services delivered by KCH and GSTT on an annual block contracted basis. The value of the contracts is negotiated annually, and the contracts are managed by Lambeth Council who re-charge Southwark accordingly under the Lambeth, Southwark and Lewisham tripartite agreement, made between the boroughs of Lambeth, Southwark, Lewisham and their respective Clinical Commissioning Groups. The new contracts will see the tri-partite agreement varied to allow continued cross-charging from Lambeth Council for the contract spend by Southwark Council for its residents, in the amounts agreed in this report.

Cost reductions

10. The proposed new ISHT contracts significantly reduce the costs to the council of delivering sexual and reproductive health services, by applying a rigorously tested costing process, and changing the required skill mix for interventions. Over the lifetime of the contracts (4.5 years), costs to Southwark Council will be reduced by £9.31m, comprised of a reduction of £4.23m in contracting with KCH, and a reduction of £5.08m in contracting with GSTT. Some of these savings associated with contract cost reductions will need to be reinvested in expanding the provision of online testing, as part of the transformation programme to deliver lower sexual health costs into the future, as described in paragraphs 30 and 44.

Procurement project plan (Key Decision)

11. The original procurement plan for these contract awards was presented to and approved by Cabinet on 8 December 2015. The intended contract awards were recorded on Lambeth Council's Forward Plan on 16 December 2016.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	08/12/2015
Briefed relevant cabinet member (over £100k)	22/08/2017
Approval of Gateway 1: Procurement Strategy Report	08/12/2015
DCRB Review Gateway 2:	03/08/2017
CCRB Review Gateway 2:	17/08/2017
Notification of forthcoming decision - despatch of Cabinet agenda papers – Five clear working days	11/09/2017
Approval of Gateway 2: Contract Award Report	19/09/2017
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27/09/2017
Debrief Notice and Standstill Period (if applicable)	Lambeth Council responsibility
Contract award by Lambeth	27/09/2017
Add to Contract Register	Lambeth Council responsibility
Contract start	01/10/2017
Publication of award notice in Official Journal of European (OJEU) by Lambeth	Lambeth Council responsibility
Publication of award notice on Contracts Finder by Lambeth	27/09/2017
Contract completion date	31/03/2022
Contract completion date – if extension(s) exercised	31/03/2022

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

12. These two contract awards to KCH and GSTT are for the provision of integrated sexual health services, a statutory requirement of the council, and will provide the council with improved management of future budget uncertainties, significant reductions in contract costs (£9.31m over the maximum life of the contract), and the wider benefits of continuing to contract with key local partners.
13. KCH and GSTT have been at the forefront of service integration and modernisation with clinicians actively involved in the development of the ISHT London-wide, and the local clinics being the first in London to comprehensively shift activity from a clinic setting to a much cheaper and more accessible sexual health e-service.
14. The outcome of the procurement process has enabled continuity of service provision with innovative local NHS providers and the delivery of planned savings within the system-change process.
15. Southwark Council is not entering into contract with either KCH or GSTT for these services, but instead is accessing the contracts Lambeth Council have negotiated with them and will therefore be paying Lambeth Council the amounts

set out in the recommendations and financial implications, and in line with the tripartite agreement referred to in paragraph 9.

Key/Non Key decisions

16. This report deals with a key decision.

Policy implications

17. All Southwark residents can, by statute, access sexual health clinics anywhere in the country, with the council where the person is resident being liable for the cost. Despite commissioners exerting downward pressure on clinic tariffs in recent years, the increasing demand for services has seen spend in Southwark increase. The high costs are unsustainable, especially given the cuts to Public Health grant. Furthermore, seeing all patients in clinic (as was the case prior to the establishment of an online service) is not an effective model since an estimated 30% of presentations to clinics are asymptomatic and can be dealt with just as effectively and more cost efficiently through online testing.
18. The integrated service model set out in the contracts is the key component of the London Sexual Health Transformation Project for direct access sexual health services, which modernises and improves access whilst reducing costs and improving value for money. A business case describing the intentions of the transformation programme was approved by Cabinet in December 2015.
19. The Southwark Health and Wellbeing Strategy 2015-20 sets out that improving sexual health, particularly for those groups disproportionately affected by poor sexual health, is a key issue for the council. Additionally, one of the strategy's key priorities is to promote increased self-care over a reliance on acute care.

Tender process

20. The contracts have been awarded by Lambeth Council following direct negotiation and the use of a waiver as set out in the Procurement Strategy Report approved by Cabinet on 8 December 2015.
21. During the negotiation process Lambeth Council reviewed the providers' ability to meet the required quality of service, as well as the financial costs for this within the budget envelopes available according to the new tariff prices for this service.
22. Commissioners and the providers began planning for system change and service transformation collaboratively in 2016, and negotiations for the new contracts began in January 2017 once the new tariff prices and contracting documentation was released by the London Sexual Health Transformation Project.

Tender evaluation

23. Southwark Public Health officers were fully informed of progress of negotiations and engaged regarding costs and service issues but the process of contract negotiations was undertaken by Lambeth Council as the host commissioner. As noted, the negotiation process covered both quality and cost elements of the services required. The negotiation resulted in significant reductions in costs from baseline contract costs (2016-17), detailed in paragraphs 29 and 30.

Plans for the transition from the old to the new contract

24. Transition planning in relation to the proposed new contract beginning on 1 October 2017 has been ongoing for some time and retaining the same providers makes this a simpler process. The new contracts deliver a significant drop in income for both providers delivering the service, and commissioners will be working closely with them on the changes that may be needed to staffing mix and staffing levels, hours of operation, site strategies and links with the new e-service (for online sexual health testing), which will be an integral part of making the new contract arrangements work.

Plans for monitoring and management of the contract

25. Lambeth Council commissioners will monitor the contracts on behalf of Southwark under the auspices of the tri-partite agreement and the shared commissioning arrangements. Robust governance is in place to ensure that the council has access to information needed to manage budgets, ensure local demand is met and service standards are being adhered to. Monthly contract monitoring meetings will occur with both providers and will include discussion of activity, quality and targets and contract monitoring summaries will be provided to the council on request and at the quarterly Lambeth, Lewisham and Southwark Sexual Health Partnership Board. The council pays for the North East London Commissioning Support Unit to undertake monthly finance and activity modelling for all London trusts (including KCH and GSTT) to support the process of identifying any concerns with activity or spend.

Identified risks for the new contract

26. The new contracts and, in particular, the implementation of integrated sexual health tariff (ISHT), represent some risks, as described in the table below. Risks have been mitigated in most cases.

Risk	Likelihood	Impact	Mitigation(s)	Risk level
Lack of service viability linked to reduced service income	Med	High	<ul style="list-style-type: none"> • Transitional funds provided • Block contract for first 18 months • Working with providers on staffing, site strategy and opening hours • Use of innovation to lower costs (eg: online contraception) 	Low
Contract savings not delivered for the council as intended causing budget overspend	Med	High	<ul style="list-style-type: none"> • Block contract for first 18 months • Inclusion of marginal rate in contract to manage growth • Growth payments linked to evidenced shift of activity only (cash neutral) • Working with providers on staff levels, site strategy and opening hours • Use of innovation to lower costs (eg: online contraception) 	Low
Challenge from other providers in	Low/Med	High	<ul style="list-style-type: none"> • Intention to directly award and not tender competitively has been reported in Dec 2015 (via 	Med

Risk	Likelihood	Impact	Mitigation(s)	Risk level
the market			<p>Cabinet paper) and reiterated on Lambeth Forward Plan (Dec 2016)</p> <ul style="list-style-type: none"> • Little evidence of market interest, most awards going to incumbents • In the event of a challenge, Southwark would be able to continue to access services for local residents using cost and volume payments. • Whilst Lambeth has procured these contracts Southwark will carry out its own due diligence in order to be satisfied that appropriate grounds exist to justify the awards without a competitive tendering exercise. • In the event of a successful challenge to the awards, Southwark would exercise emergency powers under its Contract Standing Orders in order to secure service continuity and then undertake a separate procurement. 	
Outcomes worsen as a result of savings taken/ reduced pricing	Med	Med	<ul style="list-style-type: none"> • Working with providers on staff levels, site strategy and opening hours to seek to maintain capacity • Use of innovation to lower costs (eg. online testing and contraception) • Continued investment in primary care and online testing 	Low

Community impact statement

27. Positive sexual health is not proportionate within the population; there are strong links between deprivation and sexually transmitted infections (STIs) and teenage conceptions and abortions, and the highest rates of STIs are found in men who have sex with men (MSM), young people and black and minority ethnic groups. The Lambeth, Southwark and Lewisham Sexual Health Strategy and Partnership Board have prioritised improved outcomes for MSM, young people and black and minority ethnic groups. The new contracts will provide a comprehensive integrated service for sexual health, and the sexual health e-service operating alongside the clinic will provide access to testing for STIs, as well as sexual health information and signposting for all Southwark residents (with restrictions to self-sampling for under-16s). It is expected that the service will meet the needs of people with protected characteristics, without excluding certain groups and increasing existing inequalities. The boroughs of Lambeth and Southwark also commission specialist, targeted sexual health services to improve access and outcomes amongst the most at-risk groups. Access and outcomes are monitored by the LSL Sexual Health Commissioning Partnership Board.

Social value considerations

28. 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 include the current providers' engagement in the local community and in safeguarding and other initiatives such as outreach to vulnerable women. Sexual health clinics screen for potential safeguarding issues.

Economic considerations

29. Accessing these contracts enables the council to deliver a key element of its cost reduction programme within sexual health through system redesign. A reduction of approximately 22% against the 2016-17 contract values had already been negotiated for the first six months of 2017-18 with both trusts whilst preparation for the new contracts was undertaken.
30. The proposed new ISHT contracts significantly reduce the costs to the Council of delivering clinic based sexual health services by changing required skill mix for interventions and applying a rigorous costing process. Over the lifetime of the contracts costs will be reduced by £9.31m. The annual cost of the KCH contract will reduce from £2.44m in 2016-17 to £1.60m in 2018-19. For GSTT, the reduction is from £4.12m in 2016-17 to £3.04m in 2018-19.

	2016-17 Baseline	2017-18 (6 months)	2018-19	2019-20	2020-21	2021-22	Lifetime contract value 2017-22	Value over 4.5 years if baseline spend was maintained	Saving from baseline
KCH	£2.45m	£0.81m	£1.60m	£1.45m	£1.45m	£1.45m	£6.76m	£10.99m	£4.23m
GSTT	£4.12m	£1.61m	£3.04m	£3.00m	£2.90m	£2.90m	£13.45m	£18.53m	£5.08m
TOTAL	£6.57m	£2.42m	£4.64m	£4.45m	£4.35m	£4.35m	£20.21m	£29.52m	£9.31m

Some of these reductions in contract costs for integrated sexual health services will be reinvested in expanding the provision of online testing. Moving asymptomatic testing out of clinic enables continuing cost efficiencies (online testing is cheaper than clinic testing) and ensures a sustainable local sexual health system and enables the council to continue to manage clinic demand and capacity. Early diagnosis also prevents onward infection (reducing the number of transmitted infections) and is essential in reducing the prevalence of infection within the population.

31. All providers pay London Living Wage. No apprenticeships have been created as part of the negotiation as the services require qualified healthcare staff, however both providers are training locations for specialty medical training.

Social considerations

32. It has been identified that it is important for open access services and the e-service to link closely to ensure that service users are successfully integrated into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information. While it is intended that the online service will enable an appropriate shift in activity from clinic-based services, it is essential that open access clinic-based services remain available

for those who choose to use them. Some people will prefer to be seen by a health care professional as they may feel that clinician-taken samples are more accurate than self-taken ones, and they can answer any questions immediately. It is important to resolve the misconceptions about the accuracy of self-swabs and the provider in collaboration with the online service can play an important role in this. The new contracts set targets for the provider to shift activity from clinics in a gradual way whilst the system changes are embedded.

Environmental/sustainability considerations

33. Increasing the proportion of service delivered online limits the need for people to travel to clinics supporting traffic minimisation and air pollution targets. Both providers have detailed environmental and sustainability policies which apply to its services and staff in London.

Market considerations

34. The market for experienced sexual health providers is currently limited, and most London procurements to date have seen contracts awarded to incumbent providers. The market may develop as future procurements take place across the country as well as London.

Staffing implications

35. There are no direct staffing implications of this decision.

Financial implications

36. Southwark Council receives a Public Health Grant to fund public health services which includes open access sexual health services. The funding and commissioning of these services transferred to local authorities in April 2013 following the Health and Social Care Act 2012. In 2017-18, the Council's grant is £28.19m, of which a significant proportion is spent on reproductive and sexual health and the testing and treatment of sexually transmitted infections, including e-service testing. Demand for sexual and reproductive health services has shown a generally increasing trend and the contract values proposed allow for 1% per annum population growth.
37. The maximum estimated spend of £6,764,000 through the use of the open access pan-London contract Lambeth Council have with KCH for the provision of integrated sexual health services is broken down for each year in the following way:
- a. A fixed maximum value of £812,000, from 1 October 2017 to 31 March 2018 and £1,602,000 from 1 April 2018 to 31 March 2019.
 - b. Activity, pricing and payment methodology for the remaining three years of the contract period will be determined and agreed on a year by year basis between the council and the provider but will not exceed an annual sum of £1,450,000 in each of the years 2019-20, 2020-21 and 2021-22.
38. The maximum spend of £13,450,000 through the use of the open access pan-London contract Lambeth Council have with GSTT for the provision of integrated sexual health services is broken down for each year in the following way:

- a. A fixed maximum value of £1,606,000 from 1 October 2017 to 31 March 2018 and £3,042,000 from 1 April 2018 to 31 March 2019.
- b. Activity, pricing and payment methodology for the remaining three years of the contract period will be determined and agreed on a year by year basis between the Council and the provider but will not exceed an annual sum of £3,000,000 in 2019-20 and £2,900,000 in 2020-21 and 2021-22.
39. The tables below show the intended contract values for the council for both contracts for the first 1.5 years of the contracts, and the maximum ceiling that will apply in years 3-5 of the contracts:

KCH	17-18 Actual value (6 months)	18-19 Actual value (12 months)	19-20 Maximum value (12 months)	20-21 Maximum value (12 months)	21-22 Maximum value (12 months)
ISHT income	665,185	1,308,273	1,370,000	1,370,000	1,370,000
Genital Dermatology	27,027	54,054	0	0	0
Clinical oversight/ training/PGDs	7,500	15,000	15,000	15,000	15,000
Safeguarding enhancement	7,500	15,000	15,000	15,000	15,000
Data reporting investment	7,500	0	0	0	0
Post Exposure Prophylaxis for HIV	5,500	11,000	0	0	0
Transitional support	66,518	148,120	0	0	0
Growth	25,000	50,000	50,000	50,000	50,000
Total	811,730	1,601,447	1,450,000	1,450,000	1,450,000

GSTT	17-18 Actual contract value (6 months)	18-19 Actual contract value (12 months)	19-20 Maximum value (12 months)	20-21 Maximum value (12 months)	21-22 Maximum value (12 months)
ISHT income	1,503,170	2,691,555	2,734,157	2,745,223	2,745,223
Warts/partner notification	3,694	14,777	14,777	14,777	14,777
Clinical oversight/ training/PGDs	7,500	15,000	15,000	15,000	15,000
Safeguarding enhancement	12,500	25,000	25,000	25,000	25,000
Data reporting investment	7,500	0	0	0	0
Transitional support	21,451	195,208	111,066	0	0

GSTT	17-18 Actual contract value (6 months)	18-19 Actual contract value (12 months)	19-20 Maximum value (12 months)	20-21 Maximum value (12 months)	21-22 Maximum value (12 months)
Growth	50,000	100,000	100,000	100,000	100,000
Total	1,605,815	3,041,540	3,000,000	2,900,000	2,900,000

40. As shown, there are a number of payments included within the first 1.5 years which are not expected to recur (e.g. transitional support, funding for dermatology, PEP), hence the reducing annual values. Data reporting funds are a one-off to support the work needed to set up reporting systems for the new, pan-London KPIs. Funding for safeguarding and clinical oversight are expected to recur throughout the period and reflect the complex case mix at the clinics and the trust's role in overseeing necessary governance functions for the council associated with Patient Group Directives and support for primary care. In line with other trusts, transitional payments to support the implementation of the new contracts and associated data systems have been agreed until 2019-20.
41. The funding for both contracts is contained within the Southwark Public Health Grant which recurs until 2019-20. A break clause exists within the contracts to enable contracts to be ended or value reduced if there are further changes to Public Health Grant.
42. The reduction in contract value associated with the KCH contract award amounts to £4.23m over the 4.5 year period. The 2016-17 annual contract value was £2.44m with a projected cost over the 4.5 years of £10.99m if there had been no switch to using the Integrated Sexual Health Tariff and no channel shift into online services. These savings will contribute significantly to Southwark's savings plans.
43. The reduction in contract value associated with the GSTT contract award amounts to £5.08m over the 4.5 year period. The 2016-17 annual contract value was £4.12m with a projected cost over the 4.5 years of £18.53m if there had been no switch to using the Integrated Sexual Health Tariff and no channel shift into online services.
44. The reduction on contract values enable reinvestment into online testing through the new London-wide e-service and a separate Gateway 2 report has been agreed which provides for £0.67m of investment per annum into the e-service from 1 Oct 2017 onwards. The channel shift (re-investment) element of this is £0.32m.
45. The provision of an additional sum per year for growth (capped at £100,000 for GSTT and £50,000 for KCH) relates to the expectation that patients currently using other London clinics will be shifted into online testing and encouraged to choose to have their follow up treatment in local clinics such as those offered by KCH and GSTT. We cannot factor this activity into the baselines upon which the block contracts offered have been valued as the repatriated activity is not guaranteed. However, we have agreed with the providers that the additional sums can be paid annually on receipt of evidence of services delivered linked to activity shifting to KCH and GSTT from other clinics (evidence obtained and independently verified by the e-service provider). In budgetary terms, this is

largely cash neutral as the activity would have been paid for in the non-local clinic by the council anyway through the cost and volume charging arrangements in place. Encouraging the repatriation of activity through the e-service strengthens the financial viability of the local services.

46. The council has provided some additional investment in the services over the first 18-30 months to support the process of service transformation and to give the providers the time to manage the income reduction with regard to altering the staff mix, facilitate any changes in estate and capacity and maximising opportunities for channel shift. The two trusts elected to spread this investment over the first 1.5 years (KCH) or over the first 2.5 years (GSTT) of the contract, as per their individual needs. It is expected that the process of consultation will take six months minimum and we are not allowing a formal mobilisation period as the need to introduce the new tariff and take savings is urgent. Detail of this investment is contained in the tables in paragraph 39. It has been assessed that this investment is lower than the costs to the council of retendering the services given that this would require continuing on the current payment arrangements with the incumbent providers for at least another year while a new service was tendered and mobilised.
47. Transitional support provided to both providers (i.e. investment above the new maximum London-wide Integrated Tariff prices) amounts to £542,363 over the first 2.5 years of the 4.5 year contract period. However, the modelling undertaken by commissioners shows that retendering the service and paying both providers the current tariff prices over the next 12 months while any new service is mobilised would cost the council over £1.8m.

Legal implications

48. Under Regulation 6 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, local authorities have a duty to provide, or to make arrangements to secure the provision of, open access sexual health services in its area, which shall include arrangements for (i) for preventing the spread of sexually transmitted infections; (ii) for treating, testing and caring for people with such infections; and (iii) for notifying sexual partners of people with such infections. Under Regulation 6 open access services shall be construed to mean services that are available for the benefit of all people present in the local authority's area.
49. The Regulations do not prescribe how the services should be provided. In practice NHS hospital trusts provide the bulk of the services. The Secretary of State has not set tariffs for the provision of open access services and local authorities negotiate tariffs and/or block payments with NHS trusts providing these services within their area. It is best practice and demonstrably in the best interests of the council to negotiate terms in this way rather than leaving it to the NHS trusts to set their own charges.
50. Generally, contracts for health and social services worth more than £589,148 should be published in the Official Journal and competitively tendered. The negotiated procedure without prior publication in public service contracts is permitted in circumstances where competition is absent for technical reasons and where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

Consultation

51. The proposed new contracts require behaviour and expectation change from clinic users, including the expectation that a significant proportion of current clinic users will in future be expected to access testing online without coming into the clinic. The London Sexual Health Transformation Programme has commissioned a behaviour change specialist to support the change and is running a channel shift group which the Council is represented on. Work is being undertaken locally, led by the Public Health Team and funded by the LGA, to support behaviour change. Consultation and user engagement has been undertaken via clinic surveys and focus groups have shown a high degree of satisfaction with online services.

Other implications or issues

52. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC17/060)

53. The strategic director of finance and governance notes the recommendations in this report for use of the pan-London contract for integrated sexual health services provided by two NHS foundation trusts. The arrangements will run from 1 October 2017 up to 31 March 2022, covering five financial years.
54. In 2017-18 there is a predicted £600k adverse variance, due to the continued demand pressures in sexual health services on the public health grant despite management action taken to reduce costs where controllable through use of block contract arrangements, the implementation during 2017-18 of the pan-London e-service, integrated sexual health tariff and more efficient methods of service delivery.
55. During 2016-17, the demand pressure in sexual health services led to an adverse variance of £1.9m against the final 2016-17 revenue outturn position and the cabinet meeting of 18 July 2017 noted that the adverse variance has been transferred to a negative reserve against future ring-fenced Public Health grant.
56. This contract arrangement is expected to generate savings of approximately £10m over the next four to five years and will contribute towards the negative reserve mentioned above. The report includes detailed financial implications. The costs of the service are to be met from the public health grant to the council. Careful monitoring must be undertaken of the costs incurred in the contract.

Head of Procurement

57. This report asks that cabinet approve the use of the open access pan-London contract that Lambeth Council have with Kings College Hospital NHS Trust, and the use of the open access pan-London contract that Lambeth Council have with Guy's and St Thomas' NHS Foundation Trust for the provision of sexual health services.
58. The report also requests that Cabinet note the total spend of the contract contains costs for growth linked to the repatriation of patients as laid out in paragraph 3, and that the new contract spends represents a reduction in costs as laid out in paragraph 4.

59. Paragraph 23 states that Lambeth Council, as host commissioner, carried out the process of contract negotiations covering both quality and cost elements, Southwark Public Health officers were fully informed of the progress of these negotiations. This procurement approach was approved by Cabinet on 8 December 2015.
60. Paragraph 24 lays out the plans for transition to the new contract.
61. Plans for the monitoring and management of the contract are laid out in paragraph 25.

Director of Law and Democracy

62. This report seeks approval of Southwark's use of the open access pan-London contracts for sexual health services that Lambeth Council have procured and entered into with Kings College Hospital NHS Trust and Guy's and St Thomas' NHS Foundation Trust.
63. The legislative requirements which underpin the provision of sexual health services are explained in paragraphs 48, 49 and 50. These contracts have been subject to the application of the EU procurement regulations (the Public Contracts Regulations 2015).
64. The council (Southwark) has not been responsible for the procurement of the contracts; however, since it intends to access them for the benefit of its own service users it has consulted Lambeth's legal officers in order to satisfy itself about the legality of the negotiated process which has been undertaken .
65. The decision to approve the report recommendations is one which is reserved to Cabinet in line with the council's Contract Standing Orders ("CSOs"). CSOs also require that no contract may be awarded unless the expenditure has been included in approved revenue or capital estimates, or has been otherwise approved by or on behalf of the council, and paragraph 36 advises how that requirement will be met.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1: Procurement Strategy Approval: Southwark Sexual Health Transformation Programme – Sexual Health Services	Constitutional Team	Paula Thornton 020 7525 4395
Link: (copy and paste link into browser) http://moderngov.southwark.gov.uk/documents/g5142/Public%20reports%20pack%20Tuesday%2008-Dec-2015%2016.00%20Cabinet.pdf?T=10		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Maisie Anderson, Public Health and Social Regeneration	
Lead Officer	Professor Kevin Fenton, Director of Health and Wellbeing	
Report Author	Kirsten Watters, Consultant in Public Health	
Version	Final	
Dated	6 September 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		6 September 2017

Item No. 18.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Borough-wide Fire Safety	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

The fire at Grenfell Tower has been an unimaginable tragedy and again highlights to all of us the threat from fire and our responsibility to continually improve fire safety. In July 2017, following the fire, cabinet received a report on the steps that were being taken to ensure the fire safety of the council’s residential, commercial and office accommodation and that of other public council buildings. Officers also reported on the efforts that were being made to collate fire safety information and to seek confirmation of fire risk assessments for non-council residential buildings. This report updates cabinet on progress that has been made since the last cabinet report on fire safety. We had already taken extensive action to improve fire safety in our tower blocks but in the wake of the fire at Grenfell, the council must consider any further fire safety implications. This report sets out progress on inspecting residential buildings with cladding, non-residential council sites and buildings owned or managed by housing associations. The report also updates cabinet on the progress we have made on the Ledbury Estate. As well as this, we are reporting back on fire safety measures that we have got in place to ensure the safety of our residents and the work we are doing to engage with communities across the borough about home fire safety and minimising fire risk.

Southwark has made huge improvements in fire safety, and this report updates on the most recent work that we have done. However, we must never be complacent and must always ensure that fires safety is at the forefront of our minds. Working with the Government, Fire Brigade and other partners we will not take anything for granted.

RECOMMENDATION

1. To note the progress since the last cabinet report on fire safety.

BACKGROUND INFORMATION

2. Following the devastating fire in Kensington and Chelsea at Grenfell Tower, officers from across the council met to consider fire safety implications for our own residential housing stock, office accommodation, leisure centres and libraries, commercial property portfolio and other public buildings.
3. We also considered the role the council had to play in determining the safety of non-council buildings, and how the council might give reassurance to residents living in other rented accommodation owned by housing association providers, private sector landlords, or managed by managing agents assuming landlord responsibilities.

KEY ISSUES FOR CONSIDERATION

Council residential buildings with cladding

4. As previously reported to the cabinet, just one council residential building, Medina House at, Rye Hill Estate, had cladding installed where testing by Bureau Veritas concluded that the external surface is likely to prevent the spread of fire, and that provided the insulation is sealed within the stainless steel facings, it should remain completely protected.
5. On 28 July 2017, a close-up visual inspection of the cladding was carried out using a cherry picker. The fire safety surveyor inspected the panels to ensure that there were no breaches which could cause spread in the event of a fire. Based on this visual inspection, we are satisfied that the panels are completely intact. The next steps are a review of the cladding to see whether we should remove it or replace it entirely with a new system.
6. The LFB have been advised of the council's findings and have served a notice of deficiency (NOD) on the council. An NOD is a formal notification, akin to a warning letter, for any non-compliance around fire safety issues and requires a response within a defined timescale. The council's fire safety manager has addressed all of the issues within the NOD and the LFB has closed the notice and issued a satisfactory letter.

The Ledbury Towers

7. As previously reported to cabinet, the council commissioned Arup to check whether the four tower blocks at the Ledbury Estate satisfied the Government recommendations for robustness of large panel system tower blocks with piped gas, set out in The Building Regulations 2010 with recommendations in the BRE 2012 best practice guidance (BR 511).
8. The blocks were built by Taylor Woodrow Anglian between 1968 and 1971 and all four tower blocks have piped gas. Arup searched multiple sources but have been unable to locate any drawings on record showing construction details or details of any strengthening for the blocks at Ledbury Estate.
9. In the absence of this information Arup have carried out exploratory works to the two vacant flats (one in Bromyard and one in Skenfrith), concentrating on the flank wall as this would be the most vulnerable in the event of an explosion.
10. These investigations showed that the flank walls are not robust enough, meaning the building is significantly below the Government recommendations (referred to above) for buildings with piped gas.
11. Arup advised that strengthening the structure to provide adequate robustness for piped gas is likely to require the strengthening of wall and floor elements in addition to the joints and thus is likely to be impractical. The alternative is to remove piped gas from the buildings; this would take away the immediate risk as well as significantly reducing the amount of strengthening required.
12. Arup advised the council on 10 August 2017. In the absence of construction details, the council asked Arup to continue with their intrusive investigations in order to build up as full a picture as possible of the structure. This will identify the

full extent of the structural works required to meet Government recommendations.

13. On 10 August 2017, the council wrote to all residents advising them that based on Arup's structural investigations, that the information we have regarding the history of the blocks may not be correct, and we therefore took the decision to turn off the gas supply to all Ledbury tower blocks immediately, and have asked Southern Gas Network to do so.
14. A number of immediate short-term measures were put in place to support residents including:
 - Immediate provision of temporary hotplates to prepare hot meals
 - An upfront payment to cover any increase in electricity bills as a result of the temporary measures.
 - Free access for affected residents to have free access to the shower facilities at any of the Southwark leisure centres, including the nearest, Peckham Leisure Centre.
 - Identification of a solution to install a single electrical water heater in each flat for bathroom and kitchen needs
 - A brand new electric oven for anyone with a gas oven.
15. On this cabinet meeting agenda is a paper setting out the appointment of Keepmoat to carry out emergency works to the Ledbury Towers. Following the conclusion of the Arup investigations, there will be a further report to cabinet setting out the options for the longer-term strategy for the refurbishment of the Ledbury Towers.

Housing association buildings

16. The strategic director housing and modernisation wrote to all housing associations with properties in the borough on 25 July asking them to confirm timely fire risk assessments for their buildings prior to this report to cabinet.
17. At the time of writing, the council has received confirmation from Hyde, Clarion Housing Group, Wandle, L&Q, Notting Hill Housing Group, Peabody and Optivo.

Corporate facilities management

18. CFM identified 8 council office buildings for further investigation, outlined below. Investigations were carried out on 5 and 6 July 2017. Investigations determined that no properties had cladding containing ACMs installed.

Precautionary requirements

19. CFM undertook a review of the existing fire risk assessments (FRAs) and emergency plans within the above properties, there are no high risk works outstanding, all remedial work recommendations or further actions have been planned and prioritised.
20. As a precaution CFM have recommended checking the fire compartmentation within Canada Water Library and 160 Tooley Street. This action remains outstanding and is programmed for September 2017. CFM are confident that due to the build quality these buildings do not present a risk directly linked to the

type of cladding in question.

21. CFM will continue to provide close support, working closely with site staff at the Anchor Care homes, reviewing the FRAs, emergency plans and evacuation procedures to ensure occupants that the means of escape are suitable and sufficient due to some occupants having impairments which could slow down the evacuation process in the event of a fire.
22. CFM continue to provide support to residential and day care centres. Following a review of the FRA's, there are no high risk remedial works required. Emergency plans and fire evacuations are being revised and supported as required.
23. For supported people, residential nursing, learning and development sites that are not under the CFM corporate compliance programme, CFM have met with managers on 1 August and offered additional support to buildings that are operated under a lease agreement. A review of all FRAs showed two sites requiring a new assessment which includes a review of the FRA and emergency planning and are booked for September 2017.

Fire safety measures in council dwellings

24. The council has a rolling programme of FRAs and performance for completion of these within target time is included in the departmental performance monitor which is reviewed on a monthly basis by the Housing and Modernisation departmental management team, and also by the Cabinet Member for Housing. Performance is currently green with 100% of FRAs completed within target time.
25. However, in view of the current fire safety concerns, the fire safety team, irrespective of when the last FRA was carried out, has been asked to carry out a new FRA for each of our 174 tower blocks, together with the repairs compliance team, so that any follow on repair issues can be immediately ordered.
26. At the same time, resident services officers will continue to carry out frequent checks of these blocks to address any management issues such as, dumped rubbish, obstructed access or general clutter.
27. The council has also engaged the services of an industry expert independent consultancy, BB7, to undertake an independent fire risk management audit and a top down review of the council's fire safety processes and procedures. This will include a comprehensive audit of Southwark Council's fire risk management System and an audit of the organisations fire risk assessment programme.
28. BB7 have commenced the audit which follows a systematic, independent and documented process for obtaining evidence and evaluating it objectively to determine the extent to which the organisation complies with the requirements of legislation and national guidance.
29. The review of fire risk assessments will consider a mix of each type of location, along with a cross section if storeys and unit size and will include hostels, travellers sites, sheltered housing schemes, barrow stores, flat conversions and purpose build blocks ranging from low rise to the highest rise.
30. The sample locations will be selected randomly by BB7 and will comprise 36 locations in total. BB7 continued this work throughout August 2017 and will

report back to the council through overview and scrutiny committee in September 2017.

Community awareness and engagement

31. LFB carry out routine fire safety community engagement and awareness activities across the borough and undertake free home fire safety visits that can be booked by residents at any time. The visits consist of firefighters visiting residents in their homes and providing bespoke advice on how to minimise the risk of fire. This can include fitting of free smoke alarms and recommendations on other equipment. Where people may have increased risk of fire due to for example a specific health or lifestyle factor (for example being a smoker, a hoarder, having an alcohol dependency or suffering from mobility issues that make escape more difficult) then LFB encourage booking of a visit at which they will undertake a risk assessment and advise accordingly. Officers in the Communities team have offered support to LFB in arranging a further programme of wider community awareness events across the borough.
32. The council has published a special edition of Southwark Life focusing on fire safety, to go to every home in the borough. This reinforces key messages around fire safety, and seeks to reassure residents of our commitment to making all our homes as safe as they can be. We have also developed a specific area on our website with key messages and frequently asked questions, to keep residents up to date.
33. A fire safety scrutiny panel has been convened and tenant representatives from across the borough are working with Southwark Council to ensure that fire safety is being delivered and communicated effectively. To date one meeting has taken place and it is expected that at least three more meetings in the next nine weeks will help to formulate and deliver high quality fire safety to Southwark homes.

Fire safety in schools

34. The council has compiled a spreadsheet for all school buildings that have been the subject of capital works in the last ten years to assess the safety of materials used in the construction. This information is based on officer knowledge, specifications of works carried out and information received from contractors; it includes the BSF programme where some limited cladding was used in construction.
35. In all cases, verification is being sought or has been obtained from the contractors on the actual materials used and methods of construction including checks on fire stops. Further checks are ongoing on previous years' capital programmes to ensure that the list is comprehensive and captures all major works.
36. The spreadsheet includes information on the fire safety strategy, confirmation of checks on any cladding materials, the installation of sprinklers (where recommended in the fire safety strategy) and other measures in design to manage compartmentation of spaces and means of escape routes. This is an ongoing process of building up a data base for schools. If there are any concerns these are immediately flagged up for action.

37. It is worth noting that the DfE have focused their checks on schools above four stories but the council is arranging to carry out more in depth checks as follows.
38. The council's facilities management team (CFM) wrote to all maintained schools, before they broke up for the summer holiday, seeking key information on fire risk assessments and compliance checks. The answers supplied by schools will help to prioritise a programme of school by school inspections that will start in September and be completed by the October half term, using a fire safety specialist.
39. Concurrently, CFM are developing a statutory compliance audit regime. This will be implemented in September 2017. Schools will have to evidence to the council that they are commissioning the required checks but they will also be given the opportunity to buy into a CFM service to carry out these checks and certification as necessary on their behalf. From the returns submitted so far, it is likely that there will be a need to support the investment of upgrades to fire alarms and repairs to fire doors.
40. The council is also seeking reassurance on compliance from all non council maintained schools (academies, free schools, diocesan and VA schools) by seeking copies of documentation and information with regards to combustible material checks. Whilst these schools are not under the control of the council, it will help to ensure that the council has a comprehensive picture and can advise where necessary. Some academies have also been asked by the DfE to submit samples of any cladding materials used on their schools for testing.
41. In addition to these requests for information, all schools in the borough have been asked by the DfE to confirm either directly (or via the council in the case of maintained schools), their compliance in terms of termly fire drills and weekly fire alarm tests. The director of education has reminded schools that it is the responsibility of the headteacher and governing body to ensure that fire drills and tests are carried out.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

42. The Regulatory Reform (Fire Safety) Order 2005 places duties upon the council as the owner or user of premises and as an employer of people working in buildings, to maintain fire safe premises.
43. The Localism Act 2011 gives councils a general power of competence whereby they have power to do anything that individuals generally may do. This would allow the council to set up a register of fire risk assessments for buildings owned by housing association providers and managing agents of private residential properties.
44. This power can be used even if legislation already exists that allows a local authority to do the same thing. However the general power of competence does not enable a local authority to do anything which it was restricted or prevented from doing under that previous legislation. The director of law and democracy is not aware of any pre-commencement or other limitation.

45. However the director of law and democracy is not aware of any power to compel compliance.
46. The Housing Act 2004 requires houses in multiple occupation (HMO) of a certain size to be licensed and gives discretion to councils to require other types of private rented housing to be licensed. Southwark introduced an additional licensing scheme for HMOs and a selective scheme for other types of private rented housing in certain areas in 2015.
47. The property licence standard conditions require compliance with Southwark's HMO standards, LACORS fire guidance and Southwark Private Rental Standards. If the property is not a single self contained dwelling it must have a Fire Risk Assessment that complies with the Regulatory Reform (Fire Safety) Order 2005. The council may require licence applicants to produce documentary evidence of compliance with licence requirements.
48. In order to comply with the Equalities Act with regard to buildings under our control in identifying and carrying out any works associated with fire safety, officers must to identify any persons, whether they are our tenants, leaseholders, private tenants or others who may have special needs or requirements that affected by the works.

Strategic Director of Finance and Governance (Ref: 17/026)

49. This report sets out the measures currently being undertaken to ensure fire safety across the council's own residential, commercial and operational estate and the wider public domain. Since 2009 the council has invested around £62m in fire prevention measures to its housing and operational estate and continues to do so through its major works programmes (WDS and QHIP). This includes the installation of sprinklers to all sheltered and hostel accommodation and the on-going installation of LD2 smoke alarms to all residential council properties (including ex-council stock).
50. However, following the recent tragedy, the council is reviewing and re-doubling its efforts in this regard. Much work has already been undertaken to ensure the council's buildings are compliant, but further investigation is required and will be concluded as a matter of urgency. At this stage, it is not possible to quantify what further measures will be required or the potential cost, but the council is committed to taking all necessary steps to ensure the safety of tenants and residents.
51. The latest capital programme monitor/refresh report (elsewhere on this agenda) indicates a shortfall of resources for both the council's general fund and housing investment programmes over the medium-term. These programmes are influenced by the scale and timing of resources available from grants, S106/CIL, capital receipts and revenue support and require careful management to ensure commitments can be met. Given the current circumstances and urgency to implement any high priority actions arising from the review, it is possible that the programmes as currently planned may be subject to alteration over the coming months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Fire Safety Schedule	160 Tooley St, London SE1 2QG	Laura Wannop Tel: 020 7525 5352
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5751&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Gerri Scott, Strategic Director of Housing and Modernisation	
Version	Final	
Dated	7 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 September 2017

Item No. 19.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Appointment of Keepmoat for Emergency Works at Ledbury Estate	
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

In June the council became aware of thermal movement of the large concrete panels that make up the construction of the Ledbury Estate Tower blocks after the problem was raised by residents. This has caused widespread cracking which has led to the breakdown of compartmentation of fire safety.

In August we also took the decision to terminate the gas supply to the four tower blocks following concerns that the blocks would not be able to withstand a gas explosion. The council have asked Arup to undertake a full structural report on the tower blocks but until this has been completed we do need to undertake interim emergency works on the buildings.

This report asks cabinet to note that the council have appointed Keepmoat to undertake these works which include the upgrading of the landlords electrical supplies to facilitate the installation of immersion heaters to flats, and the installation of a district heating system to ensure that all residents have access to heating and hot water following the gas disconnection.

I would like to thank the residents in the tower blocks, The Ledbury Estate Tenants and Residents Association and the Ledbury Action Group for their patience and input during this difficult and distressing time and to reassure them that we are committed to resolving the problems with the structure of the buildings.

RECOMMENDATIONS

1. That cabinet notes the appointment of Keepmoat for emergency works at the Ledbury Estate tower blocks.
2. That cabinet notes that a further report will come to cabinet later in the year, following the final structural report from Arup, detailing options for the towers going forward.

BACKGROUND INFORMATION

3. Cabinet will be aware that thermal movement of the large concrete panels has led to cracking in the tower blocks on Ledbury Estate, which has meant the breakdown of the required compartmentation for fire safety. The council has been, and continues to be, very proactive in dealing with these issues and has undertaken a temporary filling solution to this problem.

4. The blocks have also had their gas supplies terminated as a precautionary measure due to recently identified potential structural issues should there be a gas explosion in the blocks.
5. In seeking an alternative heating and cooking solution, and to bring a sense of normality to residents' lives, officers considered a switch to full electric heating, hot water and cooking.
6. However, upon further investigation it was found that the local network and the block's electrical infrastructures do not have the capacity to quickly progress this solution.
7. Officers have now designed a district (communal) heating and hot water solution that can be installed and in operation by mid-October. This will mean that the blocks will have a temporary large boiler sited outside the block on the ground floor. Pipework will be run from these boilers to the blocks and then internally up the blocks and connected to the existing radiator and hot water circuit within each flat.

Current status

8. Keepmoat, as the area major works partnering contractor, has been engaged to undertake two critical pieces of work.
9. Firstly, they are upgrading the electrical rising mains in each block to enable the installation of immersion heaters to provide limited hot water now. This will also enable the quick purchase and distribution of electric standalone cookers. Residents have been offered a choice of three cookers, while those with built in electric ovens and gas hobs will be offered an electric hob only.
10. Secondly, they will be installing an officer designed district heating system to each of the four blocks, with the target of completion and in operation by mid-October.
11. Engineering colleagues are working with UKPN to upgrade, where possible, the local supply network.
12. Arup have delivered their first report, which confirms what they advised by letter on 10th August - that they consider the blocks unsuitable for a piped gas supply. They also advise that the blocks are unsuitable for other gas, i.e. bottled.
13. Arup will continue with their investigations throughout the blocks, and will submit a further report at the end of November which will detail the level of strengthening during and post construction, any further strengthening required, costing and building life expectancy information.
14. Officers will present a further detailed report to cabinet following the next Arup report, setting out options for future work on the estate.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

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	David Markham, Director of Asset Management	
Version	Final	
Dated	6 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	No	No
Head of Procurement	No	No
Director of Law and Democracy	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 September 2017

Item No. 20.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Gateway 3: Variation Decision Housing Major Works Contracts	
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

Since agreeing our partnership contracts for major works contracts in 2010, these contracts have seen successful outcomes.

The contracts have helped deliver the Council's Warm Dry and Safe programme with over 93% of council homes meeting the decent homes standard in 2016. The contracts are also helping to deliver the Council's Quality Homes Investment Programme including the installation of new kitchens and bathrooms.

The partnership contracts have also created apprenticeships for our school leavers and training opportunities for local residents. Residents have in general been pleased with the standard of works with feedback being mainly positive for each of the contractors.

It is currently possible to extend the partnership contracts for a further two years and this report asks that cabinet agree the recommendation to do so.

RECOMMENDATIONS

1. That cabinet approves the variation of Contract area 3, Camberwell and Peckham contract to Keepmoat Regeneration (Apollo) Ltd (Keepmoat) to extend the term of the contract for a period of two years from 14 June 2018 at an estimated maximum cost of £45m per annum, making a revised contract value of £450m for ten years.
2. That cabinet approves the variation of Contract area 4, Nunhead, Peckham Rye and Dulwich contract to A&E Elkins Ltd (A&E Elkins) to extend the term of the contract for a period of two years from 14 June 2018 at an estimated maximum cost of £24m per annum, making a revised contract value of £240m for ten years.
3. That cabinet approves the variation of Contract area 5, Borough-wide street properties, temporary accommodation and major voids contract to Saltash Enterprises Ltd (Saltash) for a period of two years from 14 June 2018 at an estimated maximum cost of £6m per annum, making a revised contract value of £60m for ten years.

BACKGROUND INFORMATION

4. On 26 March 2010, the executive approved the award of five contracts for major works for a period of five years with the option to extend for a further five years,

subject to appropriate reviews of value for money and performance, although no reference was made as to the number of extensions that could be incorporated within this five years. Reserve contractor arrangements were also approved.

5. The contract areas were as follows:

Contract	Contractor
Contract area 1 – Borough and Bankside	Breyer Group Plc
Contract area 2 – Bermondsey and Rotherhithe	Wates Construction Ltd
Contract area 3 – Camberwell and Peckham	Keepmoat (formerly Apollo Property Services Group Ltd)
Contract area 4 – Nunhead, Peckham Rye and Dulwich	A&E Elkins
Contract area 5 – Borough-wide street properties, temporary accommodation and major voids	Saltash

6. Two contracts were ended in 2012 and 2013. The reserve contractor arrangements were therefore put in place for the majority of the programmes to cover Contract areas 1 and 2 - A&E Elkins took over the majority of programmes for Contract area 1 with the remainder of the work being individually tendered and Keepmoat took over all the programmes for Contract area 2. The table is as follows:

Contractor	Contract Area	Main/Reserve contractor	Estimated annual amount
A&E Elkins	1 Borough and Bankside and Walworth	Reserve	£16m
Keepmoat	2 Bermondsey and Rotherhithe	Reserve	£25m
Keepmoat	3 Camberwell and Peckham	Main	£20m
A&E Elkins	4 Nunhead, Peckham Rye and Dulwich	Main	£8m
Saltash	5 Borough-wide street properties, temporary accommodation and major voids	Main	£6m

7. A Gateway 3 report was approved on 16 July 2015 to extend contract areas 3, 4 and 5 for three years and for A&E Elkins and Keepmoat to be reserve contractors for contract areas 1 and 2 whilst a new framework, the major works constructor framework (the framework), was put in place. A new framework was put in place to initially cover areas 1 and 2 which is now the case and then all areas once the partnering contracts are ended.

KEY ISSUES FOR CONSIDERATION

Key aspects of proposed variation

8. The nature of this proposed extension is to exercise the option to extend each contract for a further two years. The revised completion date will therefore be 13 June 2020.
9. The partnering contracts have greatly contributed in helping the council deliver its Warm, Dry and Safe (WDS) programme and the new Quality Homes

Investment Programme (QHIP). Price harmonisation and use of supply chains has also continued to allow for continuity of materials and value for money in the contracts and bench marking will be used with the 'call-off' contracts let under the framework that was put in place to continue to ensure this remains the case.

10. A breakdown of the estimated and actual expenditure is provided below.

A&E Elkins Ltd

Year and Contract area	Estimated Cost (£m)	Actual Cost (£m)
2010-11 to 2016-17 (area 4)	56	43.2
2010-11 to 2016-17 (area 1)	112	42
Total	168	85.2

Keepmoat

Year and Contract area	Estimated Cost (£m)	Actual Cost (£m)
2010-11 to 2016-17 (area 3)	140	109.4
2010-11 to 2016-17 (area 2)	175	99.9
Total	315	209.3

Saltash

Year	Estimated Cost (£m)	Actual Cost (£m)
2010-11 to 2016-17	48	38.6
Total	48	38.6

11. Officers consider that it is within Keepmoat and A&E Elkins capability and capacity to deliver the programme of works for contract areas 3 and 4 at estimated levels of approximately £45m and £24m respectively each year. This would be subject to constant scrutiny on costs and performance in comparison to the framework 'call-off' contracts and could obviously vary between years dependent on the new housing capital programmes. The intention is that total estimated work for both Keepmoat and A&E Elkins could be at the levels of £45m and £24m respectively each year.
12. The estimated value of this proposed variation to the Keepmoat contract is £90m, combined with the actual value of the approved initial contract term of £225m, previous contract extension value of £135m and estimated value of this proposed current variation of £90m, brings the total to £450m. The value of this extension to the Keepmoat contract as a percentage is estimated to be 25%.
13. The estimated value of this proposed variation to the A&E Elkins contract is £48m, combined with the actual value of the approved initial contract term at £120m, previous contract extension value of £72m and estimated value of this proposed variation of £48m, brings the total to £240m. The value of this extension to the A&E Elkins contract as a percentage is estimated to be 25%.
14. The estimated value of this proposed variation to the Saltash contract is £12m, combined with the actual value of the approved initial contract term of £30m, previous contract extension value of £18m and estimated value of this proposed

variation of £12m, brings the total to £60m. The value of this extension to the Saltash contract as a percentage is estimated to be 25%.

Reasons for variation

15. Currently, all three contractors are performing well and their Key Performance Indicator (KPI) scores are very good. All three contractors had resident satisfaction levels in 2016-17 of over 92% and their time predictability was almost perfect in their achievement of contract periods and works to individual tenant properties. This is reported quarterly to the major works core group. KPIs are measured across a range of areas, including contractors' performance on time, value for money, and resident satisfaction. As well as resident satisfaction being over 90% on average they achieved excellent scores in terms of apprentices and training opportunities (9/10), considerate contractor, (8/10) and cleaner, greener, safer (10/10 for achieving FORS accreditation – cycling safety). This performance will be bench marked in future against those contractors listed under the framework. A more detailed breakdown is included in Appendix 1.
16. A framework has also been set up which currently covers areas 1 and 2 and the partnering contracts will run in parallel providing further capacity and acting as additional security should issues arise with any contractor under the framework. Both the partnering contract and the framework allow council officers the opportunity to benchmark pricing and this is currently being undertaken and also the quality of contractors and in the case of the framework, this will allow officers to use different procurement routes to deliver its major work programme. There is no question that the partnering contracts enable the council to deliver works quicker and the KPI scores show how effective the contractors are in performance. Having a combination of framework and partnering contracts for the remaining two years will allow bench marking and enable the council to decide which method of procurement it wishes to take forward in future when the framework expires.

Future proposals for this service

17. A review and bench marking exercise will be carried out prior to the expiry of the framework to help determine the best procurement route for a new contract(s).

Alternative options considered

18. A framework is in place. This will therefore allow the council flexibility in future procurement options for the next few years to ensure consistent quality and value for money. The current partnering contracts have a number of advantages, in that they allow for value for money, speed in providing work on site, in addition to the normal benefits of longer term partnering contracts such as training opportunities for the local community, community initiatives provided for by the contractors, and also the unseen hidden goodwill benefits, such as having a contractor nearby if issues arise after the end of the usual defects periods. Having to tender every individual project would greatly extend the delivery times for all housing projects.
19. On this basis, no further options were considered and it was decided to utilise the option to extend the contracts for a further two years to run in parallel with the framework.

Contract management and monitoring

20. The performance of the contractors continues to be monitored by the investment team. Changes were made within the investment team in 2017 to further improve correct contract monitoring and management and every scheme now has a council project manager and contract manager. Each project manager in the investment team or other departmental officers using these contracts provide a quarterly monitor on the performance of each contractor they use and there are specific KPIs in the contract in the areas of time, cost and quality. KPIs are produced for all firms on a quarterly basis and these show that all are performing very well in terms of both quality and timeliness, as set out above. One additional benefit of partnering is that, in practice, the contractors will also deal with issues that arise after the 12 month defects liability period when each scheme has ended. These contracts, whilst they are predominately design and build contracts, have all their design and works proposals examined and checked by either one of the council's lead designers or by one of the council's two technical services firms.
21. The spend and performance on all contracts is monitored by the head of investment and reported regularly to the asset management monitoring core group led by the Lead cabinet member for housing and modernisation. Concerns were expressed by some leaseholders in particular as regards value for money obtained through these contracts. A report was therefore commissioned by an independent quantity surveyor in October 2014 which confirmed that the prices obtained through the current contracts match those that can be obtained through individual tendering and bench marking will continue. The price harmonisation and supply chain will continue for the proposed two year extensions. In previous years the partnering contractors have not taken up their inflationary uplift allowed under the terms of the partnering contract. Also a specific meeting is held with leaseholders who are to receive major works so that concerns regarding the contract can be addressed.

Identified risks for the variation

22. The table below identifies the risks associated with this extension, the likelihood of occurrence and the control in place to mitigate the risks.

R/N	Risk Identification	Likelihood	Risk Control
R1	Contractors do not want to extend the contracts and/or are unable to deal with new workload	Low	All three companies have confirmed their readiness and capability to deliver the contract extension. There will be monitoring reports to DCRB and CCRB as part of the contract management and monitoring of these contracts on a yearly basis
R2	Decline in contractors performance	Low	The performance of the three contractors is monitored but in the unlikely event of their performance falling below the standard required, a 'termination at will' clause is now in the contract to enable the council to terminate a contract if desired.
R3	Contractors go in to	Low	The framework means that there is a

R/N	Risk Identification	Likelihood	Risk Control
	administration or liquidation.		reserve option in place to reduce any delay times should such a situation occur.

Policy implications

23. These contracts help deliver on one of the council's key Fairer Future promises by providing quality kitchens and bathrooms to all residents.

Community impact statement

24. Having a consistent set of contractors working in the borough improves the quality of service and ensures consistent and comprehensive work within the community. The contractors all provide training and apprenticeship opportunities as well as sponsoring many community initiatives and schemes. All three contractors have specific targets related to apprentices and training whereby they have to provide the one apprentice or training equivalent for each £1m of work undertaken. In addition, they support a whole variety of community initiatives such as communal garden schemes, sports schemes, cycling learning and repairs, events for elderly residents, and Christmas parties.

Social value considerations

25. 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

26. There are no specific economic considerations to this report.

Social considerations

27. Keepmoat, A&E Elkins and Saltash employees and those of their subcontractors are paid in accordance with the London Living Wage and have equalities policies that conform to the council's standards. The application of these is reviewed for compliance as part of the contracts annual reviews. Each of them is required to employ apprentices and provide training and employment opportunities for Southwark residents and to comply with the requirements of the Employment Relations Act 1999 (Blacklists) Regulations 2010 ("the Blacklists Regulations") and shall ensure that it will not during the Term/Contract Period/provision of the Works be a party to or concur in any discriminatory employment practice which could be construed as blacklisting or boycotting any person who has sought employment with the contractors in breach of the Blacklists Regulations.

Environmental/sustainability considerations

28. There are no specific environmental or sustainability considerations at this stage.

Financial implications

29. The report recommends the extension of the three major works partnering contracts to Keepmoat Regeneration (Apollo) Ltd (Keepmoat), A&E Elkins Limited (A&E Elkins) and Saltash Enterprises Limited (Saltash) for two years from 14 June 2018 to 13 June 2020. The estimated value of these contracts over the two years is £150m, and will help deliver the QHIP programme. The delivering of this programme and the housing investment programme as a whole is subject to the availability of resources to fund it.

Investment implications (housing contracts only)

30. The value of these contracts will be charged directly to the respective projects.

Legal implications

31. Please see the comments from the director of law and democracy.

Consultation

32. There was extensive consultation with leaseholders as part of the statutory process. In addition a tenants and a resident's representative were on the final tender evaluation panel as part of the original evaluation process.

Other implications or issues

33. Not applicable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

34. The strategic director of finance and corporate services notes the recommendations in this report to extend the three housing major works contracts with Keepmoat, A&E Elkins and Saltash for a further period of two years from June 2018.
35. As outlined in the financial implications section of this report, the estimated value of works over the extension period is £150m. These costs are to be met from within the existing housing investment programme

Head of Procurement

36. This report is seeking approval to extend three contracts for major works for a 2 year period from 14 June 2018. The report confirms that the current contracts have already been extended for a period of 3 of the 5 years allowed for when the contracts were awarded.
37. The report explains that with a constructor framework operating in parallel, extending these partnering contracts allows for continuity, additional capacity and contract security to deliver the council's WDS and QHIP.
38. The report confirms that performance to date on this contract has been very good. There are management and monitoring arrangements in place which should go some way to ensuring that the required level of contract performance

is maintained. It would appear that there is no reason why the council should not continue with these arrangements for the recommended extension period.

Director of Law and Democracy

39. This report seeks the approval of cabinet to extensions to 3 major works contracts which are being performed by Keepmoat (contract area 3), A&E Elkins (contract area 4) and Saltash (contract area 5). This report sets out the extent of the extensions and the reasons why extensions of two years are necessary.
40. The nature of these variations is such that they are subject to the tendering requirements of the Public Contracts Regulations 2015 (PCR 2015). Regulation 72(1)(a) of PCR 2015 allows the council to vary the current contracts as this option was provided for in the initial procurement documents and does not alter the overall nature of the contracts.
41. The decision to approve the Keepmoat and A&E Elkins contract extensions falls within contract standing orders (CSO) 6.6.3(a) and is reserved to the cabinet, after consideration of the report by the corporate contract review board (CCRB) whereas the decision to approve the Saltash contract extension falls within CSO 6.6.3(c) and is reserved to the strategic director of finance and governance, after consideration by the CCRB. However, as agreed by the strategic director of finance and governance, the cabinet will approve all three variations.
42. CSO 2.3 requires that a variation decision may only be made if the expenditure involved has been approved. Paragraph 29 of this report confirms the financial implications of these variations.

Director of Exchequer (for housing contracts only)

43. The partnering contract is a Qualifying Long Term Agreement under the terms of the Commonhold and Leasehold Reform Act 2002. Section 20 consultation was carried out in 2010 and confirmed through the Lands Tribunal to comply with the regulations. The consultation notice specifically deals with the term of the contract and the notice advised that the contract was for a period of five years with the option to extend for a further five years.
44. In 2015 the contracts were extended beyond the initial five years, for a further three years. This further two year extension brings the contracts to the full term of the extensions referred to in the consultation. This extension is therefore covered within the notices originally issued and the costs remain chargeable to leaseholders affected.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Gateway 2 'open' report - Housing Major Works Contracts – approved 26 March 2010	160 Tooley Street London SE1 2QH	Everton Roberts 0207 525 7221
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=1271		
Gateway 3 'open' report – Extension Approval Housing Major Works Contracts 16 July 2015	160 Tooley Street London SE1 2QH	Everton Roberts 0207 525 7221
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=5381		

APPENDICES

No	Title
Appendix 1	Detailed KPI breakdown

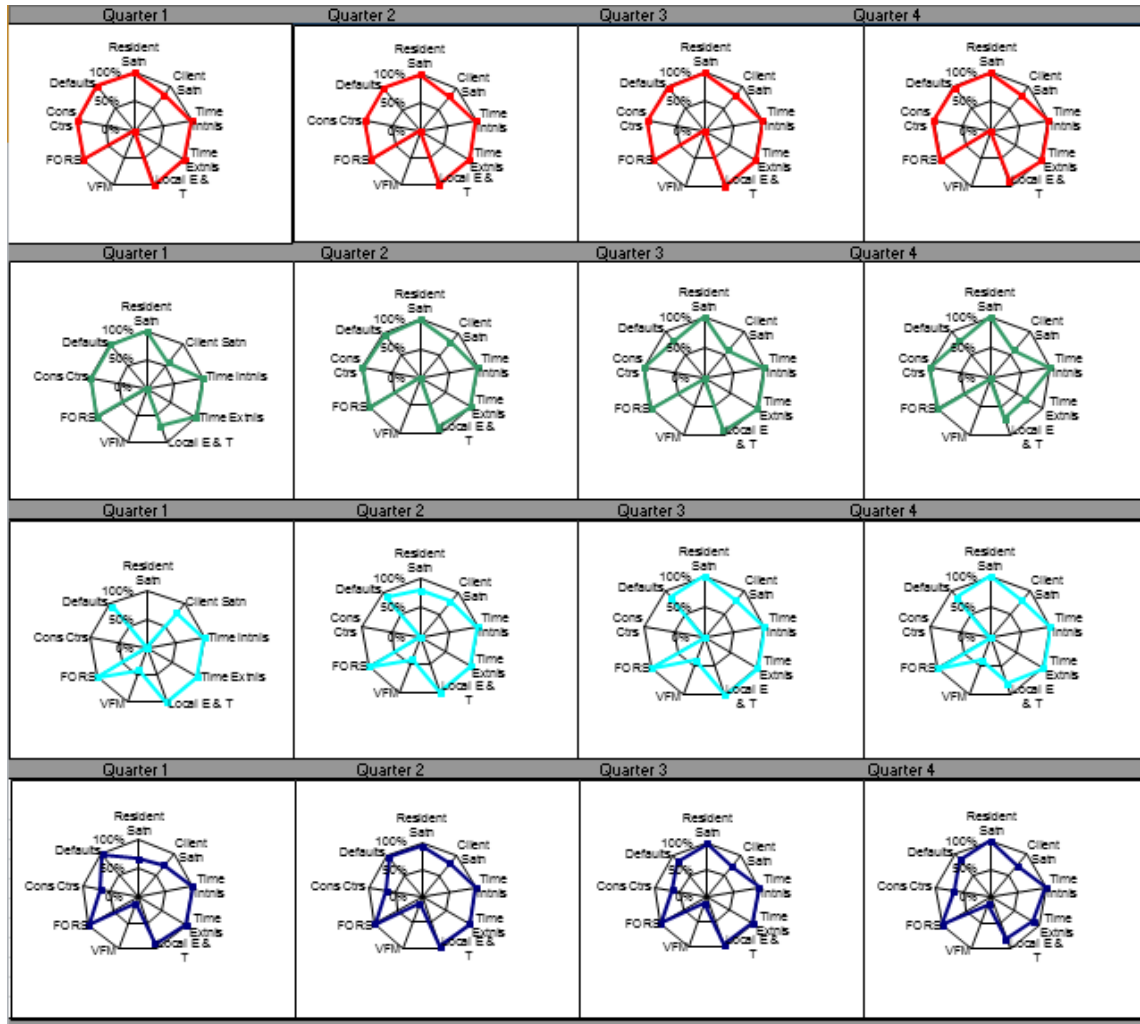
AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	David Markham, Director of Asset Management	
Version	Final	
Dated	7 September 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
Cabinet Member	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		7 September 2017

Detailed KPI breakdown

APPENDIX 1

KPI	KPI DEFINITION AND ACCOUNTABLE FOR MEASUREMENT AND REPORTING	What is used to measure?	Who measures?	Target	Incentive Weighting as points*	TARGET and achievable points	Contractor Cumulative	Q1 Estimate		Q2 Estimate		Q3 Estimate		Q4 Estimate		
								Points	Perf	Points	Perf	Points	Perf	Points	Perf	
Resident satisfaction – Service	This is a measure of resident satisfaction in regards to the 'service provided by the constructor'.	Southwark Resident Satisfaction Form (at end of contract. This will be a once per annum exercise)	Client	90%	20 points	20 points if over 90% achieved	A & E Elkins	20	92%	20	93%	20	93%	20	92%	
						16 points if 85 - 90%	Keepmoat	20	97%	20	97%	20	97%	20	96%	
						12 points if 80 - 84%	Saltash	0	0%	16	90%	20	91%	20	93%	
						8 points if 75 - 79%										
						4 point if 70 - 74%										
						0 points if less than 70% achieved										
Client Satisfaction	Client satisfaction with the service and quality of workmanship will be measured using a client survey form.	Southwark client satisfaction form utilised (at end of contract. If no contract nearing end, snapshot will be taken. This will be a once per annum exercise)	Client	90%	10 points	10 points if > 90%	A & E Elkins	8	85%	8	86%	8	86%	8	85%	
						8 points if 85 - 90%	Keepmoat	6	84%	8	85%	6	84%	6	83%	
						6 points if 80 - 84%	Saltash	8	85%	8	85%	8	86%	8	87%	
						4 point if 75 - 79%										
						2 points if 70 - 74%										
						0 points if <70%										
Time predictability	Internals. This is measured as variation in time from agreed target (set out following).	Kitchen Only - 10 days Bathroom Only - 10 days Kitchen & Bathroom - 10 days Kitchen, Bathroom & Electrics - 15 days Kitchen & Electrics - 10 days Bathroom & Electrics - 10 days Electrics Only - 5 days	Contractor	100% on time	6 points	On time = 6 points	A & E Elkins	6	0	6	-1	6	-2	6	-2	
						1 day over = 4 points	Keepmoat	6	0	6	-1	6	-1	6	-1	
						2 days over = 2 points	Saltash	6	-2	6	-2	6	-2	6	-2	
						3 days over = 0 points										
						4 days over = - 2 points										
						5 days over = - 4 points										
	Externals. This is measured as a variation of the actual project completion vs the project plan predicted dates.	By project. The actual completion time will be agreed by the Lead Designer.		Client	100% on time	6 points	2 point penalty per week over project agreed completion date. This can also lead to negative scoring.	A & E Elkins	6	0	6	0	6	0	6	0
								Keepmoat	6	0	6	0	6	0	4	1
								Saltash	6	0	6	0	6	0	6	0
Local Employment and Training	This focuses on adherence to HCA guidelines on construction employment - to be agreed with each individual service provider at annual term review when future contract values known.	Annual Term Review Data	Client	100%	10 points available	This will be awarded for adherence to apprenticeships / graduates offered per million pounds of work awarded. To be agreed when work values by contract area known.	A & E Elkins	10	30	10	30	10	25	9	22	
							Keepmoat	7	47	9	40	9	40	7	28	
							Saltash	10	12	10	8	10	5	8	5	
Value For Money	This is being measured as the willingness to offer continued Value For Money to the contract by not taking up inflationary amount per annum.	Annual Term Review	Client	100%	20 points available	Inversely proportional to the amount of inflationary take up.	A & E Elkins	0	3%	0	3%	0	3%	0	3%	
							Keepmoat	0	3%	0	3%	0	3%	0	3%	
							Saltash	8	2%	8	2%	8	2%	8	2%	
Cleaner, Greener, Safer	This is being measured to show quality and performance for contactors vehicle operations and becoming safer, greener and more efficient.	Providing entry-level 'bronze' accreditation or higher for Fleet Operator Recognition Scheme (FORS)	Contractor	Bronze Accreditation	10 points available	10 points for achieving / maintaining the accreditation level.	A & E Elkins	10	Bronze	10	Bronze	10	Bronze	10	Bronze	
							Keepmoat	10	Bronze	10	Bronze	10	Bronze	10	Bronze	
							Saltash	10	Bronze	10	Bronze	10	Bronze	10	Bronze	
Considerate Contractor	This is being measured as a quality measure of the constructors consideration of the general public/residents, the workforce and the environment.	Annual Term Review of quarterly collected scores from the Considerate Constructors Scheme (CCS) inspection scores (average score).	Contractor	35 or above	10 points available	10 points if 35 or above scored	A & E Elkins	10	35	10	35	10	36	10	35	
						9 points if 34 scored	Keepmoat	10	37	10	37	10	37	10	37	
						8 points if 33 scored	Saltash	0	0	0	0	0	0	0	0	
						then decreasing by one point until 1 point if 26 scored										
						0 points if 25 or less scored										
Contract Management	This is being measured as a quality measure showing compliance with the contract. Defaults indicate non compliance with the contract terms.	Annual Term Review collected quarterly by Client.	Client	No defaults	20 points available	Performance measured by number of default notices received. A point removed for each default notice sent by the client.	A & E Elkins	20	0	20	0	19	1	19	1	
							Keepmoat	20	0	19	1	16	4	16	4	
							Saltash	19	1	18	2	17	3	17	3	



A & E Elkins	Q1 Estimate	Q2 Estimate	Q3 Estimate	Q4 Estimate
Resident Satn	20 100%	20 100%	20 100%	20 100%
Client Satn	8 80%	8 80%	8 80%	8 80%
Time Intnlis	6 100%	6 100%	6 100%	6 100%
Time Extnls	6 100%	6 100%	6 100%	6 100%
Local E & T	10 100%	10 100%	10 100%	9 90%
VFM	0 0%	0 0%	0 0%	0 0%
FORS	10 100%	10 100%	10 100%	10 100%
Cons Ctrs	10 100%	10 100%	10 100%	10 100%
Defaults	20 100%	20 100%	19 95%	19 95%
TOTAL	90 80%	90 80%	89 79%	88 79%

Keepmoat	Q1 Estimate Score	Q2 Estimate Score	Q3 Estimate Score	Q4 Estimate Score
Resident Satn	20 100%	20 100%	20 100%	20 100%
Client Satn	6 60%	8 80%	6 60%	8 80%
Time Intnlis	6 100%	6 100%	6 100%	6 100%
Time Extnls	6 100%	6 100%	6 100%	4 67%
Local E & T	7 70%	9 90%	9 90%	7 70%
VFM	0 0%	0 0%	0 0%	0 0%
FORS	10 100%	10 100%	10 100%	10 100%
Cons Ctrs	10 100%	10 100%	10 100%	10 100%
Defaults	20 100%	19 95%	16 80%	16 80%
TOTAL	85 76%	88 79%	83 74%	79 71%

Saltask	Q1 Estimate Score	Q2 Estimate Score	Q3 Estimate Score	Q4 Estimate Score
Resident Satn	0 0%	16 80%	20 100%	20 100%
Client Satn	8 80%	8 80%	8 80%	8 80%
Time Intnlis	6 100%	6 100%	6 100%	6 100%
Time Extnls	6 100%	6 100%	6 100%	6 100%
Local E & T	10 100%	10 100%	10 100%	8 80%
VFM	8 40%	8 40%	8 40%	8 40%
FORS	10 100%	10 100%	10 100%	10 100%
Cons Ctrs	0 0%	0 0%	0 0%	0 0%
Defaults	19 95%	18 90%	17 85%	17 85%
TOTAL	67 60%	82 73%	85 76%	83 74%

TOTAL	Q1 Estimate Score	Q2 Estimate Score	Q3 Estimate Score	Q4 Estimate Score
Resident Satn	40 67%	56 93%	60 100%	60 100%
Client Satn	22 73%	24 80%	22 73%	22 73%
Time Intnlis	18 100%	18 100%	18 100%	18 100%
Time Extnls	18 100%	18 100%	18 100%	16 89%
Local E & T	27 90%	29 97%	29 97%	24 80%
VFM	8 13%	8 13%	8 13%	8 13%
FORS	30 100%	30 100%	30 100%	30 100%
Cons Ctrs	20 67%	20 67%	20 67%	20 67%
Defaults	59 98%	57 95%	52 87%	52 87%
TOTAL	242 72%	260 77%	257 76%	250 74%

Item No. 21.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Update on the Delivery of the Housing Asset Management Strategy	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Stephanie Cryan, Deputy Leader and Cabinet Member For Housing	

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

Last year cabinet agreed a new asset management strategy building on the success of the Council’s Warm Dry and Safe Programme. The new strategy ensures that we maintain the decent homes standard, with over 93% of homes meeting this compared to just 55% in 2010. It also set out our Quality Homes Investment Programme including the roll out of new kitchens and bathrooms, cyclical maintenance and decoration programmes and the delivery of a new electrical and mechanical Programme.

This report provides an update of the work that has been carried out so far and the planned timetable for the Programme going forward.

The report also takes into account that following the tragedy at Grenfell Towers, the current independent review into fire safety measures across the council’s housing stock and the council’s decision to carry out a type 4 Fire Risk Assessment for all 174 tower blocks on our estates, there could be some substantial adjustments to the current Programme to ensure that any fire safety measures identified are carried out. A further report will be coming to cabinet later this year once we have the findings of the review.

RECOMMENDATIONS

That cabinet

1. Notes that in the light of the Grenfell fire, there could be substantial investment implications for the council, and a further report will follow regarding these matters.
2. Notes the status of the asset management investment programmes with particular reference to achieving the QHIP (Quality Homes Investment Programme) standard.
3. Notes the current QHIP commitments following the first year of the programme and the forward programme to ensure all residents are at the QHIP standard over the first cycle of the programme in 8-10 years, including the changes to the programme.
4. Notes at the end of 2016-17 the housing stock stood at a 93.35% decency level up from 91.3% at the end of the 2015-16.
5. Notes that this report will be sent to Home Owners’ Council, Tenant Council and Future Steering Board for information following cabinet approval.

SUMMARY

6. A new asset management strategy was agreed by cabinet in March 2016 that will ensure high levels of decency are maintained, roll out the kitchen and bathroom guarantee, make sure properties receive a cyclical maintenance and decoration programme, delivering a mechanical and electrical programme and bring the building components of all properties to a Fire Risk Assessment (FRA) 'tolerable' level by the end of the first cycle of the programme. As a result of the Grenfell fire and the reviews of the further fire precautions that the council will want to put in place, this will inevitably lead to the need for a review of the resources and priorities within QHIP and the phasing of the kitchen and bathroom programme.
7. It is a key priority of the council to make every home in Southwark warm, dry and safe and this promise was taken further through the agreement of an asset management strategy that improved upon the original warm, dry and safe offer to be delivered through the Quality Homes Investment Plan from 2016-17.
8. The new standard incorporates decency work (as in Warm, Dry and Safe), external decorations and the kitchen and bathroom guarantee. A summary of the current planned programme can be found in Appendix 2. However, this will be subject to review as outlined in paragraph 6.
9. £9.6m had been spent on delivering QHIP to the end of June 2017.
10. Decency was at 93.35% at the end of 2016-17 up from 91.3% at the end of 2015-16 reflecting the ongoing investment that the council has undertaken across the borough.

BACKGROUND INFORMATION

11. On 25 February 2015 council assembly affirmed its commitment through the Council Plan to 2017-18 which included the Fairer Future Promise - Quality affordable homes, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.'
12. On 25 February 2015 cabinet established kitchen and bathroom investment to "deliver a quality kitchen and bathroom for every council tenant", with an initial year alongside the current WDS investment in 2015-16.
13. On 15 March 2016 cabinet agreed a new asset management strategy including an 8 to 10-year plan to maintain decency and deliver the kitchen and bathroom guarantee across Southwark.
14. The key deliverables of the programme within the strategy were:
 - a. Maintaining a high level of decency
 - b. Delivering a cyclical works programme
 - c. Completing the kitchen and bathroom programme within the first cycle of the programme
 - d. Delivering a mechanical and electrical programme
 - e. Bringing the building components of all properties to a Fire Risk Assessment (FRA) 'tolerable' level by the end of the first cycle of the programme.

KEY ISSUES FOR CONSIDERATION

What has been achieved – deliver cyclical investment programmes

15. The QHIP investment programme has begun following on from the WDS programme.
16. A summary of progress is given below with a more detailed breakdown of the forward programme given in Appendix 2 attached. The programme of all future works will be dependent on the outcome of the fire safety review and may be subject to changes and reprioritisation.

QHIP 2016-17 streets programme

Package of works	Status
Dulwich QHIP Batch 1 - Street Properties 2016-17	COMPLETED
Dulwich QHIP Batch 2 - Street Properties 2016-17	COMPLETED
Dulwich QHIP Batch 3 - Street Properties 2016-17	ON SITE
Dulwich QHIP Batch 4 - Street Properties 2016-17	ON SITE
Rotherhithe QHIP street properties 2016-17	ON SITE

QHIP 2016-17 estates programme

Package of works	Status
Penrose House QHIP 16-17	COMPLETED
Brayards Estate 16-17 QHIP	ON SITE
Colegrove and Radnor 16-17 QHIP	ON SITE
Dighton Court Refurb QHIP 16-17	ON SITE
Elmington New Build 16-17 QHIP	ON SITE
Falcon Point Refurb QHIP 16-17	ON SITE
Juniper House 16-17 QHIP	ON SITE
St Davids Mansions 16-17 QHIP	ON SITE
2 Towers QHIP 16-17	ON SITE 2017-18
Addy & Brydale QHIP 16-17	ON SITE 2017-18
Balman, Oldfield & St Helena QHIP 16-17	ON SITE 2017-18
Barlow Estate & Comus House QHIP 16-17	ON SITE 2017-18
Blick House QHIP 16-17	ON SITE 2017-18
Bonamy QHIP 16-17	ON SITE 2017-18
Carterscroft (Cassinghurst) 16-17 QHIP	ON SITE 2017-18
Champion Hill & Spring Hill Close 16-17 QHIP	ON SITE 2017-18
Emba, Trotwood & Wickfield QHIP 16-17	ON SITE 2017-18
Gillies Court QHIP	ON SITE 2017-18
Grange & Hendre House QHIP 16-17	ON SITE 2017-18
Oliver Goldsmith 16-17 QHIP	ON SITE 2017-18
Parkers Row QHIP 16-17	ON SITE 2017-18
Stuart / Hawkslade Road 16-17 QHIP	ON SITE 2017-18

QHIP 2016-17 engineering programme

District heating

Package of works	Status
Canada Estate Boiler House Refurbishment 16-17 QHIP	COMPLETED
Acorn mains	ON SITE
Salisbury Estate district heating system 16-17 QHIP	ON SITE 2017-18
Leontine Close 1-99 underground mains 16-17 QHIP	ON SITE 2017-18
Tanks QHIP 16-17 & 17-18	ON SITE 2017-18

Other

Package of works	Status
Tanks QHIP 16-17 & 17-18	ON SITE 2017-18
Lifts 2016-17 programme	Programmed lifts COMPLETED
	10 of the original 14 schemes COMPLETED
	A further 19 schemes added and COMPLETED
Ventilation 2016-17 programme	Remaining 4 to complete in 2017-18

17. From 2016-17:

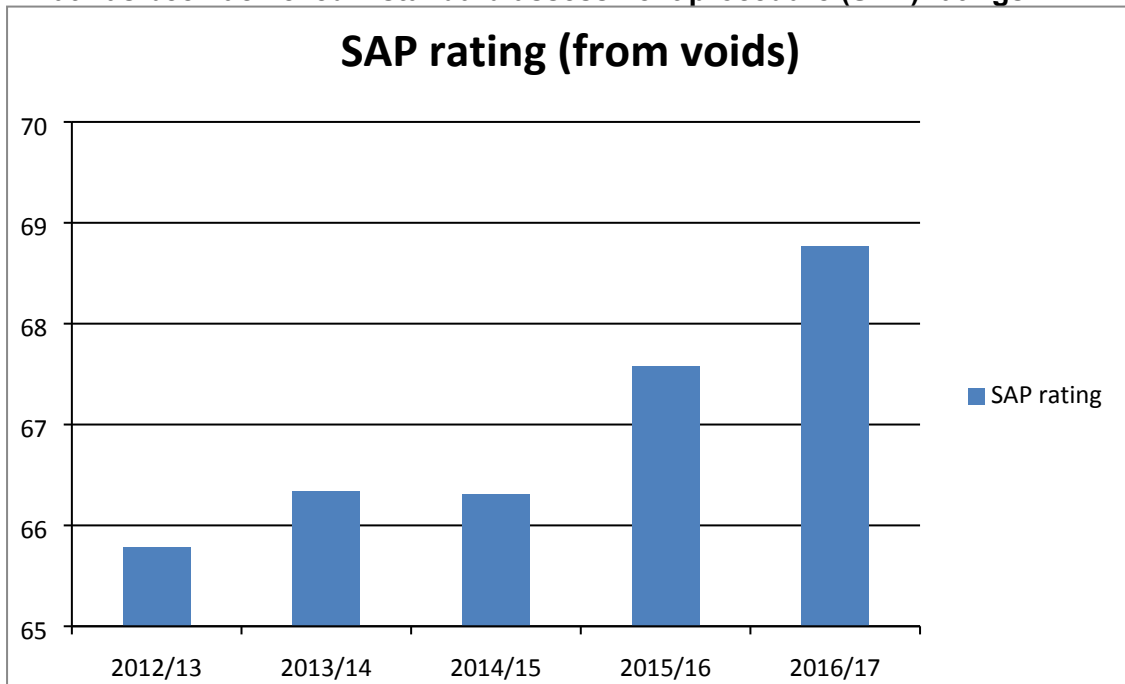
- a. The first year of the programme has been committed or will be committed over the next few months
- b. The second year of the programme has begun to be committed with the rest committed later in 2017-18
- c. Over 1,200 council homes have been provided with a new kitchen and/or bathroom as part of the kitchen and bathroom guarantee since 2016-17
- d. The first year of the QHIP lifts programme was completed meaning the 15 lifts planned and 1 additional lift have been refurbished as part of this programme.
- e. 803 individual boilers were replaced as part of the individual boiler programme in 2016-17. The first year of the programme included replacement of a number of back boilers meaning less but more expensive works were undertaken. Some work was being undertaken to improve the asset register and embed the new contracts so approximately £1.1m has been accrued into 2017-18. The council aims to replace approximately 7% of boilers annually (1632 boilers) through the individual boiler programme.
- f. Most of the planned ventilation refurbishments of blocks have been complete with extra refurbishments added to the programme following cost savings.
- g. District heating availability for 2016-17 was 97.1%, April to June 2017 was 99.6%.
- h. Lift availability for 2016-17 was 98.6%, April to June 2017 was 97.9%.

What Has Been Achieved – Fire Risk Assessment (Fra) Programme

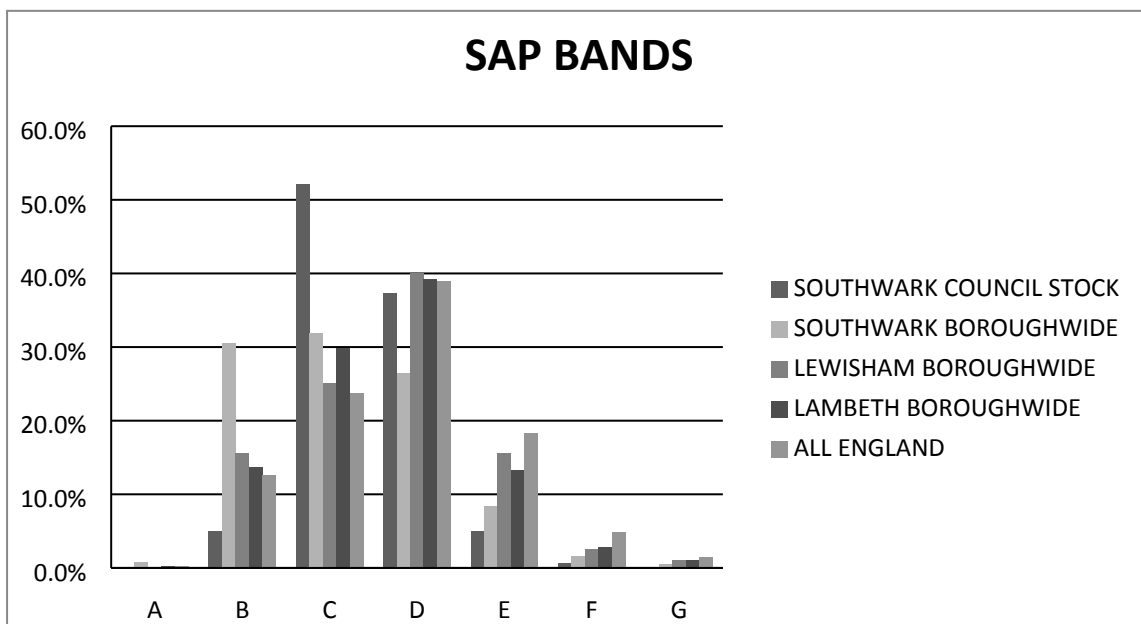
18. Works to all 27 substantial risk high rise blocks and 176 of the high moderate blocks identified were completed alongside the WDS programme.
19. In addition to reducing risk in high rise properties, 48 substantial risk medium rise blocks which were completed alongside the 2015-16 WDS works.

20. As part of the new asset management strategy the council committed to continue works required to reduce the risk from the spread of fire and smoke highlighted from FRAs. This work will usually be integrated into the cyclical programme to bring the building components of all remaining blocks to a 'tolerable' rating within the first cycle of the new programme (8-10 years). The works are typically ventilation adjustments, fire stopping, replacements of doors to properties and communal doors to meet standards required by the fire safety regulations.
21. Cabinet also agreed funding to install sprinkler systems into sheltered and hostel accommodation and this was completed in 2016-17.
22. LD2 alarm installations have been installed into the highest priority blocks and street conversions, with a small percentage of street conversions remaining outstanding due to access issues and these will now be delivered alongside the streets programme. Programmes for FRA works are progressing, as well as a five year programme of electrical testing blocks. LD2 alarm installations continue to be delivered where we are undertaking works as part of the QHIP programme.
23. Work is being undertaken to prioritise future work and reduce fire risk in discussion with the London Fire Brigade (LFB). LFB have been provided with block plans for all 5+ story blocks. Residents in high rise blocks have been provided with fire safety information packs pertaining to their blocks.
24. Following the tragic events at Grenfell tower, the council is robustly reviewing the fire risk assessments of all 174 high rise blocks and will work with colleagues across the housing and modernisation department to resolve any issues that may arise.
25. The council is also going above and beyond the current government requirements to test any composite aluminium cladding panels on high rise blocks, and has tested the cladding on four low rise blocks. There is no aluminium rain screen cladding on any of the high rise blocks.
26. This work may result in the reprogramming and reprioritisation of works to incorporate any components to bring them to a tolerable level.
27. The council has review dates for all its fire risk assessments to ensure that they are kept up to date. All the actions are now being logged on the council's asset management and compliance system (Apex) which is being implemented so that the actions can be tracked.

What has been achieved – standard assessment procedure (SAP) ratings



28. SAP ratings, taken from voids properties Energy Performance Certificates (EPCs) in each year show an improving SAP rating; this indicates that the investment is having an impact to the energy efficiency of the stock as a whole, thus reducing fuel poverty. An EPC provides an energy rating for a home. Work is underway to use this data and updates to the asset management system (Apex) to improve the energy data available so that works can be better targeted to improve and monitor energy efficiency in buildings.
29. The average SAP rating from voids EPCs in 2016-17 was 68.8 which is between band D and band C of the rating which ranges from A to G.



30. Southwark Council stock EPCs in 2016-17 show that over 94% were in Band A-D, compared to only 75% of domestic registered EPCs in 2016 nationally, 90% in Southwark generally, 81% in Lewisham and 83% in Lambeth.

What has been achieved – decent homes

31. 93.35% of the council's rented accommodation was decent at the end of March 2017. The decency level prior to the WDS and QHIP investments was only 56%.
32. The QHIP programme continues to address the remaining non decency and newly non decent properties. Decency at June 2017 already stands at 91.61% up from 88.57% at the start of the financial year when the newly non decent properties were accounted for and this figure will continue to rise throughout the year.

What has been achieved – kitchens and bathrooms

33. The kitchen and bathroom guarantee delivers a standard above the decency standard required by government which would not necessarily require a modern kitchen as well as a modern bathroom (under the reasonably modern facilities and services requirement).
34. Over 1200 kitchens and bathrooms have been delivered since the start of 2016-17.
35. The current numbers of properties that meet the kitchen and bathroom standard are given in the table below. This shows that 80% of kitchens and 75% of bathrooms currently meet the kitchen and bathroom guarantee of being under 20 years (kitchens) and 30 years (bathrooms) old.

Date	Kitchens < 20 years	Kitchens < 20 years	Kitchens ≥ 20 years	Bathrooms < 30 years	Bathrooms < 30 years	Bathrooms ≥ 30 years
01/07/2017	80%	29494	7517	75%	27747	9264

36. Kitchens and bathrooms are assessed by the age criteria prior to agreeing the works. Kitchens older than 20 years and bathrooms older than 30 years are replaced.
37. Currently at the end of the present QHIP programme all kitchens and bathrooms will have been assessed to ensure they meet this standard at the time of the works.

What has been achieved – delivery of the upgrade to the asset management and compliance system (Apex)

38. Apex is a strategic housing asset management solution originally used by the council to store key stock condition data about its housing stock. This data is used for short, medium and long-term planning purposes to address the borough's investment needs.
39. The council's housing services department uses Apex to manage stock condition investment needs, planned preventative maintenance, fire risk assessments, asbestos surveys and re-inspections, energy performance and responsive repairs analysis.
40. The Apex asset register stores information about the key building elements of Southwark's housing stock. The most crucial pieces of information stored relate to the

age, quantity, current condition, and estimated 'remaining life' for all core building components/elements of Southwark's blocks and properties.

41. The council commissioned a project to deliver an upgraded Apex system that encompass a servicing and inspection regime, energy information and wider access to asset and programme information.
42. The Apex upgrade is still being implemented but it is now directly linked to the council's main housing database IWorld and managing a host of the work across the asset management division. The main Apex upgrade was completed in August, after which there will be a few remaining servicing and inspection disciplines that need to be migrated and separately a pilot of the major works solution.
43. Apex is now used to manage servicing and compliance regimes for landlord gas safety checks, water tanks, risers, district heating and others, where works orders are automatically generated in Northgate iWorld and transferred across to the contractor's systems.
44. The fire risk assessments are also managed on Apex and remedial actions can be managed and monitored more effectively than previously under the legacy cloud-based solution.
45. The final set of agreed Apex projects are nearing completion with a host of assets now being managed and information shared across the department.
46. Projects that are still in the process of being implemented over the summer include the investment appraisal solution which will allow for total cost of asset ownership analysis, the responsive cost analysis solution which will allow the council to compare major works and reactive maintenance at building component level for the first time, and finally the energy management solution which will allow the business to share EPCs and related information across the organisation.
47. The enabling of the investment appraisal solution alongside the responsive cost analysis will allow the council to review planned and responsive budgets to ensure that money is spent wisely and where possible on capital works.

What has been achieved – heating strategy

48. 17,000 council properties rely on district heating systems that are in need of capital investment and modernisation. There is not the funding in the current asset management plans and models to upgrade the systems to a modern standard.
49. A study into costs of modernising the boroughs district heating concluded that in most cases that the current district heating systems should be retained and modernised. There is an estimated £44m shortfall in prioritised investment funding over the next 10 years and £350m capital investment required over the next 40 years.
50. In January 2017 cabinet approved an interim three year investment plan, whilst the options for funding the modernisation of the council's heat network are fully explored, including bringing the Cossall estate district heating works forward from 2020-21 to 2017-18 to address the overheating issues experienced by residents.

51. The council has made a successful bid for government Heat Networks Delivery Unit (HNDU) funding to carry out Energy Mapping and Masterplanning. A heat network delivery board has been established to oversee the work in developing a strategy.

Resources

52. Resources for the QHIP programme are currently still planned to be managed within the overall budget of £796.6m for the 8-10 year programme as outlined in the original strategy, subject to any additional requirements for fire safety works identified.
53. The 16-17 and 17-18 projects are planned to be managed within their original respective budgets of £48.3m and £49.7m plus virements for elements such as LD2 alarm systems from their respective budgets. The remaining 16-17 schemes are to be committed this year alongside the 17-18 schemes and a total forecast spend of around £49m is expected on the QHIP programme this year.

Review of the planned investment programme to ensure the investment will deliver economic and social performance

54. A review of the social / economic performance of the stock for the 17-18 QHIP programme was undertaken in 2016.
55. A desktop analysis was undertaken to look at possible options for one estate where the financial / social performance of the stock was low, but any regeneration option was quickly ruled out due to the large number of leaseholders and the current density making investment the best option for the estate.

Resident perception

56. The consolidated survey results across the completed main major works partnering and tendered refurbishments contracts are:

Area	Overall satisfaction for all major works			
	2013-14	2014-15	2015-16	2016-17
Satisfied with quality of works	80%	91%	93%	92%
Satisfied with service provided by contractors	79%	90%	94%	92%
Satisfaction with service provided by Southwark	74%	85%	83%	93%

57. The satisfaction on the refurbishment works and the service provided by contractors continues to remain high and the satisfaction with the service provided by the council has improved. However, the service will be undertaking further analysis of the results to look at trends and issues arising from the surveys. A review of the Putting Residents First consultation process was undertaken in 2016-17 and was taken to Tenant and Home Owners' Councils.

58. The 2016-17 tenure split shows tenants continue to be more satisfied than homeowners. The council aims to ensure that money is spent wisely and that value for money is achieved for all residents. All of the contracts have been competitively tendered including partnering contracts and the council has an extensive consultation process including information on the procurement method and cost of works. The council's homeowners are given some of the widest range of payment options amongst local authorities available to help with their contribution towards the cost of major works. However, the main reason for homeowners' dissatisfaction with major works is around the cost.
59. There were 4138 surveys in 2016-17 with an average return rate of 33.8% across the contracts.

2016-17 Area	Overall satisfaction for all major works		
	Overall	Tenant	Homeowner
Satisfied with quality of works	92%	94%	86%
Satisfied with service provided by contractors	92%	94%	86%
Satisfaction with service provided by the council	93%	94%	86%

Current work streams

Other major works projects

Lakanal

60. The £10m refurbishment of Lakanal House was completed in March 2017.
61. The overall Lakanal scheme includes the recently completed Lakanal Refurbishment, Under-croft Redevelopment which is currently on site and the Residents Wish List, as well as the New Build. Since the scheme inception, the major works team has been working closely with the Residents' Project Team (RPT) for the scheme which is made up of representatives from the Sceaux Gardens TRA and they have been always been very supportive of the project.
62. The new build, due to start later in 2017, will provide 7 new homes for Council (social) rent towards the 11,000 new homes programme. It will also provide 3 units at intermediate (affordable) rent and 18 units for private sale which supports the council's commitment to housing growth across all tenures. The site was originally designed as a retail parade. However it is currently used by community groups/organisations some of whom will be moved into the undercroft redevelopment which precedes the new build development.

Maydew

63. In March 2012 cabinet approved the adoption of enhanced refurbishment of Maydew House and disposal of sufficient void properties in the block to bridge the funding gap

between the warm, dry, safe works and the total cost. These works could not be carried out with residents in situ, so could only be started once the block was vacant. Works to enable the refurbishment of Maydew house are currently on site. Planning was submitted in February for the refurbishment of the existing 144 residential units and erection of a 5 storey extension providing 24 additional residential units. The existing Bede centre is being relocated to the base of Maydew House. The designs for the main refurbishment for Maydew are currently being reviewed following the Grenfell Tower fire to ensure they will meet a high standard of fire safety and meet any likely emerging regulatory requirements. The main refurbishment works will be programmed once this review has been completed and the specifications have been drawn up.

64. The scheme will also include the Bede Development, a new build scheme of the site of the existing Bede Centre that will follow on from the refurbishment. Plans are being worked up and are expected to be presented to the Delivery Programme Board in September for approval to continue to planning.

Tustin

65. Timing of the originally planned work under the warm, dry and safe programme was reviewed following the extent of the work required and consideration of the wider estate regeneration. Plans for the refurbishment of the three towers are now being drawn up to meet the QHIP standard, however, these are being reviewed following the Grenfell Tower fire to ensure they will meet a high standard of fire safety and meet any likely emerging regulatory requirements. The refurbishment works will be programmed once this review has been completed and the specifications have been drawn up.

Four Squares

66. In March 2012 cabinet approved the enhanced refurbishment of all blocks at Four Squares, to run concurrently with the security works already committed for Marden Square and Layard Square. The major refurbishment of Four Squares completed in January 2017.

Rooftop homes developments

67. The council needs to make use of all the assets it has available to be able to meet its new build ambitions. Being one of the largest social landlords in the country there is a huge potential to develop new homes on top of existing buildings. This is of course in consultation with stakeholders including members, staff and residents, who will have to be convinced of the benefits that these developments can bring with them.
68. The council has a number of low density low rise building where, when combined with doing programmed cyclical works to the existing building, there is the potential to revitalise buildings and deliver new homes.
69. The council will benefit from delivering its aims to deliver new homes, reducing the waiting lists and burden on temporary housing. By delivering this on existing homes, there is no land cost and this allows the council to continue to deliver new homes complementing the opportunities on existing council land.
70. 50% of all allocations for the new will be allocated to existing tenants local to the redevelopment/new build scheme.
71. The works are planned to coincide with existing planned maintenance and residents are able to remain in their homes whilst the works are undertaken. This means

residents can stay in their homes and reduces the need for the council to look at options such as demolition and rebuild in order to deliver more council homes. It is expected that existing residents will benefit from increased thermal efficiency and other enhanced works as part of the schemes. All residents will also benefit from a reduced need for future maintenance as a result of the works.

72. Homeowners will also benefit from the works including reduced Section 20 bills as some of the works costs will be shared with the costs of the new development. Leaseholders will also see reduced service charge costs as a result of the services being shared by a larger number of properties.
73. Rooftop homes will be planned to be delivered alongside the existing major works programmes in close consultation with residents and members.
74. Chilton Grove rooftop development has been submitted and is currently under consideration by Planning for approval. The application includes the rooftop development of 44 new council homes on top of the existing 68 homes.
75. Consultation is also underway at Damory House and Thaxted Court which was also submitted for planning in June 2017 to provide an additional 28 homes on top of the existing 59 homes.
76. Following the Grenfell Tower fire the rooftop homes programme is currently on hold pending a review to ensure all developments will be able to meet a high standard of fire safety and meet any likely emerging regulatory requirements.

Programme Changes

77. The following reprioritisation and programme changes are noted below.

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
Gillies Court	2017-18	2021-22 to 2022-23	To address issues arising from a FRA.
Haddonfield Estate	2019-20	2017-18	To tie in with the new build development.
Cossall SHU	2017-18	2021-22 to 2022-23	To address issues arising from a FRA as well as providing kitchens and bathrooms.
25-27 Peckham Rye	2017-18	Added to the programme.	To address issues arising from a FRA
2-6 Ambrose Street	2017-18	Added to the programme.	Works identified from landlords electrical testing
Willow House	2023-24 to 2025-26	Added to the programme.	A survey of the property showed no significant works required.
Houses - Haymerle Road	2018-19	2019-20 to 2020-21	Blocks reprioritised in line with previous

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
			phased works timings
Carlton Grove	2023-24 to 2025-26	2017-18	Blocks reprioritised in line with previous phased works timings
Dowlas Estate	2023-24 to 2025-26	2018-19	Blocks reprioritised in line with previous phased works timings
Friary Estate Blocks 1-8 Stansgate House, 9-16 Stansgate House, 1-8 Tortington House, 9-16 Tortington House, 1-7 Breamore House, 16-23 Breamore House, 1-25 Ely House, 1-25 Gisburn House, 1-24 Denstone House, 1-35 Greystoke House, 1-30 Millbrook House,	2018-19	2019-20 to 2020-21	Blocks reprioritised in line with previous phased works timings
Ledbury Estate 1-56 Bromyard House 1-56 Peterchurch House 1-56 Sarnsfield House 1-56 Skenfrith House	2018-19	2023-24 to 2025-26	To address issues arising from a FRA.
Medina House	2017-18	2018-19	To address fire safety issues.
34-120, 122-208 & 210-296 Rye Hill	2021-23	2018-19	These blocks have received works recently so moved back to their original place in the programme.

Planned Mechanical and Electrical Programmes

78. The current revised 3 year heating programme, as previously approved by cabinet in January 2017 to replace the previous programme and is outlined below along with other reprioritisation and changes to the planned mechanical and electrical programmes noted below.

District heating scheme

Year	District Heating	Scope
2017-18	Perronet	Boiler and plant
	Cossall Estate	Internal upgrade/boiler house upgrade and above ground mains

Year	District Heating	Scope
	Brandon Estate	Plant room refurbs
	Four Squares/Rouel Road	Plant Rooms Hydraulic Separation
2018-19	Wentworth Crescent 1-16 (Leontine)	Underground mains
	Wentworth Crescent 17-36	Underground mains
	Wentworth Crescent 37-62	Underground mains
	Wyndham Estate	Heating Mains
	Brimmington Estate	Heating Mains
	Rouel Road Water Tower	Relocation
	2019-20	Albert Barnes
Bankside Boiler House		Boiler and plant
Adron 1-16		Plant room
Millender Walk 1-78		Plant room
Masterman		Boiler house, plant and internals (warm air)

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
Arica House 1-88	Removed from immediate programme	2016-17	Responsive works were carried out extending the life of the system, meaning that this was not an immediate priority.

Lift Refurbs

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
Honor Oak Rise Lift	2016-17	2017-18	Brought forward to carry out urgent works.

Tanks

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
2016-17 programme	2017-18	2016-17	The 2016-17 and

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
(various)			2017-18 tanks programmes are being procured together to start in 2017-18

Ventilation

Property / Estate	Revised Programme Year	Previous Programme Year	Reason
Hughes House Ryehill Park 210 - 296 Mcneil Road 62-85 Mcneil Road 21-61 Andoversford Westonbirt Court Foxcote Aberfeldy House Dodson Street 1-35 Pennack Road (O) 2-26 Pennack Road 28-46 Pennack Road 37-75 Pennack Road (O) Quenington Court Medina House Gayhurst 62 – 79 Gayhurst 145 -162 Eynesford	2016-17	Added to the programme	Cost savings in the contract allowed for further refurbishments to take place.
Bateman House	2016-17	2017-18	Cost savings in the contract allowed for further refurbishments to take place.
A revised programme is presented in Appendix 2.			

Programme investment delivery

79. To ensure the successful delivery of the programme, the project teams within the asset management division are given clear milestones and targets to work to along with clear levels of delegated authority.
80. The director of asset management is responsible for the delivery of the programme. Progress against targets and strategic issues are addressed by the strategic director of housing and modernisation when required. A core group chaired by the cabinet member for housing and attended by resident representatives monitors KPIs and the delivery of the programme.
81. There are clear approval processes to make sure that prior to committing works the right level of quality in performance, health and safety and wider council requirements such as equalities, sustainability and local economic benefits will be achieved.

82. As well as project and programme budget monitoring within the major works teams, spend and forecasts are monitored through the housing investment board backed by the capital finance team to ensure that financial management procedures are in place.

Policy implications

83. The council plan confirmed the ten Fairer Future promises, a set of key commitments to the residents and businesses of Southwark that outline the areas the council will be working towards as an organisation to create a fairer future for all. The updated promises were approved by cabinet on 2 July 2014.
84. A structured approach to asset management supports three of these promises in particular through providing a structure for prioritising and making investment decisions. Such investment decisions may be investment in council properties but may also be to improve the conditions of the local area for all of Southwark residents.
- a. Promise 1 – Value for Money
We will continue to keep council tax low by delivering value for money across all our high quality services. The structured asset investment approach will look at priority estates and set out the options for each estate to ensure that Value for Money is achieved from the investment being made.
 - b. Promise 3 – Quality Affordable Homes
We will improve housing standards and build more homes of every kind including 11,000 new council homes with 1,500 by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee. This approach will enable priorities for financial resources to be balanced between existing stock and the delivery of the new homes programme.
 - c. Promise 9 – Revitalised Neighbourhoods
We will revitalise our neighbourhoods to make them places in which we can all be proud to live and work, transforming the Elephant and Castle, the Aylesbury and starting regeneration of the Old Kent Road. This approach will both improve the physical aspects of our existing housing assets but also look at the wider social economic aspects of the areas in which they are situated.
85. Southwark Housing Strategy to 2043 sets out the council's first long-term housing strategy, and marks the council out over others in setting out a long-term plan of action. Principle 2 states 'We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership', and more specifically the following commitments as set out in the strategy:
- a. Putting in place a robust 30 year business plan, enabling us to invest in our homes, improve energy efficiency and provide a planned, preventative approach to maintaining and investing in our housing stock
 - b. Providing a quality kitchen and bathroom for all council homes
 - c. Carrying out other improvement works to our stock and the surrounding area, including increasing estate security.

Community impact statement

86. Improving housing in Southwark is central to the council's wider plans to create a fairer future for all. Access to appropriate, good quality, genuinely affordable homes is

important not just for residents but also to the wider economy and essential to shaping a borough that all residents can be proud of and which is truly sustainable into the future. A key part of this is the active management of current council housing assets that this report addresses to ensure that they play their part in continuing to make a positive impact on the community.

87. With regard to locations where the decision is taken to proceed with either new council housing or investment in existing stock, those living in properties with major works or living close to new developments may experience some inconvenience and disruption in the short-term, while works are taking place but communities as a whole will benefit in the longer term.
88. In local areas, the effects will be mitigated by working closely with residents on the delivery process and using experience gained on a significant number of recent projects. Residents continue to be at the centre of and involved in works that take place. Where financially viable other positive community impacts will also be included as part of the works.
89. The works will provide a better standard of accommodation for tenants and contribute to improved general health and well being. Due consideration will be given to those tenants with specific needs both during works and after completion.
90. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. A large number of community groups were specifically consulted with as part of the consultation on the asset management strategy.
91. The consultation ran from October 2015 to January 2016, following the original timetable, and was designed to be inclusive and to provide different ways for residents to feedback and engage. All councillors were consulted and given an opportunity to comment on the strategy.

Financial implications

92. The consultation ran from October 2015 to January 2016, following the original timetable, The purpose of this report is to provide a status update on the delivery of the housing asset management strategy and as such there are no financial implications arising from the recommendations made.
93. The programme of works is still planned to be delivered within the overall budget of £796.6m. However, any additional requirements for fire safety works arising from reviews undertaken in response to the Grenfell fire may lead to changes to delivery of the programme, and will be reported once details are known.

Consultation

94. The asset management strategy was agreed in consultation with residents.
95. An initial consultation on the principles of the strategy took place with the Future Steering Board, Home Owners' Council, Tenants' Council and Area Forums over September and early October 2015, and was reported to cabinet on 20 October 2015.

96. After the draft strategy was agreed in principle, consultation on the more detailed draft strategy took place both through the existing resident forums as well as through the website to encourage wide feedback from the community, in accordance with the original timetable as reported to cabinet in October 2015.
97. An online consultation was publicised in Southwark News, Southwark Life Housing News, and on the Southwark website. Emails were sent out to Councillors, community and faith group leaders, community development colleagues, the voluntary sector, and interested individuals identified by Community Engagement. A dedicated email was set up for general enquiries about the programme. As well as this, every Area Housing Forum, the Home Owners' Council, as well as the Future Steering Board, TMO committee, and Tenants' Council were all provided with the documentation and meetings attended by senior members of the Major Works team delivering a presentation on the strategy. All T&RAs & TMOs were directly contacted to invite them to participate in the consultation through the website. The comments and queries gathered throughout the consultation can be found within Appendices 1-3 of this report. The results of the consultation illustrated majority agreement with the strategy and changes that were made to the programme as a result of the consultation can be found were included in the asset management strategy report that went to cabinet on the 15 March 2016.
98. This update report will be sent for information to Home Owners' Council, Tenant Council and Future Steering Board following cabinet approval.
99. The Putting Residents First consultation programme continues alongside the programmed works on individual schemes. This informs residents about the planned works and allows them to input throughout the duration of a scheme.
100. Consideration to the impact on residents to potential changes to the programme and current asset management strategy will be made once the outcomes to the fire risk safety reviews have completed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

101. This report recommends cabinet note a number matters in respect of the asset management strategy for its housing stock including noting the substantial financial implications that may arise in light of the recent Grenfell tragedy.
102. Details of the consultation carried out with interested parties are set out in the report.
103. When considering the recommendations, cabinet members must have due regard to the public sector equality duty contained within section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Cabinet members are referred to the communities' impact statement contained in this report.

Strategic Director of Finance and Governance (H&M17/041)

104. The strategic director of finance and governance notes the progress on the delivery of the programmes supporting the housing asset management strategy. As stated in the financial implications section of the report, the works are planned to be delivered within the approved budget. As reported to cabinet in September 2017, the housing investment programme is over committed by £323m over the life of the programme, and as a consequence of local or national demands for resources following the tragic Grenfell fire there may be further demands on the capital programme. The resources assigned to deliver the asset management strategy are, therefore, subject to review and revision.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Asset Management Strategy - Kitchens and Bathrooms Programme 2015-16	Southwark Council Major Works Housing and Community Services Department Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5145&Ver=4 (see item 11)		
Borough-wide District Heating Strategy	Southwark Council Major Works Housing and Community Services Department Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	Richard George 020 7525 3293
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=42714		

APPENDICES

No.	Title
Appendix 1	The programmes in pictures (circulated separately)
Appendix 2	Planned Programme (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing	
Lead Officer	Gerri Scott, Strategic Director Housing & Modernisation	
Report Author	David Markham, Director of Asset Management	
Version	Final	
Dated	7 September 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 September 2017

Item No. 22.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Gateway 3: Variation Decision Extension to the Consolidated Facilities Management Contract	
Ward(s) or groups affected:		None	
Cabinet member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

This report recommends that we extend our consolidated facilities management (FM) contract with Interserve for two years but with the addition of a new break clause.

This extension would bring the contract period into line with our other FM contract and allows us time to complete our review of options for the procurement and delivery of facilities management in the future. This review will include consideration of in house delivery of FM services and will report back to cabinet in the form of a Gateway 0 procurement strategy report in the third quarter of 2017-18.

RECOMMENDATIONS

That cabinet:

1. Approves the variation to extend the term of the consolidated facilities management (FM) contract with Interserve (Facilities Management) Limited (Interserve FM) for a period of 24 months, from 1 February 2018 to 31 January 2020, at an estimated total cost of £13,595,000. When combined with the estimated contract extension it will bring the total estimated contract value at 31 January 2020 to £45,900,000.
2. Notes that the contract extension shall include a six month break clause as detailed in paragraph 10.

BACKGROUND INFORMATION

3. Following a competitive procurement exercise using the Government Procurement Service (GPS) RM 798 Solutions Framework, Interserve FM were awarded a contract to provide consolidated facilities management services for the council's headquarters at 160 Tooley Street and other properties of the council under the contract in October 2012. The contract became operational in February 2013 to run for five years, to 31 January 2018 with the ability to extend it for a period, or periods, of up to two years in total on four months prior written notice to Interserve FM.
4. The contract provides the following hard and soft services; planned preventative building maintenance, reactive building repairs, compliance to meet statutory regulation, cleaning, security, vending, inter site mail and pest control to 41 sites however it also provides soft FM support to an additional 80 buildings along with works projects.

5. The actual contract spend from February 2013 to 31 January 2018 is projected to be £32,305,000. This is higher than the original contract sum of £7,150,000 due to seven approved variations to the contract; starting from June 2013 as additional buildings and services were added to the contract, as well as additional project spend. Each variation resulted in increasing the total number of operational buildings included in the contract for the provision of hard and/or soft services. From a single property at contract commencement date the contract now provides hard and soft services to 121 properties across the operational estate. Summary information on each variation as per previous Gateway's as detailed in Appendix 1.
6. The contract has a fixed lump sum price supported by ad hoc services called off in accordance with the pricing document. Cost stream 1 (CS1) is the fixed price as detailed in paragraph 5 above, Cost Stream 2A (CS2A) are additional works in scope above the fixed term level of £1,000; Cost Stream 2B (CS2B) are works additional to the contract scope; Cost Stream 2BS (Security) is for security.
7. The council's anticipated annual expenditure of £6,797,371 for CS1 and its other cost streams is detailed below:

Cost stream 1	£5,206,804
Cost stream 2a	£186,741
Cost Stream 2b	£96,086
Cost stream 2bs (security)	£1,307,740
Total	£6,797,371

KEY ISSUES FOR CONSIDERATION

Key aspects of proposed variation

8. The nature of the proposed variation is to exercise the option in the contract and extend for a period of 24 months whilst a new procurement exercise is undertaken. The revised completion date will therefore be 31 January 2020.
9. The estimated value of this proposed variation to Interserve FM is £13,595,000, combined with the actual value of the approved initial 5 year contract term of £7,150,000 plus the total of previous contract extensions value of £25,155,000 together with the estimated value of this proposed variation, brings the total to £45,900,000.
10. As part of the extension, a break clause will be included which will allow the council to terminate the agreement (if required) on 6 months notice without termination payments being payable.
11. The nature of the services will remain the same as those listed in paragraph 4.
12. Included within the total expenditure as detailed in paragraph 9, £3,500,000 was awarded to Interserve (FM) for capital works through mini-competitions. As a result of the approval of this 24 month extension Interserve (FM) will have the opportunity to bid for future capital works during this period. This potential value has not been included in the anticipated extension value as none of this work is guaranteed as they will still need to submit a tender as part of the mini-competition for each project. The way these works are procured and evaluated and awarded will be reviewed to ensure best value to the council.

13. CFM have recently conducted a review of all fixed costs at each of the properties included in the contract which has resulted in the actual costs in paragraph 7. A further project is to be carried out with Interserve (FM) to review the expenditure in order to ensure value for money and identify any potential savings in the three key areas of cleaning, security and maintenance.

Reasons for variation

14. The principal reason for seeking the extension of 24 months is to allow sufficient time for the council to consider its options for the service from February 2020 onwards, and to benefit from the alignment of various FM contracts. The extension will ensure business continuity until that time.
15. Other current corporate FM contracts are planned to co-terminate in 2020 and extension of the Interserve FM contract will offer an opportunity to consolidate contracts at that time.
16. There is a requirement to complete the corporate facilities management (CFM) 2020 strategy and this will be the subject of a Gateway 0 report as detailed in paragraphs 21 and 22.
17. The current performance of the Interserve FM is satisfactory and improving. It had dropped after commencement as more properties were added in stages in the contract and the provisions of soft FM services were expanded in 2014-15. An increase in the number of early notices and non critical default notices issued failed to improve performance to an acceptable level.
18. To address those failings Interserve FM took a strategic decision at the start of 2016 to move the operation of the contract to their communities' business unit becoming part of their local authority and education sector, with the aim of aligning the contract with the necessary and appropriate expertise within their organisation. That decision resulted in steady and consistent service improvements
19. Key performance indicator (KPI) performance overall is currently at 95% with seventeen of the twenty KPI targets being met. Interserve FM continues to work with CFM in support of the objective to meet all KPI targets this year.
20. Interserve is required to comply with the requirements of the contract's agreed performance mechanism regime, which is:
 - To respond in accordance with the prioritisation of reported service performance failures
 - To operate procedures and systems to record information in support of performance monitoring and to enable regular robust performance reporting.
 - To monitor the performance of the service and produce monthly performance reports for the employer.

Future proposals for this service

21. Options and timeline for the procurement and delivery of facilities management beyond February 2020 are currently under review by CFM and

recommendations for the future service of all hard and soft services across the operational estate will be the subject of the Gateway 0 report which will be submitted for approval in the third quarter of 2017-18.

22. The main reason for this extension of 24 months is to consider alternative options for the provision of all hard and soft FM services across the operational estate and enable alignment with the CFM's overall procurement strategy. This is an opportunity for CFM to potentially consolidate its contracts further with the CFM 2020 strategy which will be the subject of a Gateway 0 report to be scheduled for the third quarter of 2017-18.
23. Should the full review reveal that these services cannot be consolidated with other procurement exercises and therefore need to be procured sooner, the break clause in the contract will be exercised.

Alternative options considered

24. The option of seeking tenders for a new contract was considered but discounted on the grounds that it would take approximately a year for CFM to specify and procure a new contract. The council would require a longer contract period than 2 years which would not align to the CFM 2020 strategy.
25. The option of seeking to award a two year contract to another existing FM provider to Southwark was also considered but again discounted for the same reasons as outlined in paragraph 24 above.

Identified risks for the variation

26. The table below identifies risks associated with this variation and the controls to mitigate the risks.

Risk No.	Risk Identified	Risk level	Mitigation
R1	Procurement process for CFM 2020 strategy is delayed.	Medium	CFM will control the process throughout the 2020 strategy review.
R2	Interserve FM cease trading, goes into administration or liquidation.	Low	1. Use of early warning mechanisms in NEC3 contract, which is applicable to both parties. 2. Contract monitoring. 3. Crown commercial services (CCS) would be available to assist Southwark by novating these services to another supplier on their framework. 4. Credit check carried out on 11 August 2017 confirmed current status as secure (scoring 95 out of 100)
R3	Key performance indicators (KPI)	Medium	Regular monitoring by CFM contracts team. Interserve FM

Risk No.	Risk Identified	Risk level	Mitigation
	performance declines.		service improvement plan reviewed by CFM weekly.

Policy implications

27. A key element of the corporate plan that the FM strategy supports is “transforming public services”. This requires sound resource management of the council’s property assets, how they are utilised and their effective operational and financial management. The effective and efficient procurement and delivery of FM services are integral to the sound management of the council’s property assets.
28. The medium term resources strategy aligns financial priorities with the management of assets and the associated resources with which the council delivers its services. A modern FM service platform and an informed CFM client function will significantly support the council’s medium and long term objectives providing flexibility and opportunities for efficiency savings.
29. The theme of “valuing the environment” will be increasingly supported through the delivery of an improved FM service delivery platform and effective strategic management of FM. Supported policies include “Southwark Cleaner Safer” and the “Sustainable Community Strategy”. Other key corporate objectives are indirectly supported through improving working environments, improving customer facilities and enabling more effective service delivery.

Contract management and monitoring

30. The Head of CFM will be the responsible person for the contract as the service manager. This is supported by the contract management team, technical team and workplace teams as per paragraph 31.
31. In addition to any new requirements that arise from the procurement process all of the existing management and monitoring arrangements that CFM have in place will continue, these include:
 - Monitoring budget spend and compiling monthly spend profile reports
 - Checking invoices for accuracy
 - Providing a robust single point of contact for end users
 - Proactively responding to complaint and service improvement requests
 - Chairing and recording the minutes of monthly contractor performance monitoring meetings, six monthly service reviews and the annual performance review
 - Ensuring contractor monthly reports are received in a timely manner.
32. Performance of the contract will be measured and reported by means of a suite of key performance indicators (KPIs) covering management of the contract and customer services as well as both hard and soft FM service delivery.
33. CFM conduct regular site inspections and visits in order to measure and monitor the quality of the service provided and feedback from end users is actively sought.

34. As the estimated contract value exceeds the relevant EU threshold, CFM will prepare a six-monthly monitoring report to the relevant DCRB.
35. As contract also relates to a strategic procurement CFM will prepare an annual monitoring report to the CCRB, within six months of the contract anniversary.

Community impact statement

36. This contract has a direct impact on the occupants of all the buildings covered by this contract, as well as all council staff, service users, Southwark residents, visitors and the council's elected members.
37. It will continue to provide a healthy and safe working environment which will seek to ensure that no elements of the council's equality agenda are negatively impacted.

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 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

39. Within the contract Interserve FM have employed three apprentices; a finance apprentice who moved into a permanent role on the contract and other two apprentices are in year three of their apprenticeship for building services/maintenance and are due to complete level 2 during year 5 of the contract. The apprenticeships are a mixture of classroom and practical learning. The apprentices attend colleague one day a week and the remainder of their week is spent gaining knowledge within Tooley Street and the wider estate, working with the static and mobile engineering team to ensure that they are able to demonstrate the skills learnt in the classroom. Interserve FM work closely with the college and apprenticeships schemes meeting frequently with the training officers to review progress and support where needed.
40. The Interserve FM team in Southwark were supported by a graduate between September 2016 and February 2017. They engaged in supporting a KPI review, asset verification, planning of PPM tasks, updating their computer aided facilities management (CAFM) system and working with contractors to collate the safe system of work documentation. A further placement of an apprentice is planned during year 5 of the contract, along with 3 existing employees being given the opportunity to transfer onto an apprentice scheme.

Social considerations

41. The contract was tendered on the basis that London Living Wage (LLW) would apply to all contractor staff that work on the contract both directly employed by the contractor and sub contracted to them. A specific LLW service delivery plan was included in the quality evaluation and Interserve FM's commitment to LLW

was confirmed through the clarification process both in terms of price and scope. The contractor has continued to undertake ongoing LLW monitoring and reporting arrangements.

42. Interserve (FM) has confirmed that they continue to not participate in blacklisting.
43. The contract conditions also include an express condition requiring compliance with the blacklist regulations, and include a provision to allow the contract to be terminated for breach of these requirements.

Environmental/sustainability considerations

44. Interserve FM are required to provide services that support, and do not compromise, Southwark's green building targets, sustainability policy and Fairtrade status.

Financial implications

45. The contract will continue to be funded from existing CFM and departmental budgets and therefore there are no new financial implications arising from the proposed variation to extend the term of the contract for a period of 24 months to January 2020 as the existing contract will be maintained as is.
46. As noted at paragraph 30 to 35 CFM existing management and monitoring arrangements will remain in place, including specifically:-
 - Monitoring budget spend and compiling monthly spend profile reports, and
 - Checking invoices for accuracy.
47. As noted at paragraph 1 the total estimated expenditure over the proposed extension is estimated at £13,595,000, being based on the 2016-17 actual total spend figures for the year, adjusted for the revision of the CS1 base line. A forecasted annual spend of £6,797,000.
48. As noted at paragraph 5 the total forecasted contract value up to 31 January 2018 is £32,305,000 which, when combined with the estimated contract extension cost of £13,595,000 will bring the total estimated contract value at 31 January 2020 to £45,900,000 – as noted at paragraph 9.
49. As noted in paragraph 13 a review of expenditure will be completed.

Legal Implications

50. Please see supplementary advice from the director of law and democracy at paragraph 54.

Consultation

51. All internal departmental stakeholders were consulted on the proposed extension to the contract at a meeting chaired by the Interim Head of Facilities Management in July 2017.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC17/059)

52. The strategic director of finance and governance notes the recommendations in this report to extend the term of the consolidated facilities management (FM) contract up to 31 January 2020.
53. The financial implications highlights that this does not represent new spend. However in light of the council's predicted general fund financial position for the financial years 2018-19 and 2019-20, the attention to careful monitoring of budget and spend, and compiling monthly spend profile reports for the attention of management is an essential part of contract management.

Head of Procurement

54. This report seeks cabinet's approval for the variation to extend the term of the consolidated facilities management (FM) contract with Interserve (Facilities Management) Limited (Interserve FM) for a period of 24 months, from 1 February 2018 to 31 January 2020, at an estimated total cost of £13,595,000 producing a total estimated contract value of £45,900,000.
55. This variation to extend the contract is permitted as the modification was provided for in the original procurement documents in clear and precise terms, it does not alter the overall nature of the contract and it is part of the possible two year extension in the original contract, therefore bringing it in line with EU procurement regulations, specifically Regulation 72.
56. As noted in paragraphs 2 and 10, a break clause has been negotiated with Interserve FM to allow the council to terminate the contract on 6 months notice during the 2 year extension period if required.
57. The reasons for this variation are set out in paragraphs 14 to 20. The council has recently undertaken a review of all fixed costs at each of the properties included in the contract and a further project is to be carried out with Interserve (FM) to review the expenditure in order to ensure value for money and identify any potential savings in the three key areas of cleaning, security and maintenance. The council is also conducting a review into the way additional capital works are procured, evaluated and awarded in order to ensure best value to the council.
58. The report confirms the monitoring and management arrangements which will be in place during the life of the contract and the intention to develop a Gateway 0 to be submitted for approval in the third quarter of 2017-18.

Director of Law and Democracy

59. This report seeks the cabinet's approval to a 24 month extension of the consolidated facilities management contract with Interserve FM as further detailed in paragraphs 1 and 2. As the estimated value of the variation exceeds £4m and is therefore a strategic procurement, then the variation decision is reserved to cabinet by virtue of contract standing order 6.6.3(a).
60. The original appointment in 2012 was subject to, and awarded in accordance with the EU procurement regulations, and it is therefore necessary to ensure that

any variation to that contract is permitted under those regulations. Regulation 72 permits modifications to be made to contracts during their term in certain circumstances, including at regulation 72(1)(a), where the modification has been provided for in the original procurement documents in clear and precise terms and provided that the modification does not alter the overall nature of the contract. The possible two year extension is part of the original contract and accordingly these requirements are met. As noted in paragraphs 2 and 10, a break clause has been negotiated with Interserve FM to allow the council to terminate the contract on 6 months notice during the 2 year extension period if required.

61. Contract standing order 2.3 requires that no steps are taken to vary a contact unless the expenditure involved has been included in approved estimates, or is otherwise approved by the council. Paragraphs 45-49 confirm the financial implications of this variation.

BACKGROUND PAPERS

Background Papers	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Summary of previous GW3 contract variations

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Paul Symington, Head of Corporate Facilities Management	
Report Author	Barbara Crabb, Contract Manager	
Version	Final	
Dated	6 September 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)	N/A	N/A
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		6 September 2017

Appendix 1						
	Date	Sites added	Estimated annual total spend	Revised estimated annual total spend	Estimated total value of variations to 2018	Estimated total contract value to Feb 2018
			£	£	£	£
Original contract sum	01/10/2013		£1,429,000.00			£7,150,000.00
Variation 1	01/06/2013	Queens Road 1&3, plus Lugard Road	£566,412.00	£1,995,412.00	£2,840,000.00	£10,180,000.00
Variation 2	01/09/2013	CWL	£225,000.00	£2,220,412.00	£938,000.00	£11,120,000.00
Variation 3	01/11/2013	9 additional buildings	£727,000.00	£2,947,412.00	£3,885,412.00	£13,800,000.00
Variation 4	01/11/2013	134 Queens Road	£138,000.00	£3,085,412.00	£575,000.00	£14,400,000.00
Variation 5	01/04/2014	376 Walworth Road	£44,942.00	£3,130,354.00	£179,700.00	£14,500,000.00
Variation 6	01/05/2015	26 additional buildings	£2,920,400.00	£6,050,754.00	£8,900,000.00	£27,700,000.00
Variation 7	20/03/2017	Hand driers installation at Tooley St.	£367,000.00	£6,417,754.00	£9,267,000.00	£28,067,000.00

Item No. 23.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Non-domestic Rates - Discretionary Rate Relief Policy for Revaluation Relief, Supporting Small Businesses Relief and Pubs Relief	
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

In September 2016 Government issued revised valuations for commercial properties used to calculate Business Rates payable from April 2017. In Southwark alone businesses, on average, were subject to an increase of 28% in valuation. Government confirmed a transitional relief scheme for businesses, as per previous revaluations, that would see reduced bills in the first two years but significant increases in years three, four and five. After applying transitional relief businesses in Southwark would still see a total increase of some £54m in the first year with higher increases in future years.

Following significant pressure across the board Government announced some additional relief for businesses and this report seeks approval for the three additional discretionary schemes, changes to small business rate relief, an additional pub relief and a local discretionary fund.

Given that the additional financial assistance was announced after the revised bills were issued for the year and consultation was required the council intends to apply relief automatically, where appropriate, and ensure local businesses receive support as soon as possible. The additional £6.9m over 4 years, ranges from £4.02m in 2017-18 to £0.1m in 2020-21. Despite the council lobbying the Minister to request flexibility over how relief should be applied, this was rejected and therefore businesses will still be paying disproportionately higher bills in years three, four and five.

Whilst the Council supports the additional business rates relief it does not go far enough in mitigating the impact of revaluation for businesses in Southwark.

We have designed our revaluation scheme in accordance with the in-year funding set out by Government with the principle that it is fair and equitable, simple and transparent. A proportion of the funding will also be used to help businesses who may not meet the qualifying criteria but who have been negatively affected by the revaluation.

In line with our Fairer Future principles to promote a strong local economy our scheme targets local small and medium size businesses with multinationals, betting shops and financial services not eligible for relief.

RECOMMENDATIONS

1. That Cabinet notes that following the revaluation of rateable values for businesses within Southwark by Government, business rates payable have increased by £54m in 2017-18.
2. That Cabinet approves the additional four year discretionary rate relief policy for revaluation relief attached as appendix A, as per government's requirement to offer additional relief to the value of £6.9m with any future amendments to be made by an IDM.
3. That Cabinet furthermore agrees to the policy incorporating small businesses and pubs relief.

BACKGROUND INFORMATION

4. As reported to Cabinet in July 2017 (Policy and Resources Strategy: 2017-18 and 2018-19 Financial Remit), in the Government's spring 2017 budget, three business rates related announcements were made aiming to mitigate the impact of the 2017 revaluation. This report sets out the implications and decisions for Southwark for these schemes:
 - a business rates discretionary support fund allocated to local authorities for 2017/18 to 2020/21 (paragraph 17-26)
 - increased targeted support from 2017-18 to 2021-22 for those businesses that lost small business rate relief entitlement as a result of the 2017 revaluation 2017 (paragraphs 27-33)
 - a one year £1,000 business rate discount for public houses with a rateable value of up to £100,000 (paragraphs 34-40).
5. The Government is not amending legislation but councils are expected to use their discretionary powers under Section 47 of the Local Government Finance Act 1988 (which were introduced by the Localism Act 2011) to grant relief and will then be reimbursed by the Government.
6. The Government has established a 4 year discretionary relief fund to support businesses after the 2017 revaluation, but the design and administration of schemes is for local authorities to decide.
7. The government funding requires that the cash allocations that they have defined are offered as relief in the same year. The strategic director of finance and governance made representation to the Minister requesting a variation to this approach that would enable relief to be spread over the full four year period. This would enable the relief to support businesses at the critical time transitional relief reduces and ultimately ends. Unfortunately the Minister indicated that there was no flexibility in the apportionment of the funding between years.

Revaluation relief

a) Introduction

8. From the 1 April 2017 all commercial properties were revalued by the Valuation Office Agency (HMRC) and set a new rateable value upon which business rate bills are calculated. Up until 2010, revaluations were undertaken every 5 years but there was no revaluation in 2015 so this was the first since 2010.
9. The revaluation was intended to be fiscally neutral and not raise additional revenue. However, levels vary regionally with London in particular seeing big increases and in Southwark businesses will pay an additional £54m in business rates for 2017 following the revaluation.
10. The 2017 revaluation resulted in a large number of businesses having significant increases in their rateable values. In response to this the Government announced in the Spring Budget that £300m in national business rate funding would be made available to support businesses facing significant increases.
11. An existing system of transitional relief is available to businesses and applied automatically to their accounts. This reduces year on year. Government has confirmed that as per transitional relief the discretionary relief available must be used 'in-year' therefore businesses will experience significant increases in their rates in years three, four and five.
12. The Government issued a consultation on the scheme which closed on the 7 April 2017. Funding allocations for each local authority were announced on the 28 April 2017 but final guidance was not provided by the Department for Communities and Local Government (DCLG) until the 20 June 2017.
13. Funding for revaluation relief is provided by Government but is not a centrally prescribed scheme. It is up to local authorities to design their own schemes as to how to allocate their share of the funding.
14. Southwark's allocation for those businesses that may qualify for revaluation relief, along with the projected levels of the existing transitional relief scheme are:

	2017-18	2018-19	2019-20	2020-21
Revaluation relief	£4.02m	£1.95m	£0.8m	£0.11m
Existing transitional relief	£16.94m	£11.00m	£6.88m	£3.84m

15. The Government has confirmed that yearly allocations for revaluation relief must be spent in that year and local authorities do not have flexibility in distributing the funding across the four years.
16. The revaluation relief scheme as set out is therefore for the 2017-18 year only. It is not possible to accurately determine the level of relief for future years. Businesses in Southwark are highly transient; meaning the number of eligible businesses in future years is unknown. As a result, a revised scheme will need to be considered each year to ensure the funding from Government is fully

utilised but not exceeded as Southwark would have to meet 30% of any overspend.

b) Southwark's scheme

17. Southwark's scheme is based on the principle that relief should be targeted to small and medium size businesses that are facing a significant increase in their bills this year. Relief will be provided as widely and evenly as possible with the scheme being simple and transparent.
18. Details of the scheme are set out in the discretionary rate relief policy attached as Appendix A. Businesses that are eligible for relief will satisfy the following criteria:
 - The property they occupy has a rateable value below £200,000
 - They were in occupation prior to September 2016
 - They have had an increase in their bills after all relevant reliefs have been applied

Businesses will not qualify if:

- If their increase is below £50.00
- They occupy more than one property in Southwark
- They are a national or multinational company
- They are a betting shop or financial service (e.g. banks, cash points, payday lenders)
- The property is unoccupied
- The property is occupied by Southwark Council, the GLA or another local or central government organisation

c) How relief is calculated

19. Relief will be awarded against the amount a business's bill has increased by in 2017. To provide more relief to small and medium sized businesses a banded relief scheme will be adopted as set out below:

RV size	Reduction %
S (0-28,000)	100%
M (28,001 – 100,000)	85%
L (100,001 – 200,000)	35%

i) Small businesses

Small businesses are defined as having a rateable value of £28,000 and under. Under Southwark's scheme these businesses would receive 100% relief on the amount their bill has increased by in 2017. For example:

2016 bill	2017 bill	Increase	Relief	Relief awarded
£1895	£2495	£600	100% on increase	£600

As all small business will receive 100% relief on the value of their 2017 bill increase they will not pay any more in business rates this year than they did in 2016.

ii) Medium sized businesses

Medium businesses are defined as having a rateable value of £28,001 - £100,000. The amount of relief awarded is dependent on the amount the bill has increased by in 2017 as set out above. For example:

2016 bill	2017 bill	Increase	Relief	Relief awarded
£15,851	£18,189	£2,338	85% on increase	£1,987

In this example the business will pay £16,201 this year, instead of the full bill of £18,189.

iii) Large businesses

Large businesses are defined as having a rateable value of £100,001 - £200,000. The amount of relief awarded is dependent on the amount the bill has increased by in 2017 as set out above. For example:

2016 bill	2017 bill	Increase	Relief	Relief awarded
£75,988	£89,938	£13,950	35% on increase	£4,882

In this example the business will pay £85,055 this year, instead of the full bill of £89,938.

20. Revaluation relief will be calculated on the net liability after all other reliefs have been awarded.
21. Relief will only be awarded if a business remains in occupation of the property and will be re-calculated pro-rata if a business vacates before the 31 March 2018.

d) Awards

22. Relief awards will be applied automatically to accounts without the need for businesses to complete an application form.
23. Roll out of reliefs will begin the week commencing Monday 2 October 2017 and it is estimated that all reliefs will have been awarded within 6 weeks.
24. The relief will be subject to State Aid De Minimis Regulations whereby businesses must not exceed €200,000 of De Minimis aid in a rolling three year period. An award letter will be issued when a relief is granted requiring the ratepayer to confirm they have not received any other State Aid that exceeds this.

e) Additional support

25. Of the £4.02m funding for 2017 £250,000 will be ring-fenced for those businesses that may fall outside the scheme but can prove exceptional circumstances where they have been adversely affected by revaluation.
26. A business would have to apply for this additional support through an application process. Details of this are set out in Appendix A.

Supporting small businesses relief scheme

27. Within the Spring Budget the Government announced a new relief for small businesses who had lost some or all of their Small Business Rates Relief as a result of the revaluation by capping their increases to £600 per annum.
28. Prior to 1 April 2017 businesses with a rateable value of £6,000 or below were entitled to 100% small business rates relief. Those with rateable values of between £6,001 to £12,000 received a tapered relief from 100% to 0%.
29. As a result of the revaluation the Government increased these thresholds to £12,000 for 100% relief and £15,000 for the tapered relief.
30. However, the revaluation caused larger increases for some businesses with the result that some will have lost some or all of their small business rates relief despite the threshold increases. In Southwark approximately 518 businesses lost some or all of their small business rates relief this year.
31. Transitional relief does not provide support in respect of changes in reliefs and therefore those businesses that are losing some or all of their small business rates relief will have faced large increases in their bills.
32. The relief will be subject to State Aid De Minimis Regulations whereby businesses must not exceed €200,000 of De Minimis aid in a rolling three year period. An award letter will be issued when a relief is granted requiring the ratepayer to confirm they have not received any other State Aid that exceeds this.
33. Reliefs will be applied to qualifying business rates accounts from Monday 2 October 2017 and it is estimated that all reliefs will be awarded within 6 weeks.

Pubs relief scheme

34. Within the Government's package to support businesses following the 2017 revaluation a further relief was announced specifically for pubs.
35. The relief provides a £1,000 discount on business rates bills for pubs with a rateable value of under £100,000. Those pubs with a rateable value over this will not receive this additional support.
36. This relief is a prescribed scheme by the Government, further details of eligibility criteria is set out in detail in appendix A.

37. It is estimated that around 211 pubs within Southwark would qualify for this relief.
38. This is a one year scheme with the discount applied to bills for the 2017 year only.
39. The discount will be applied automatically to accounts without the need for businesses to complete an application form.
40. Reliefs will be applied to qualifying business rates accounts from Monday 2 October 2017 and it is estimated that all reliefs will be awarded within 6 weeks.

Funding of reliefs and state aid

41. All reliefs are granted under Section 47 of the Local Government Finance Act 1988 (introduced by the Localism Act 2011).
42. The council will be fully reimbursed through a grant under section 31 of the Local Government Act 2003.
43. The reliefs will be subject to State Aid De Minimis Regulations whereby businesses must not exceed €200,000 of De Minimis aid in a rolling three year period. An award letter will be issued when a relief is granted requiring the ratepayer to confirm they have not received any other State Aid that exceeds this.

KEY ISSUES FOR CONSIDERATION

Policy implications

44. The government funding for the new reliefs applies where the circumstances that attract the relief occur during specific periods:

Revaluation relief – 1 April 2017 to 31 March 2021
 Supporting small businesses relief - 1 April 2017 to 31 March 2022
 Pubs relief – 1 April 2017 to 31 March 2018

45. The discretionary rate relief policy provides for the reliefs to be granted where the Government will be fully funding the granting of reliefs through a central government grant and there is no cost to the council.

Community impact statement

46. Extensive modelling was carried out to profile the impact of revaluation across businesses in Southwark.
47. The policy provides equality of access to discretionary relief, due to clear criteria for the award of relief and consideration of all awards in the same timescales.

Resource implications

48. The cost of rate relief is met from a central government grant. The estimated amount of relief for the financial year 2017-18 is outlined in the table below:

Type	No. of properties	Value of relief	Total value
Revaluation relief	3,331	35%-100% on bill increase	£4,020,000
Supporting small businesses relief	518	£600 cap on increases	£663,139
Pubs relief	221	Up to £1,000	£208,421
Total	4,125	-	£4,891,560

49. The DCLG announced on the 22 June 2017 a £12,000 flat rate payment of new burdens funding to all local authorities to assist in the administration and implementation of the three new reliefs.
50. A further new burden payment of 50p per bill reissued will be paid at a later date by the DCLG once the exact numbers of affected ratepayers are known.

Consultation

51. A consultation exercise was carried out via Southwark's online consultation hub in August to gather the opinions of local businesses and residents to Southwark's revaluation scheme. The consultation opened on Monday 7 August 2017 and closed on Friday 1 September 2017.
52. The consultation was promoted via the front page of Southwark's website and Twitter account. A number of different businesses and representative bodies were contacted for the consultation to be distributed through their networks including the Southwark BIDs, Southwark Chamber of Commerce, Federation of Small Businesses (Southwark), Community Southwark, The Dulwich Trader and SE5 Forum.
53. In total 40 responses were received. The online consultation received 39 responses, with one response accepted directly via email from Better Bankside BID.
54. The 40 responses are broken down as follows:
- Southwark business: 33
 - Representative bodies: 3 (Blue Bermondsey BID, Better Bankside BID, South Bank BID)
 - Southwark residents: 3
 - Precepting authority: Greater London Assembly (GLA)
55. The consultation set out the banded scheme and asked respondents if they supported the scheme. Of the 40 responses:
- 72% strongly agreed
 - 23% agreed

0% were unsure
 0% disagreed
 5% strongly disagreed

56. Two respondents strongly disagreed with the proposed scheme. The reason for this is that it is a temporary scheme and they wanted longer term support. The funding is provided by Government for a fixed four year period and continuation of support would be wholly dependent on the Council's financial position at the time.
57. As the precepting authority we were required to consult with the Greater London Authority (GLA) regarding our revaluation scheme. The GLA were directed to our online consultation and they responded on Friday 1 September 2017.
58. The GLA stated it endorsed our scheme, highlighting that it is designed to target ratepayers facing the largest increases, is clear with a straightforward methodology to calculate relief awards and maximises the number of businesses receiving support.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

59. The report seeks cabinet's approval of a policy on the grant of relief in respect to national non-domestic rates.
60. The decision is one which cabinet is able to make under Part 3 of the council's constitution.
61. The legislative basis for the three schemes of relief announced by the government, and their implementation by the council, is set out in the body of the report. The rules concerning the provision of financial support to organisations (state aid) are also referred to in the body of the report.
62. In the exercise of all of its functions, by section 149 Equality Act 2010 the council must have due regard to the need to
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
63. Procedural fairness may require the council to undertake consultation before taking a decision on a proposal (*R (Moseley) v Haringey London Borough Council* [2014] LGR 823). Where the council does consult on a proposal, it must always (i) ensure consultation takes place at a formative stage; (ii) give sufficient reasons to permit intelligent consideration and response; (iii) give adequate time for response; further, the response to a consultation must be conscientiously taken into account by a decision-maker before finalising any proposal. Attention is drawn to the report which describes the consultation carried out and feedback.

Strategic Director of Finance and Governance

64. The strategic director of finance and governance notes the proposed recommendation for the approval for the locally agreed 2017-2021 Discretionary Rates Relief Scheme to provide transitional support for Southwark businesses to mitigate the impact of the April 2017 revaluation. In addition that the council's Discretionary Rate Relief policy be updated to include the national government scheme for small businesses rate relief scheme and pubs relief scheme. In total, these three schemes will support over 4,000 businesses to the value of £4.89m.
65. It is regrettable that the ability to use the discretionary relief scheme annual grant allocations more flexibly across the four year period is not permitted and therefore, this proposal ensures we maximise the use of this annual "Revaluation Relief" grant allocation. It is noted that the council bears the risk of 30% of any overspend of this grant.
66. The DRR scheme will need to be reconsidered for 2018-19 with a significantly smaller grant to distribute.
67. The rate relief schemes will be cost neutral, with compensation for reduced business rates income (arising from the application of the rate relief schemes) and the "new burden" costs of implementing the scheme to be paid via a Section 31 grant.

BACKGROUND PAPERS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	Non Domestic Rates Discretionary Rate Relief Policy - Revaluation relief, supporting small businesses relief and pubs relief

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Dominic Cain, Director of Exchequer	
Version	Final	
Dated	8 September 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		8 September 2017

Southwark Council

Non-domestic rates

Discretionary rate relief policy for revaluation relief, supporting small businesses relief and pub relief.

1.0 Introduction

- 1.1 This policy relates to revaluation relief, supporting small businesses relief and pub relief that the Council has a discretionary power to award under Section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011 and is effective from 1 April 2017.

Revaluation relief

Introduction

- 2.0 The 2017 revaluation led to many businesses facing large increases in their bills. In the spring 2017 budget the government announced an extra £300 million for councils to pay for relief for businesses whose bills have gone up following the 2017 revaluation. Councils are responsible for allocating their share of this money to local businesses. Southwark has been given £6.9m to be awarded over four years commencing 2017/18.

Qualifying Criteria

- 2.1 To qualify the following criteria must be met:
- a rateable value under 200,000
 - the property has to have been occupied from 1 September 2016
 - the occupier must not have more than one property in Southwark
 - must have had an increased bill due to the revaluation
- 2.2 In line with the Council's fairer future principles and Council Plan commitment to promote a strong local economy the following businesses are excluded from claiming:
- betting shops
 - financial institutions (banks, payday lenders, pawn shops etc.)
 - national and multinational companies
- 2.3 In addition to this the following excepted hereditaments are also excluded:
- Southwark Council
 - other local authorities
 - central government
 - NHS property
 - businesses with more than one property in Southwark

How Relief is Calculated

- 2.4 The amount of relief granted depends on the rateable value and the amount the bill has increased due to revaluation.

RV size	Increase capped %
Small (0-28,000)	100%
Medium (28,001-100,000)	85%
Large (100,001-200,000)	35%

- 2.5 The amount of relief to be granted will be assessed and calculated on a daily basis. If a business vacates a premises then the relief will be calculated on a pro-rata basis and a new bill issued.
- 2.6 The relief will be applied against the net bill after all other reliefs including the supporting small businesses relief. However, any business receiving pub relief will have that deducted after revaluation relief.
- 2.7 The minimum award will be £50.00. Where a businesses bill has increased by £49.99 or under no revaluation relief will be awarded.
- 2.8 Where the net rate liability for the day after all other reliefs but before revaluation relief is less than the revaluation relief, the maximum amount of this relief will be no more than the value of the net rate liability.
- 2.9 When calculating the increase in bills, we will assume that the business has been in occupation for all of 2016/2017, and will remain in the property for all of 2017/18. The increase in bills will be calculated assuming that no exemptions or reliefs were awarded in 2016/17.
- 2.10 Future rateable value changes, mergers, splits, or new liabilities dated prior to 1 April 2017 will only qualify for relief if confirmation of the change is received before 1st October 2018. After 1st October 2018 no revaluation relief can be claimed for the 2017/18 year.
- 2.11 If the property rateable value changes, and is backdated to 1 April 2017, we will recalculate the amount of relief based on the new rateable value start date.
- 2.12 Revaluation rate relief is subject to State Aid de Minimis limits. If a business received more than €200,000 in state aid over 3 years then it is their responsibility to inform us.
- 2.13 This relief will only be available between 1 April 2017 and 31 March 2018. Total funding available for this period is capped at £4.02m. There is further funding available for years 2018/19 to 2020/21, the scheme for which will be available in April or May of that year.

Notification of Award

- 2.14 Relief will be automatically awarded to businesses that qualify. A notification letter and bill will be sent to the business.

Additional revaluation relief

- 2.15 Some businesses will be experiencing hardship due to the revaluation but do not qualify for this scheme. For this reason, funding has been ring fenced to help businesses that can demonstrate they require extra financial support. This scheme is discretionary.

Supporting small businesses relief

Introduction

- 3.0 At the Spring Budget, the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief. The scheme is intended to cap any increase in bills.

Qualifying Criteria

- 3.1 To qualify for relief the following criteria must be met:
- must have lost some or all of their small business rate relief due to the revaluation and had an increase of more than £600 on their new bill
 - must be in occupation of the property
 - Charities and Community Amateur Sports Clubs receiving mandatory charity relief will **not** qualify
- 3.2 The relief will be available from 2017/18 to 2021/22, subject to the property being occupied continuously

How Relief is Calculated

- 3.3 To support affected ratepayers, the supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:
- a. a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief,
- or
- b. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.
- 3.4 Businesses that received small business rates relief in 2016/17 but now have a rateable value of over £51,000 or more will not be liable to pay the supplement (1.3p) whilst they are eligible for the supporting small businesses relief scheme.
- 3.5 Ratepayers remain in the supporting small businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for the supporting small businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- 3.6 Supporting small businesses relief will be recalculated in the event of a change of circumstances, retrospective or otherwise. This could include, for example, a backdated change to the rateable value.
- 3.8 Businesses who receive supporting small businesses relief will also qualify for revaluation relief. The revaluation relief will be applied to the net balance on bills after the supporting small businesses relief has been awarded.
- 3.9 Supporting small businesses relief is subject to State Aid de Minimis limits. If you have received more than €200,000 over 3 years then you must tell us.

Notification of award

- 3.8 Relief will be awarded automatically and a new bill will be issued.

Pub relief**Introduction**

- 4.0 At the Spring Budget, the Government announced a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill. The relief will have effect for 2017/18 only.

Qualifying Criteria

- 4.1 To qualify for pub relief the following criteria must be met:

- A rateable value of less than £100,000
- The pub should
 - be open to the general public
 - allow free entry other than when occasional entertainment is provided
 - allow drinking without requiring food to be consumed
 - permit drinks to be purchased at a bar

The Valuations Office Agency official description of the property will be used to determine which premises are pubs.

The following premises will **not** qualify for the relief:

restaurants	music venues	snack bars	exhibition halls
cafes	festival sites	guesthouses	cinemas
nightclubs	theatres	boarding houses	concert halls
hotels	museums	sporting venues	casinos

- 4.2 Pubs that are part of a chain can receive relief but this is subject to meeting State Aid requirements.

How relief is calculated

- 4.3 All eligible pubs will receive £1000 discount on their bill.
- 4.4 The relief will be calculated on a daily basis. If you vacate the premises before the end of the financial year we will calculate how many days you have been in the property and reduce the amount you have been awarded.
- 4.5 Where the net rate liability after all other reliefs but before pub relief is less than £1000, the maximum amount of this relief will be no more than the value of the net rate liability. For example, if your net bill is £600 then you will only receive £600 pub relief.
- 4.6 The relief is only available for the period 1 April 2017 to 31 March 2018.

Notification of award

- 4.7 The relief will be automatically applied to qualifying accounts. We will send a new bill showing the relief awarded.

Appeals

- 5.0 Where an application for discretionary rate relief is refused, any appeal against this decision must be made in writing, together with evidence to support the reasons for the appeal
- 5.1 The appeal will be considered by a manager who has not previously considered the application. The decision reached will be notified in writing within 30 days
- 5.2 If an appeal is unsuccessful, then judicial review is the means by which a decision of a billing authority under its power to grant discretionary rate relief may be challenged. Independent legal advice must be sought if this course of action is taken.

Item No. 24.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: Capital Monitoring report, including Capital Programme Update 2017-18 (Month 4)	
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

As ever the council's capital programme has continues to deliver major investments and improvements into our borough. Perhaps the most significant since our last capital report has been the completion of new buildings and facilities at schools across the borough as part of our primary expansion programme to ensure every child has a local school place.

For instance we have completed an impressive new building and playground on Inverton Road for Ivydale School's Key Stage 2 pupils; Keyworth School has benefited from both new buildings and refurbishment incorporating a new teaching block; and Charles Dickens Schools now has a new teaching block, external areas and new nursery including 2 year old provision.

I would like to highlight to cabinet that the capital programme, particularly the Housing Investment Programme, may see considerable amendment in the coming months. There can be nothing more important than ensuring our council homes are safe and we will continue to take swift action to make resources available for works at the Ledbury Estate and fire safety works across the borough.

RECOMMENDATIONS

That cabinet:

1. Notes the general fund capital programme for the period 2017-18 to 2026-27 as at Month 4, as detailed in Appendices A and D and the £170.6m financing required for 2017-18.
2. Notes the housing investment programme for the period 2017-18 to 2026-27 as at Month 4 2017-18, as detailed in Appendix B and the £13.18m financing required for 2017-18.
3. Approves the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C.
4. Notes the projected expenditure and resources for 2017-18 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D as at Month 4 2017-18 and this position will be updated

during the year when more up to date information is available.

5. Approve the inclusion in the programme of the capital bids set out in Appendix E.
6. Notes that this report indicates that external borrowing will be required in 2017-18 to finance the programme. Options to identify the most appropriate source of financing will be appraised by the strategic director, finance and governance in conjunction with the cabinet member for finance, modernisation and performance.
7. Agrees that in the event of additional resources being required for Ledbury Estate, authority is delegated to the strategic director of finance and Governance for identifying resources to be made available in a timely way (in consultation with the cabinet member for finance, modernisation and performance and the cabinet member for housing).

BACKGROUND INFORMATION

8. On 18 July 2017, the 2016-17 capital outturn report was presented to the cabinet. This reported the capital outturn position of £98.89m on the general fund programme and £153.08m on the housing investment programme for the financial year 2016-17.
9. At that meeting, cabinet also approved the re-profiling of the expenditure and resources for the financial year 2017-18 and future years in light of the 2016-17 outturn position for both the general fund and housing investment programme and noted that further re-profiling will be required during 2017-18 based on more up to date information becoming available.
10. The scale of the capital programme is immense and with a total forecast spend of nearly £2 billion, it represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and do business in the borough.
11. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. This report sets out the re-profiled budget and forecast outturn position for 2017-18 for the General Fund and the Housing Investment Programme (HIP).

KEY ISSUES FOR CONSIDERATION

Programme position at Month 4 2017-18

12. The capital programme is detailed within the report appendices as follows:
 - Appendix A set out the summary of the general fund capital programme 2017-27
 - Appendix B sets the housing investment programme 2017-27
 - Appendix C sets out capital programme budget virements
 - Appendix D provides further information on the general fund capital programme 2017-27.
 - Appendix E details a list of capital programme bids to support the delivery of the refreshed council plan to deliver a fairer future for all. Departmental

narratives provide further detail on these bids.

General Fund

13. The total programmed capital expenditure budget is £697.2 budgeted over the period 2017-18 to 2026-27 for general fund. The forecast spend for 2017-18 for general fund is £287.11m; against a budget of £291.6m. The month 4 capital monitor report indicates that expenditure of £92.7m was incurred to date (32.3% spent). Attached at Appendix A is a summary of the general fund programme position as at month 4 of 2017-18. The summary position and the programme sets out by departments are reflected in narrative in the departmental narratives below and Appendices A (overview) and D (project detail).
14. Appendix C shows the budget virements and variations arising at month 4 of 2017-18 for approval by cabinet.
15. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

Housing investment programme

16. The housing investment programme is forecasting a total expenditure budget of £1,173.1m over the programme from 2017-18 to 2026-27. The forecast total expenditure for 2017-18 is £149.1m against a budget of £142m. The current expenditure incurred to date is £24.8m (17.5%). Attached at Appendix B is a summary of the housing investment programme position as at month 4 of 2017-18; with further detail provided in paragraphs 80 to 96.
17. The majority of the expenditure on the Housing Investment Programme relates to the Quality Homes Improvements Programme. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

Resource implications

18. The council's capital resources are comprised of the following:
 - capital receipts from disposal of property
 - grants
 - external contributions
 - section 106 and Community Infrastructure Levy (CIL) contributions
 - housing major repair reserve
 - contributions from revenue
 - contribution from reserves
 - internal borrowing
 - external borrowing.
19. The capital programme is influenced by resource timing and availability. Over the life of the programme, all commitments must be met from anticipated resources. The final funding requirement will be based on the final actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks and officers undertake regular reviews as part of the process for preparing quarterly monitors to assess

income to date, forecasts and changes.

20. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources, to identify new resources or to make changes to the use of resources at an organisational level as projects complete or new projects appear.

Financing Update

Resourcing to Month 4 2017-18

21. As at month 4 2017-18, capital receipts of £16.13m and £1.3m had been received from the general fund and housing receipts respectively for the financial year 2017-18. At the end of month 4 2017-18, £11.65m other income had been received including £6.7m of capital grants and £4.4m secured through S106 and CIL agreements. The above resources will be monitored and applied as appropriate to schemes in 2017-18.
22. Further the appropriate utilisation of existing s106 funds to support the capital programme is under scrutiny. This report assumes that a further £30m of s106 funds will be utilised to support the programme in 2017-18.

Resourcing overall programme

23. Overall there remains a shortfall of available funds of £170.7m to meet the current general capital programme commitments (an increase from the 2017-18 position forecast in July of £149.9m. This 2017-18 budget has been updated to reflect strategic commercial property acquisition capital bid approved at the July 2017 cabinet.
24. The capital month 4 monitor indicates that there may not be sufficient resources from capital receipts, grants, s106 and available cash for internal borrowing. Subject to the accuracy of the forecast and timing of acquisitions it is possible that borrowing will be required to fund the programme. The Strategic Director of Finance and Governance will continue to monitor the expenditure, forecast and overall council's cash position closely over the coming months. Alongside this, consideration will be given to the most appropriate source, length of borrowing and costs, taking advice from our treasury advisors. The revenue implication of this borrowing will be reflected as a new commitment within the budget proposals for 2018-19.
25. As reported previously, there is currently a shortfall of available funding to meet the ambitious housing investment programme, however, the council will continue to work creatively to identify ways to deliver and finance our council plan commitments. The funding gap currently stands at £13.2m.

Departmental Updates

26. The sections below provide commentary on the budget position by departments for 2017-18.

GENERAL FUND (APPENDIX A)

Children's and Adults' Services

27. The capital programme budget across children's and adults' services for the period 2017-18 to 2026-27 is £225.4m.

Children's Services

28. The capital programme budget for 2017-18 to 2026-27 is £196m. This consists mainly of the £136m schools expansion programme to ensure the availability of school places and the £32m Primary Safe, Warm, Dry programme to ensure that pupils study in a safe environment to support learning.
29. The schools expansion programme for additional temporary and permanent places includes Robert Browning, Bellenden, and Ivydale primaries, and again at Charles Dickens, Keyworth, Albion, and Crawford primaries. In addition, works are underway to open a new secondary school to meet demand on the Dulwich Hospital site in East Dulwich.
30. The scale of the schools capital programme and the complexity of the issues involved, for example expanding whilst education is still being provided on site or undertaking the work out of term and/or other site specific factors, are such that significant slippage in the programme can occur and hence delay spend to the following financial year. In addition as school expansion and the free school programme are national issues and particularly acute in London, supply side issues can also occur, for example delays in getting prefabricated materials on site can delay the phasing of the programme. Works are programmed as early as possible to help ensure that provision is delivered on time to meet the need for additional places and the statutory requirement.
31. The council has invested £5m in a partnership with London South Bank University (LSBU). This has been for the creation of the Passmore Centre as the hub of a new Institute for Professional and Technical Education (IPTE). In return, LSBU will assist in delivering commitments made in the Council Plan 2014-18, and the council's Fairer Future promises around education, employment and training.

Adult Social Care

32. The capital programme budget for the period 2017-18 to 2026-27 is £19m.
33. Centre of excellence - Phase 1 of Cator Street consisted of the building of extra care sheltered flats and was completed in 2015-16. Phase 2 design work is underway to design the next lot of flats and the community hub (centre of excellence) to be built.

Southwark Schools for the Future (SSF)

34. The capital programme budget for the period 2017-18 to 2026-27 is £9.96m.
35. The final stage of the SSF programme will be the Southwark Inclusive Learning Service (SILS) Key Stage 3. The anticipated cost of £8m will be contained within

the existing identified SSF programme budget.

Environment & Social Regeneration

Summary

36. The total value of the departmental capital programme for the period 2017-18 to 2026-27 is £91.8m. The latest projected spend for the year is estimated to be £22.99m against an initial budget of £26.7m as presented at outturn for 2016-17 for 2017-18. The budget has been re-profiled in line with the projected expenditure for 2017-18 and future years.
37. The progress of major schemes is outlined below.

Highways

38. The Highway Asset Investment Programme (non-principal and principal roads) is forecast to spend a total of £7.9m against a budget initially set at £9.3m. Contractor programme included some slippage which has now been addressed, although some spend will slip into Quarter 1 of 2018-19. £800k of this programme is earmarked for the devolved highway capital programme. The programme is being launched in Quarter 3 of 2017-18, to be aligned with the Cleaner Greener Safer programme timetable, so only limited expenditure expected in 2017-18.
39. Cleaner Greener Safer Programme is forecast to spend £2.0m as per budget and deliver around 200 individual projects.
40. The expenditure on the cycle infrastructure fund is forecast to spend £100k towards implementation of the Southwark Spine route. This is a reduction from the budget set initially and reflects the prioritisation of TfL funding which is tightly time-limited and the council's continued ability to attract additional external TfL funding due to good delivery performance. The 20mph programme expenditure is forecast to spend £250k for detailed design and commencement of implementation. Delays, in part due to general election purdah, meant that public consultation will not commence until Sept 2017 on this programme.
41. St Saviours Dock footbridge and Flood Prevention Programme budgets will be spent to programme with £195k on detailed design of the bridge and £365k on Coleman Road area flood prevention scheme implementation.

Parks and Leisure

42. The implementation of the cemetery strategy continues in order to create further burial spaces and make associated infrastructure improvements. Planning and faculty approval has been granted for areas B, D1 and Z. The contract has been awarded for Area D1 with the aim of starting on site in the autumn. The tender process has commenced for Area B with a view to starting works on site later in the calendar year.
43. Southwark Athletics Track and Centre: The track was completed and opened in the summer of 2017. Options have been considered for the athletics centre building and designs are now being progressed for a new build rather than

refurbishing the existing building, the latter option had a number of constraints including the conditions of the ground and also layout of the building.

44. Major Parks: Burgess Park West is to commence on site in the autumn as the main contract has been awarded. The contract has also been awarded to deliver the new café building in Southwark Park. The public toilets in Burgess Park have opened and the proposed refurbishment works for the Chumleigh West building have been granted planning approval.
45. Homestall Road: Planning was granted and the tender process for a contractor has been completed. Works have commenced and are expected to be completed by the end of the summer. A Gateway 3 is being written to include road and drainage works to the programme and will be covered by the existing budget.
46. Cabinet is also requested to approve the allocation of £150k capital towards the old library, bath and wash house in Burgess Park which is in need of refurbishment. There is an opportunity to transform this building into an events venue and a cafe/restaurant. There is also the opportunity to consider the relocation of the registrars into the OLBAW which would enhance the service offer. This capital funding will be used to refine the vision to incorporate the registrar service and to procure a third party operator to manage both facilities whilst contributing to compiling and submitting a match funding application to the Heritage Lottery Fund for a wider and full refurbishment. This is included in Appendix C.

Libraries and Heritage

47. Kingswood House: Planned works to the interior of Kingswood house for toilet refurbishment were in progress but have been delayed due to the discovery of significant problems with the façade of the building. This has required urgent works to make the outside of the building safe. The cost of exterior repairs has exceeded the available capital budget and a further capital bid of £300k is required to cover the completion of the essential exterior works and interior refurbishment.
48. Grove Vale Library: Construction of new Grove Vale library is in progress and the library is due to open in July 2018. The building will be handed to the council as a shell and core and will require internal building works and fitting out. There is an approved capital budget of £160k and the council expect additional funding of £134k from developers as part of the S106 agreement. There is a shortfall of £200k which is required to provide essential digital and IT services to the library and also additional building works which is currently not funded and undertaken by CFM.
49. Public IT network: Capital project to upgrade Public IT network in libraries to ensure a safe and secure network is in progress and the upgrade will improve performance of IT and internet access for customers. The project will be completed in October 2017.
50. Heritage Online website: Capital project to upgrade Heritage Online website is progressing. Project will provide improvements to Heritage website including sound and video, increased range of 3D images, better functionality and search facilities, staff training to make effective use of the e-museum resource. Project

is due to be completed by Dec 2017

51. A capital budget of £500k is required to upgrade the IT equipment across Libraries. The existing equipment is out of date and unable to meet current customer needs. This funding would enable a refresh of all self service equipment, and the public network PCs to all libraries as these are reaching end of life.
52. A capital budget of £100k is required for the new Aylesbury library that is due to open in early 2020 however there is a shortfall in funding to provide IT facilities and to enable digital services including automated services for out of hours use.
53. A consolidated capital bid of £1.1m is being submitted incorporating the capital budget requirement mentioned above for the library service. This is reflected in Appendix E for cabinet approval.

Chief Executive's

54. 2017-18 to 2026-27 is £297.7m. Project managers have reviewed the progress of the schemes and budgets have been re-profiled in line with anticipated spend. Total expenditure incurred to end of July 2017 amounted to £55.9m and the projected spend for 2017-18 is £146.5m.
55. The main focus of Chief Executive's department is to lead the corporate agenda of transforming the borough, making it a better place to live, work and visit. This is achieved through the implementation and delivery of various physical and social regeneration programmes.
56. The department is on course to deliver various projects aimed at improving road safety, encourage greener and sustainable modes of transportation as well as supporting the commercial viability of local shopping areas through environmental improvements, trader empowerment and continued business support. This is additional to the major regeneration projects at Aylesbury, Elephant & Castle, Camberwell and other parts of the borough.

Regeneration Division

57. The regeneration division (comprising of 4 project areas namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) has a combined budget of £225.9m with projected expenditure of £125.7m in 2017-18 and the remaining spend profiled across future years. Budget for regeneration projects is mainly funded by capital receipts to deliver key community and regeneration projects across the borough.

Walworth Road Town Hall

58. In July 2017 cabinet considered a further report on the regeneration of the buildings. The report noted that as a consequence of a serious budget shortfall totalling c£15m, further consultation had been undertaken with the community to review options for taking the regeneration of the buildings forward. This exercise identified a preferred option for a phased approach which would achieve the early delivery of a library and heritage display area. This option still required an additional £10m above the £20m already allocated. The report further noted that

due to the continuing constraints on the council's capital programme this additional funding is not available. Cabinet therefore agreed a revised project mandate which authorises officers to seek expressions of interest from the market for Arts and Culture D1 uses as a means of taking forward the regeneration of the buildings. Cabinet also instructed officers to identify alternative locations in the area for a new Newington Library.

59. The extent to which an Arts/Culture use of the buildings may require council funding from the allocated budget will be assessed through the marketing process and reported to cabinet in a future report. To bring some activity and public access back to the buildings a lease to allow the temporary use of Newington Library by Art Academy has been agreed. This has required some minor investment by the council in its landlord capacity to facilitate safe public access.

Southwark War Memorial

60. The council commissioned Kenny Hunter to develop a concept for the Southwark memorial which has now received sign off from the project steering group. Work is on going to incorporate the piece into the Walworth Square designs. Implementation of the public art works is anticipated to take place during 2018-19.

Elephant & Castle Open Spaces

61. The refurbishment of Pullens Gardens is now on site and works are expected to complete in October 2017. The first public consultation on the next project at Dickens Square has now commenced and a report on the responses received is expected by the end of August.

Mountview

62. The development is now on site with anticipated completion by September 2018. A revised loan drawdown schedule is reflected in the capital monitor. The grant funding has now been fully spent.

Revitalise Peckham Rye

63. Work is now underway in Peckham to provide new facilities in Peckham Rye Park and Common. A new, relocated car park has now opened, which has allowed work to commence on the new children's play area on the site of the old car park. A new play room, changing room facilities and public toilets are being built adjacent the existing adventure playground with work scheduled to be completed in by the end of October 2017.
64. The new play area was also scheduled for completion by the end of October; however, following the discovery of low grade asbestos on the site, a revised timetable is to be prepared. Once the new changing rooms and play room are completed, the old facilities will be demolished and the site returned to common land. This final phase of the project is scheduled to be completed by early 2018. The total budget for this project is now £4.17m following confirmation by cabinet in February 2017. However, additional spending may be required to remediate the asbestos from the play area site. The final decision on how this will be achieved will be taken in the next monitor report to cabinet once

recommendations have been fully considered.

Top Quality Playground - Mint Street

65. Cabinet are requested to approve the allocation of £300k capital budget to assist in the delivery of the top quality playground against the council plan target. The capital investment would result in the redesign and upgrade of Mint St. play area. This playground will be designed in conjunction with stakeholders to become neighbourhood-scale top quality playgrounds. This is included in Appendix E.

Albion Street

66. The regeneration of Albion Street has been a long term objective of the authority since cabinet approved the Albion Street Regeneration in December 2014. Work is currently progressing with the building of the new Albion School which will double its number of pupils to meet local demand.
67. The construction of St Olav's Square in front of the Norwegian Square has been completed although there are snagging works to be completed before full public access to the new public square can be provided. The church has arranged for a member of the Norwegian Royal family to formally open the space at a ceremony in early September.

Acquisition of commercial property

68. The council has made a series of property acquisitions, including the recently completed purchase of 22 Shand Street, 14-20 Shand Street and 9 Holyrood Street, which comprise the "London Bridge portfolio". These are income generating assets and their addition replaces revenues foregone from the commercial portfolio, where other assets have been released into home building, regeneration and disposal programmes. In so doing poorer quality assets are being replaced with significantly better ones in investment terms. Whilst the budget initially agreed made provision for further acquisitions in year. Cabinet is requested to approve a further £16 million in order that additional opportunities can be pursued. This is included in Appendix E.

Planning and Transport Division

69. The planning division (comprising of 2 project areas, namely transport planning and planning projects) has a combined budget of £18.8m with £1.7m spent up to month 4 and a projected spend of £13.5m in 2017-18.
70. The transport planning budget of £10.4m is largely funded by Transport for London (TfL) to deliver transport improvement programme as contained within the borough's transport plan. Planning Projects budget of £8.4m is funded mainly by s106 to deliver various projects to mitigate the impacts of new developments, improve public realm, parks and open spaces as well as supporting the commercial viability of local shopping areas.

Planning works

71. A number of projects totalling nearly £1.5m are currently on site or being developed which promote the council's programme for supporting high streets. Currently on site are the environmental and shop front improvements on Queens

Road which compliment the works previously carried out in the vicinity of the station. Under development are schemes for East Street (the “What Walworth Wants” programme); Walworth Road and Meeting House Lane. These three projects will commence on site during 2017-18.

TfL Funded works

72. A total of 4.2m was spent by Environment and Social Regeneration department in 2016-17 on TfL-funded transport and highway improvements. The programme for 2017-18 includes substantial continued capital investment in Principal Road renewal, cycling and other road safety and public realm improvements such as Quietway 7 and Crystal Palace Parade. Total forecast spend for 2017-18 is £7.2m.
73. The capital programme also includes the remaining s106/CIL contribution of £50.9m (part of the total £63m) agreed by the council towards the strategic transport improvements project in Elephant & Castle.

Housing General Fund

General Fund

Overview

74. Overall, the total value of the Housing and Modernisation general fund capital programme up to 2026-27 is £82.4m. Programme spend for 2017-18 of £17.9m is currently projected to be broadly on budget, with spend of £5.6m to date, in line with expectations.

Traveller Sites

75. The programme budget for traveller sites is currently £0.4m and is primarily for the re-instatement of the railway embankment at Ilderton Road. However, a recent review of this and other sites has identified a number of health and safety and compliance issues that warrant remedial action which will require additional resources over the next 12-18 months. Proposals in this regard will be reported to cabinet at the earliest opportunity.

Modernisation

76. Information Technology and Digital Services (ITDS) - this remains critical to the council’s strategy to transform the way it delivers services and the realisation of savings over the medium-term. The existing managed service contract will cease shortly and the council will enter into a shared IT service with the London Boroughs of Brent and Lewisham from 1 November. This arrangement requires an initial investment (both capital and revenue) to transition Southwark’s existing IT infrastructure and applications to the new hosted service. The existing IT capital programme (£18.4m up to 2021-22) will be re-profiled to reflect the changes and reported to cabinet at the earliest opportunity. Expenditure is expected to be in line with budget at £3.8m.
77. Corporate Facilities Management (CFM) – this comprises planned preventative maintenance and compliance programmes for the council’s operational estate. This programme sits alongside the council’s wider workplace strategy with the

focus being the rationalisation of the existing estate, improvement of those buildings that will continue to support service delivery in the longer term and new provision where appropriate, and the decommissioning/disposal of surplus assets to support investment. Expenditure is currently forecast to be in line with budget at £1.3m.

Housing Renewal

78. This activity comprises a number of initiatives that support private sector residents, through various grant regimes. By far the largest element is in relation to adaptations to residents' homes. The Disabled Facility Grant (DFG) subsidy allocation received from the Better Care Fund has increased from £0.6m to over £1.1m giving a total budget of £1.9m for 2017-18. This has enabled the council to undertake more complex adaptations and approve a greater volume of routine adaptations going forward. The projected spend for DFG is £1.9m with a target of 120 schemes to be completed during the year.

Leathermarket

79. In July 2016 cabinet approved grant funding to the Leathermarket Community Benefit Society (CBS) to build 27 properties at council rent levels on the Kipling Estate garage site. The project contributes to the council plan commitment to provide quality affordable housing in the borough. The grant of up to £9.3m will be largely funded from section 106 contributions within the HIP, but £3m is required to be funded from other resources. As the project is creating assets outside of the HRA, the expenditure must be accounted for in the general fund capital programme. It is anticipated that the development will be completed in 2017-18 and that the remaining grant (£8.4m) will be paid in full during the year.

Housing Investment Programme (HIP)

Overview

80. Since the HIP outturn report to cabinet in June, the council's investment plans have been reviewed and re-profiled to provide a more robust and realistic estimate of likely spend during the year. The forecast for 2017-18 is £149.1m comprising £91.7m on existing stock, £36.5m on new council homes and £20.9m on wider regeneration schemes, which also delivers affordable housing. Whilst the programme is now more sustainable and more closely aligned to available resources, there remains a forecast funding gap of £13.2m for 2017-18. Going forward, it is important that new and competing commitments are prioritised and contained within the budget agreed and that the emphasis moves to being a resource-led programme, rather than expenditure-led.
81. Resourcing is predicated on a level of revenue support and more critically, the realisation of capital receipts, together with the application of RTB receipts and S106 funds for new housing provision. In the event that the assumptions underpinning the programme change and resources cannot be substituted, it would be necessary to borrow, with the consequent additional revenue financing costs and reduction in the council's HRA borrowing headroom.

Existing Housing Stock

Warm, Dry, Safe (WDS)

82. The WDS programme has been running since 2011 and invested over half a billion pounds bringing the housing stock up to the 'Decent Homes Standard', including around £62m on fire prevention measures since Lakanal in 2009. Safety works to all substantial risk blocks have been completed and fire safety continues to be addressed through the ongoing investment programme. WDS is now nearing completion with all planned works committed and remaining schemes expected to complete by 2018-19.

Fire Safety

83. In response to the Grenfell Tower tragedy, the council is currently undertaking intrusive type 4 fire risk assessments of all 174 high rise blocks, which will identify any problems and what actions are required to ensure fire safety going forward. LD2 smoke alarms have been installed in all the highest priority blocks and the majority of street properties (including ex-right to buy), and continue to be delivered along with the five-year programme of electrical testing as part of the mainstream works programmes.
84. Work is currently being undertaken to prioritise future work programmes and reduce fire risk in conjunction with the London Fire Brigade (LFB). LFB have been provided with block plans for all 5+ story blocks and residents in high rise blocks have been provided with fire safety information packs. The council has also gone above and beyond the current government requirements to test cladding panels on all high-rise blocks and four low-rise blocks that were potentially at risk, but there are no aluminium rain screen cladding on any of our high rise blocks.

Quality Homes Improvement Programme (QHIP)

85. QHIP is the principal element of the council's asset management strategy, with a programme budget of £797m over 10 years. Whereas the focus of WDS was generally on the external fabric, QHIP recognises the need for a cyclical approach to maintenance and aims to address wider investment needs including internal works. The projected spend for 2017-18 remains at £48.7m, although spend is low to date, it is expected to accelerate through the year as more projects commence on site and new ones are committed.

Other Major Works

86. The programme covers those estates identified as high need/high cost requiring extensive repair/refurbishment. The projected spend for 2017-18 is £10.9m. Four Squares is complete and final accounts will be settled this year. Lakanal refurbishment is also complete and the Undercroft works are due to be completed later this year. In addition, Portland is on site and due to complete in 2018-19. Works at Tustin, Maydew and Chilton Grove are being reviewed following the Grenfell Tower fire to ensure they will meet a high standard of fire safety and any likely emerging regulatory requirements. The works will be reprogrammed once this review is complete and specifications drawn up.

Ledbury Estate

87. Following the recent tragic event at Grenfell Tower, the council has been reassessing all of its tower blocks with regards to fire safety. As part of this exercise and in response to concerns raised by residents, a structural issue affecting the upper floors of the four tower blocks on the Ledbury Estate was identified. The Council appointed Arup to carry out an urgent investigation and has undertaken emergency fire safety works, including the disconnection of the gas supply to the blocks as a precautionary measure. Investigation and assessment of the remedial works required is on going and in the interim, wardens are in situ 24/7 to provide monitoring of the blocks. Currently measures are being put in place to re-house residents (either temporarily or permanently). At this stage there is no indication of the estimated cost of any remedial works, but this will be reported in the next capital monitoring report to Cabinet in February 2018.

New Council Homes

Direct Delivery

88. 291 new council properties have been completed to date with a further 263 either on site or with planning permission granted. In total around 400 homes are due to be completed by the end of 2018, with a further 1,200 on site or committed. The projected spend for 2017-18 is £36.5m. In addition, some property is being developed specifically for private sale in order to help finance the wider programme.

Hidden Homes

89. The programme seeks to create new homes from vacant or underused spaces in existing housing blocks. It has so far delivered 33 new homes as well as others for sale to help finance the programme. This includes three units completed this year at Rowland Hill House, Swanmead and Greystoke House. A further eight hidden homes are on site at Mortlock Close, Juniper House and Falcon House.

S106 acquisitions

90. The purchase of properties at Salter Road/Fisher Close was completed last year and the purchase of Didbin Apartments (Blackfriars Road) completed in early 2017-18. These units provided 24 and 56 social rented units respectively as well as 10 intermediate units at Salter Road. As a result of a successful court action by the council and subsequent settlement, provision has been made in the programme to acquire a further ten properties at the Signal Building.

Southwark Regeneration in Partnership Programme (SRPP)

91. The council has a large scale regeneration programme underway of which a number of projects impact on the housing investment programme and specifically the delivery of new council homes as part of wider regeneration activity. The forecast expenditure for 2017-18 is £0.8m of which £0.5m is already committed. The bulk of the expenditure is associated with the repackaging and retendering of Lot A, but additional vacant possession costs are also anticipated on Lot B.

- Lot B: A development agreement has been signed with Clarion Housing Group to deliver 606 new homes, of which over 280 will be retained by the council, a community centre, a school hall and commercial space across ten council owned sites (mainly held in the General Fund).
- Lot A: Following the unsuccessful initial tender through the GLA's London Developers Panel, the lot has been repackaged (with Seven Islands dropped and three additional sites added), with a shift of focus to SME developers as well as large developers and on maximising capital receipts whilst delivering a minimum of 35% affordable homes across all eight sites.

Regeneration Schemes

Aylesbury Estate

92. The forecast spend for 2017-18 is £13.3m, comprising £7.7m for leaseholder acquisitions, £4.6m for the first development site and £1m for approved premises facilities. Unavoidable delays arising from the refusal of the council's CPO application have slowed the leaseholder acquisition programme. Demolition works on Bradenham and Chartridge blocks are expected to be complete in 2018-19 and construction of the approved premises facilities is due to complete in 2019-20.

Elmington Estate Phase 3

93. Sites C, D and E are currently under construction and site G is being demolished. There remain a small number of leasehold acquisitions to be resolved, but completion is expected during 2019.

East Dulwich Estate

94. Cabinet approved the sale of 50 voids to assist with funding the estate regeneration programme. To date, 43 have been sold with the remaining seven going to market over the next few months. The conversion of 18 drying rooms in phases 1 and 2 is complete and all units have been sold with a further six in phase 3 underway and due to complete this year. Health and safety works are complete but the environmental improvements have slipped with drainage works now part of phase 3, which is due to start on site during Autumn 2018.

Wooddene and Acorn Estates Energy Centre

95. The construction of the energy centre shell and fit out of the Acorn plant room are complete and the connection and commissioning works are expected to complete by late summer. The decommissioning and demolition of the existing plant will be undertaken by Notting Hill, as part of their works contract, but paid for by the council. The works are expected to be within the £3m budget earmarked.

Regeneration North

96. This programme is now close to completion with costs remaining for outstanding acquisitions that are the subject of a Lands Tribunal decision and the relocation of six electricity sub stations.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

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

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital Outturn Report for 2015-16 and Capital Programme Refresh for 2016-17 to 2024-25	Southwark Council Finance and Governance 160 Tooley Street London SE1 2QH	Fay Hammond, Departmental Finance Manager, Finance and Governance
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=5879		
Outturn Capital Monitoring for 2016-17 and Capital Programme Refresh for 2017-18 to 2026-27	Southwark Council Finance and Governance 160 Tooley Street London SE1 2QH	Fay Hammond, Departmental Finance Manager, Finance and Governance
Link (copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s69822/Report%20Outturn%20Capital%20Monitoring%20for%202016-17%20and%20Capital%20Programme%20Refresh%20for%202017-18%20to%202026-27.pdf		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position at Month 4 2017-18
Appendix B	Housing investment programme summary monitoring position at Month 4 2017-18
Appendix C	Budget virements and variations at Month 4 2017-18
Appendix D	General fund programme detail at Month 4 2017-18
Appendix E	New capital bids

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Strategy and Performance	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Fay Hammond, Departmental Finance Manager, Finance and Governance	
Version	Final	
Dated	7 September 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	N/A	N/A
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	9 September 2017	

Department	2017/18				2018/19			2019/20+			Total Programme 2017/18 - 26/27		
	Revised Budget	Spend to Date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults' Services	98,216	28,878	98,290	74	54,366	57,467	3,101	62,764	59,663	(3,101)	215,346	215,420	74
Southwark Schools for the Future	1,290	191	1,290	-	8,108	8,108	-	564	564	-	9,962	9,962	-
Finance and Governance	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment and Social Regeneration	22,998	2,028	22,998	-	30,785	30,785	-	38,045	38,045	-	91,828	91,828	-
Housing General Fund	17,960	5,632	17,960	-	7,845	7,845	-	56,594	56,594	-	82,399	82,399	-
Chief Executive	151,137	55,930	146,571	(4,566)	89,279	93,845	4,566	57,245	57,245	-	297,661	297,661	-
TOTAL EXPENDITURE	291,601	92,659	287,109	(4,492)	190,383	198,050	7,667	215,212	212,111	(3,101)	697,196	697,270	74
FINANCED BY:													
Capital Receipts	17,172	16,135	17,172	-	19,570	19,570	-	147,500	147,500	-	184,242	184,242	-
Reserves	262	-	262	-	479	479	-	2,965	2,965	-	3,706	3,706	-
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	41,747	6,716	41,744	(3)	14,769	17,870	3,101	28,261	25,163	(3,098)	84,777	84,777	-
Section 106 Funds	56,884	4,401	56,783	(101)	11,261	11,261	-	9,584	9,685	101	77,729	77,729	-
External Contributions	490	533	470	(20)	9,472	9,472	-	-	20	20	9,962	9,962	-
TOTAL RESOURCES	116,555	27,785	116,431	(124)	55,551	58,652	3,101	188,310	185,333	(2,977)	360,416	360,416	-
Total Financing Required	175,046	64,874	170,678	(4,368)	134,832	139,398	4,566	26,902	26,778	(124)	336,780	336,854	74

HRA Capital Programme - Month 4													
Project description	2017/18				2018/19			2020/21+			Total Programme 2017/18-26/27		
	Revised Budget	Actual	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Warm Dry and Safe													
WDS 2-year programme	4	4	4	-	-	-	-	-	-	-	4	4	-
WDS 2012 major works	373	319	373	-	-	-	-	-	-	-	373	373	-
WDS 2013 major works	118	-	118	-	-	-	-	-	-	-	118	118	-
WDS 2014 major works	829	704	829	-	-	-	-	-	-	-	829	829	-
WDS 2015 major works	17,030	6,667	17,030	-	6,459	6,459	-	1,108	-	(1,108)	24,622	23,514	(1,108)
M&E heating	196	(288)	196	-	126	126	-	100	-	(100)	422	322	(100)
WDS Leathermarket JMB	3,555	-	3,555	-	2,704	2,704	-	2,148	2,148	-	11,110	11,110	-
	22,104	7,406	22,104	-	9,289	9,289	-	3,356	2,148	(1,208)	37,478	36,270	(1,208)
Special Schemes/HINE													
Chilton Grove Wall - Decent Homes	-	-	577	577	-	1,386	1,386	-	-	-	-	2,259	2,259
Tustin	-	185	800	800	-	23,653	23,653	-	-	-	-	33,858	33,858
Portland	3,821	1,604	3,821	-	3,005	2,371	(634)	-	-	-	6,826	6,192	(634)
Damon/Thaxted externals	-	46	128	128	-	1,564	1,564	-	-	-	-	2,344	2,344
Maydew	2,661	497	2,661	-	8,344	8,642	298	5,658	18,518	12,860	17,284	30,442	13,158
Four Squares (HINE)	2,456	2,027	2,456	-	-	-	-	-	-	-	2,456	2,456	-
Lakanel House	449	189	449	-	1,621	-	(1,621)	-	-	-	2,070	449	(1,621)
	9,386	4,548	10,891	1,505	12,970	37,616	24,646	5,658	18,518	12,860	28,635	77,999	49,364
QHIP (Inc. Kitchens & Bathrooms & LD2)													
Asset Management Strategy 2016/17 (QHIP)	27,435	2,479	27,435	-	13,516	13,516	-	-	-	-	41,063	41,063	-
Asset Management Strategy 2017/18 (QHIP)	20,910	17	20,910	-	28,854	28,854	-	-	-	-	49,763	49,763	-
Asset Management Strategy 2018/19 (QHIP)	346	-	346	-	33,910	33,910	-	-	-	-	50,962	50,962	-
Asset Management Strategy 2019/20 (QHIP)	-	-	-	-	-	-	-	30,000	30,000	-	69,327	69,327	-
Asset Management Strategy 2020+Future years (QHIP)	-	-	-	-	-	-	-	604,464	604,464	-	609,194	609,194	-
Installation of LD2	3,333	-	3,333	-	2,949	2,949	-	15,032	15,032	-	24,278	24,278	-
	52,023	2,496	52,023	-	79,228	79,228	-	649,495	649,495	-	844,589	844,589	-
Regeneration													
Aylesbury Estate regeneration	13,293	1,147	13,293	-	17,250	17,250	-	-	-	-	42,996	42,996	-
Bermondsey Spa refurbishment	16	6	16	-	-	-	-	-	-	-	16	16	-
East Dulwich Estate	1,519	150	1,519	-	1,949	1,949	-	-	-	-	3,584	3,584	-
Elmington Estate	263	1	1,552	1,289	-	-	-	-	-	-	263	1,552	1,289
Heygate Estate	1,435	141	1,435	-	-	-	-	-	-	-	1,435	1,435	-
Local authority new build	166	1	166	-	-	-	-	-	-	-	166	166	-
Wooddene - Acorn Plant Reprvision	3,000	93	3,000	-	718	718	-	-	-	-	3,718	3,718	-
	19,692	1,540	20,981	1,289	19,917	19,917	-	-	-	-	52,178	53,467	1,289
New Builds													
Purchase of S106 Prop from Developers	-	76	76	76	-	-	-	-	-	-	-	76	76
Hidden Homes	1,177	122	1,177	-	-	-	-	-	-	-	1,177	1,177	-
SRPP	-	219	800	800	-	-	-	-	-	-	-	800	800
Direct Delivery - New Council Homes Phase 1	23,702	6,618	24,323	621	1,469	1,469	-	5,033	-	(5,033)	30,944	26,533	(4,411)
Direct Delivery - New Council Homes Phase 2	6,871	728	8,986	2,115	64,615	79,320	14,705	17,362	15,557	(1,804)	157,088	185,507	28,420
Recovery Acquisitions	-	-	750	750	-	1,750	1,750	-	-	-	-	2,500	2,500
Hostels new build	349	1	349	-	-	-	-	433	-	(433)	781	349	(433)
	32,099	7,764	36,461	4,362	66,084	82,539	16,455	22,827	15,557	(7,270)	189,991	216,943	26,952
Other programmes													
Adaptations	1,700	292	1,700	-	2,000	2,000	-	4,225	4,225	-	9,925	9,925	-
Cash incentive & Home owner buy back scheme	967	318	967	-	600	600	-	420	420	-	2,588	2,588	-
Disposals costs	600	25	600	-	600	600	-	-	-	-	1,800	1,800	-
Hostels accommodation	41	1	41	-	-	-	-	-	-	-	41	41	-
Leasehold / freehold acquisitions	505	-	505	-	-	-	-	-	-	-	505	505	-
Major voids	1,252	375	1,252	-	-	-	-	-	-	-	1,252	1,252	-
Security	546	2	546	-	24	24	-	281	-	(281)	863	570	(293)
T&RA halls	825	53	825	-	750	750	-	-	-	-	3,007	3,007	-
Heating Energy Efficiency Measures (North Peckham P)	222	-	222	-	-	-	-	-	-	-	222	222	-
	6,658	1,065	6,658	-	3,974	3,974	-	4,926	4,646	(281)	20,203	19,910	(293)
	141,963	24,819	149,119	7,156	191,462	232,562	41,100	686,262	690,364	4,102	1,173,074	1,249,178	76,104
FINANCED BY:													
Capital Receipts b/fwd	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital receipts Leather Market Self financing	3,555	-	3,555	-	2,704	2,704	-	2,148	2,148	-	11,110	11,110	-
Capital Receipts	28,756	-	28,756	-	53,885	53,885	-	52,500	52,500	-	159,371	159,371	-
Voids Receipts	5,000	-	5,000	-	5,000	5,000	-	5,000	5,000	-	20,000	20,000	-
RTB Receipts - Restricted to New Build	6,723	-	6,723	-	20,056	20,056	-	3,987	3,987	-	49,473	49,473	-
Deprecation Charge	53,000	-	53,000	-	53,000	53,000	-	265,001	265,001	-	424,001	424,001	-
Major Repairs Reserves	5,389	-	5,389	-	-	-	-	-	-	-	5,389	5,389	-
Revenue Contribution	18,745	-	18,745	-	18,745	18,745	-	85,782	85,782	-	142,016	142,016	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 106 Funds	14,771	-	14,771	-	46,732	46,732	-	9,304	9,304	-	114,421	114,421	-
TOTAL RESOURCES	135,939	-	135,939	-	200,121	200,121	-	423,721	423,721	-	925,780	925,780	-
Forecast variation (under)/over	6,024	24,819	13,180	7,156	(8,659)	32,441	41,100	262,541	266,643	4,102	247,294	323,398	76,104

FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL								
APPENDIX C								
	Children's & Adults Services	Southwark Schools for the Future	Environment and Social Regeneration	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000
CURRENT PROGRAMME AS AT OUTTURN 2016	215,421	11,518	90,422	78,152		395,513	1,173,706	1,569,219
Month 4 - Virements to be approved								
One Tree Hill			371			371		371
Infrastructure & Inv			(1,121)			(1,121)		(1,121)
Southwark Park			750			750		750
Major Parks			(200)			(200)		(200)
RFID at Newington Library			(9)			(9)		(9)
Library Refurbishment			9			9		9
Major Parks			2,000			2,000		2,000
Burgess Park Urban Games Area			(2,000)			(2,000)		(2,000)
Harper Road					100	100		100
East Street					300	300		300
Walworth Road					251	251		251
Camberwell					575	575		575
Peckham					300	300		300
ILRE Phase 2 Holding Code					(1,526)	(1,526)		(1,526)
Maydew							5,877	5,877
Four Squares (HINE)							(5,877)	(5,877)
Asset Management Strategy 2016/17 (QHIP)							16	16
Asset Management Strategy 2017/18 (QHIP)							58	58
Asset Management Strategy 2020+Future years (QHIP)							11,331	11,331
Installation of LD2							(99)	(99)
T&RA halls							12	12
Office accommodation							(250)	(250)
Scheme management costs							(8,127)	(8,127)
Energy							(508)	(508)
Fire damage reinstatement							(778)	(778)
Sheltered accommodation							(304)	(304)
D'Eynesford TMO Hall							(135)	(135)
Leasehold / freehold unallocated							(600)	(600)
Group repairs-Brayards Homes Improvements							(37)	(37)
Misc regen, acquisitions and home loss							(579)	(579)
Total virements to be approved at Month 4	-	-	(200)	-	-	(200)	-	(200)
Month 4 - Variations to be approved								
Brunswick Park Play			136			136		136
Brunswick Park Play - additional s106			23			23		23
Cooper's Road			63			63		63
Swan Mead Ball Court Refurbishment			130			130		130
Dulwich CGS			1			1		1
Dulwich CGS			0			0		0
Dulwich CGS			1			1		1
Major Parks			150			150		150
Library Infrastructure Programme			1,100			1,100		1,100
Dulwich Wood Park					454	454		454
Southwark Cycle Spine					500	500		500
Scheme Review					100	100		100
Local Environmental					200	200		200
Long Lane Traffic Management					25	25		25
Iderton Road					200	200		200
Lordship Lane Traffic					556	556		556
Walworth Road					400	400		400
Quietways 14 Grid					1,840	1,840		1,840
Quietways 7 Elephant					1,067	1,067		1,067
QW 82 Kennington Park					10	10		10
QW 83 Peckham Rye					10	10		10
QW 88 Tower Bridge					10	10		10
Nicholson St, Chancel St & Dolben St					(78)	(78)		(78)
Union Street West					(579)	(579)		(579)
Union Street East					(359)	(359)		(359)
Newcomen Street					(170)	(170)		(170)
Kipling Street & Guy Street					(75)	(75)		(75)
Weston Street					(261)	(261)		(261)
Leathermarket Street & Tanner Street					(397)	(397)		(397)
Quietways					(1,074)	(1,074)		(1,074)
Cycle Hangers Progra					(1)	(1)		(1)
QW 14 Canada Water t					(157)	(157)		(157)
QW 83 Peckham Rye					(305)	(305)		(305)
London Bridge Portfolio					16,000	16,000		16,000
Mint Street Playground					300	300		300
DFG - Housing Renewal				(3,152)		(3,152)		(3,152)
DFG - Housing Renewal				7,399		7,399		7,399
Bermondsey Spa refurbishment							(588)	(588)
Hidden Homes							(266)	(266)
Security							221	221
Total variations to be approved at Month 4	-	-	1,606	4,247	18,216	24,069	(632)	23,436
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT MONTH 4 2017/18	-	-	1,406	4,247	18,216	23,869	(632)	23,236
REVISED BUDGETS	215,421	11,518	91,828	82,399	18,216	419,382	1,173,074	1,592,456
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:								
Capital Receipts	-	-	1,250	(3,152)	16,300	14,398	(854)	13,544
Major Repairs Allowance	-	-	-	-	-	-	-	-
Reserves	-	-	(200)	-	-	(200)	-	(200)
Revenue	-	-	-	-	-	-	221	221
Capital Grant	-	-	-	7,399	1,916	9,315	-	9,315
Section 106 Funds	-	-	353	-	-	353	-	353
External Contribution	-	-	3	-	-	3	-	3
TOTAL RESOURCES	-	-	1,406	4,247	18,216	23,869	(632)	23,236

Council Theme	Paragraph	Service	Project/Programme Description	Financing				
				2017/18	2018/19+	Total Programme	Funded (S106, Grant etc)	Resources to be identified
Revitalised neighbourhoods	47 to 53	E&L	Library Modernisation Programme		1,100,000	1,100,000		1,100,000
Cleaner Greener Safe	46	E&L	Old Wash House and Library in Burgess Park		150,000	150,000		150,000
Cleaner Greener Safe	65	CE	Mint Street Playground		300,000	300,000		300,000
Income generation	68	CE	Acquisition of Commercial Property		16,000,000	16,000,000		16,000,000
				-	17,550,000	17,550,000	-	17,550,000

Item No. 25.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Acquisition of Future Affordable Housing in Blackfriars	
Ward:		Cathedrals	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes	

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

Southwark Council is committed to doing all we can to tackle the housing crisis head on; this includes the most ambitious new build council home programme in the country. This will see 11,000 new council homes delivered by 2043. We are making good progress and will see the first 1,600 complete, on-site, or committed (with planning permission and funding in place) by the end of 2018. Residents have already moved into the first 357 new council homes.

We are delivering these new council homes through direct delivery on our existing housing land, through regeneration partnerships and through directly purchasing units. This report seeks approval to purchase the affordable housing block of 61 homes recently consented at planning committee for the 18 Blackfriars Road development. These new homes are right in the heart of central London and will provide much needed genuinely affordable council homes for local people.

Should the initial recommendation be approved the purchase agreement will need further work, in particular the specification for the new homes will need to be reviewed and agreed with the vendor. It is important that we can properly maintain the completed homes at the least cost to the housing revenue account and to source replacement parts. To achieve this, it may be necessary to agree variations to the intended specification. It is also our preference to acquire the freehold interest in the block rather than a long leasehold as this will enable us to control and minimise any service charges payable by our tenants. This is our aim but there may be legal technical issues that affect this and these will need to be worked through. For these reasons the second recommendation gives the appropriate directors delegated authority to resolve any outstanding matters.

RECOMMENDATIONS

That cabinet:

1. Approves the acquisition of the affordable housing to be provided as part of the regeneration known as 18 Blackfriars on the principal terms set out in the closed version of this report.
2. Authorises the director of regeneration to agree detailed terms of the purchase including whether the freehold or leasehold interest in the housing is acquired and in conjunction with the strategic director of housing and modernisation the specification of the housing to be acquired.

BACKGROUND INFORMATION

3. 18 Blackfriars is shown edged black on the plan at Appendix A to this report. As can be seen, it is a substantial site currently comprising low rise offices and the sites of demolished buildings. Its regeneration will be a significant milestone in the transformation of the Blackfriars area.
4. On 19 July 2017 the planning committee resolved to grant the promoter Circleplane consent to regenerate the site subject to a number of conditions. The consented scheme will provide:
 - Offices
 - Retail
 - A hotel
 - A music venue
 - Restaurant
 - 288 residential units
5. Of these 288 residential units:
 - 227 will be for market sale or rent
 - 61 will be affordable
6. In numerical terms, the affordable provision does not meet the policy compliant level of 35% but a further 22 units are being provided in Amelia Street (within a RSL scheme) together with a cash payment to be used to secure further affordable homes in the Borough. However in floorspace terms the onsite and off site affordable results in a 37% provision. Overall, planning committee was satisfied with this aspect of the scheme.
7. The affordable housing is to be provided in a fifteen storey block (retail on the ground floor) on the southern end of the site's Paris Gardens frontage. An image of this frontage is shown at Appendix B.
8. On 9 December 2014 the cabinet resolved actions to address the shortage of affordable housing within the Borough. One of the approved actions was where appropriate, to acquire affordable housing provided by new developments. It is therefore appropriate for cabinet to consider acquiring the affordable housing to be provided at 18 Blackfriars.
9. S17(1b) of the Housing Act 1985 empowers the council to acquire dwellings for housing purposes. Such dwellings once acquired will usually be held by the Housing Revenue Account.

KEY ISSUES FOR CONSIDERATION

10. The direct acquisition of affordable housing provided at new developments is a cost effective means of delivering the commitment to provide 1,500 new homes by 2018, it will usually be faster and less expensive than the Council directly building new housing.
11. There are three instances where this route is already being followed:

- 320 Blackfriars Road Bankside
 - Fisher Close Rotherhithe
 - Odessa Street Rotherhithe
12. At this time, a detailed specification for the completed housing has not been discussed but this will be a very important workstream once the principle of the acquisition is agreed. Indeed, the specification will form part of the purchase agreement. The specification will seek to secure the council's requirements both in terms of tenant amenity and mitigation of costs in use including replacement of components. Ultimately, the strategic director of housing and modernisation will approve the specification but specialist external and internal advice will contribute to the negotiations that will bring this to fruition.
13. All homes will have access to a private amenity balcony or terrace space. In addition, a communal roof top garden is provided for the residents in the building. The block recommended for purchase will have a sprinkler system. The exterior will not be clad instead it will be finished in glass and brick infill panels.
14. A summary of the accommodation provision is set out below:

Quantity	Type	Unit floor area m ²	Minimum floor area m ² *
20	One bedroom flat	50 & 52	50
35	Two bedroom flat	63 & 70	61 & 70
6	Three bedroom flat	74 & 86	74 & 93

- * Minimum floor area to satisfy planning policy. Floor area for two and three bedroom units vary according to number of persons they are designed to accommodate
15. Should these sixty-one units be acquired, they will increase the quantity of accommodation available to persons awaiting social housing in a very desirable locality. At least half of the homes will be let via local lettings agreements. The remainder will be allocated in the normal needs based way i.e. through the choice based lettings system.
16. The aspiration is to acquire the freehold interest in the block to alleviate against service charge and management conflicts between it and the rest of the development. However this is complicated because of retail being provided at ground floor level. Negotiations to achieve this aspiration are currently taking place. If this is not possible a long leasehold interest will be taken that will endeavour to minimise both the responsibility retained by the freeholder and the service charge.
17. The proposed acquisition of this housing was considered at the housing delivery programme board on 12 September and is supported by the board.
18. The terms for the proposed purchase are set out in the closed version of this report. The agreed price represents excellent value for the council and is less than it would cost to directly provide an equivalent number of housing units in this locality. It is also confirmed the price is in keeping with the viability appraisal submitted with the consented planning application.

19. Secure tenants of the new housing may be entitled to purchase the dwellings subject to qualification under Right to Buy. These rules include a 'cost floor' provision that means for the first 15 years after the acquisition of the dwellings, the council cannot sell any one of them for less than their acquisition price even if the discounted price should be lower. In reality though, the market value of any of the properties less the current maximum discount will exceed the cost floor value.

Rationale for recommendations

20. (a) To deliver additional affordable housing for Southwark
- (b) To secure the housing in the most cost effective way
- (c) To enable full negotiations to complete securing a specification for the new homes in accordance with housing policy and put in place a purchase structure that mitigates the Council's exposure to high service charges
- (d) To add to the council's asset base

Community impact statement/public sector equalities duty

21. The Equality Act 2010 imposes a general equality duty on public authorities (PSED), in the exercise of their functions, to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
 - Foster good relations between people who share a relevant protected characteristic and those who do not share it.
22. For the purpose of the PSED the following are 'protected characteristic' considerations:
- Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation.

23. The proposed purchase will increase the availability of housing to all and will not adversely affect any protected characteristic.

Resource implications

24. These are set out in the closed version of the report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Housing and Modernisation

25. As part of the council's strategy to deliver 11,000 new council homes by 2043, the cabinet agreed on the 9 December 2014 that the acquisition of S106 affordable homes being delivered by private housing developers as part of their planning consent could contribute to this target.
26. The acquisition of homes built by private developers raises issues for the housing and modernisation department in terms of ensuring the final development can meet the council's requirements, however this is by no means a unique position for the council to be in and any challenges can be met.
27. Issues over ensuring the specification meeting council's design standard and specifications will be managed by the new homes team. They will endeavour to make sure the scheme meets the council's standards as far as possible but it is recognised on a private development schemes this may not be completely possible and variations will need to be agreed. The new homes team will be involved in the development of the scheme to ensure the successful delivery of the homes into management.
28. It is strongly recommended that, if possible, the freehold be purchased so that the council can have control over the service charges and does not have to enter a lease agreement.
29. 61 newly purchased council homes present an opportunity for the council to continue to add to the pipeline of new homes towards the goal of delivering 11,000 new homes.
30. The acquisition proposal has been approved by the delivery programme board and the housing investment board. 30% of acquisition funding is to come from right to buy receipts, the remainder will be non-RTB receipts or major repairs reserve or a combination thereof.

Director of Law and Democracy

31. The proposal is to acquire the affordable housing block which is sited within the proposed development at 18 Blackfriars Road. The planning application for the redevelopment of the entire site was heard by planning committee on 19 July 2017 and a resolution to grant planning permission was obtained subject to the approval by the Mayor of London and also subject to the negotiation of a planning obligations agreement under section 106 Town and Country Planning Act 1990. The outline terms for the s.106 Agreement were only finalised shortly before consideration by the planning committee and it is unlikely that the agreement will be finalised for some months and possibly not before early 2018. Planning permission for the development can only be issued after the s.106 Agreement has been finalised and completed.

32. The closed report gives a full description of the proposal and the specific terms. The proposal being considered here is in relation to the affordable housing element at 18 Blackfriars which comprises 61 affordable units in a single 15 storey block which has a frontage to Paris Gardens.
33. The power to make the acquisition is within section 120(1), Local Government Act 1972 which authorises a council 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. The cabinet is therefore advised that there are adequate powers available to the council to acquire the affordable housing units at 18 Blackfriars Road by agreement.

Strategic Director of Finance and Governance (H&M17/039)

34. The strategic director of finance and governance notes the recommendations in this report seeking approval for the acquisition of affordable housing at 18 Blackfriars and authorising the director of regeneration to agree detailed terms of the purchase.
35. Should the acquisition proceed, it is anticipated that 30% of the cost of acquisition can be funded from Right To Buy receipts and the remaining 70% from other capital resources forming part of the overall housing investment programme, which is not currently fully funded. This may require part of the acquisition to be funded from borrowing.
36. The service charges payable by the council for estate upkeep are part of the Housing Revenue Account. The cost of these service charges is yet to be established and the council will need to have regard to the charges payable by tenants. If appropriate, the council will need to consider whether this arrangement should operate on a separate basis to the rest of the housing estate.
37. Staffing and any other costs associated with the report's recommendation are to be contained within existing department revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet report on 9 December 2014 Proposed Pipeline for the Delivery of 1,500 New Council Homes by 2018	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link: (copy and paste link into browser) http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4865&Ver=4		
Planning Committee report 19 July 2017	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link: (copy and paste link into browser) http://moderngov.southwark.gov.uk/documents/s69900/Report%20LAND%20AT%202018%20BLACKFRIARS%20ROAD%20BOUNDED%20BY%20STAMFORD%20STREET%20PARIS%20GARDENS%20AND%20CHRIST%20CHURCH%20GARD.pdf		

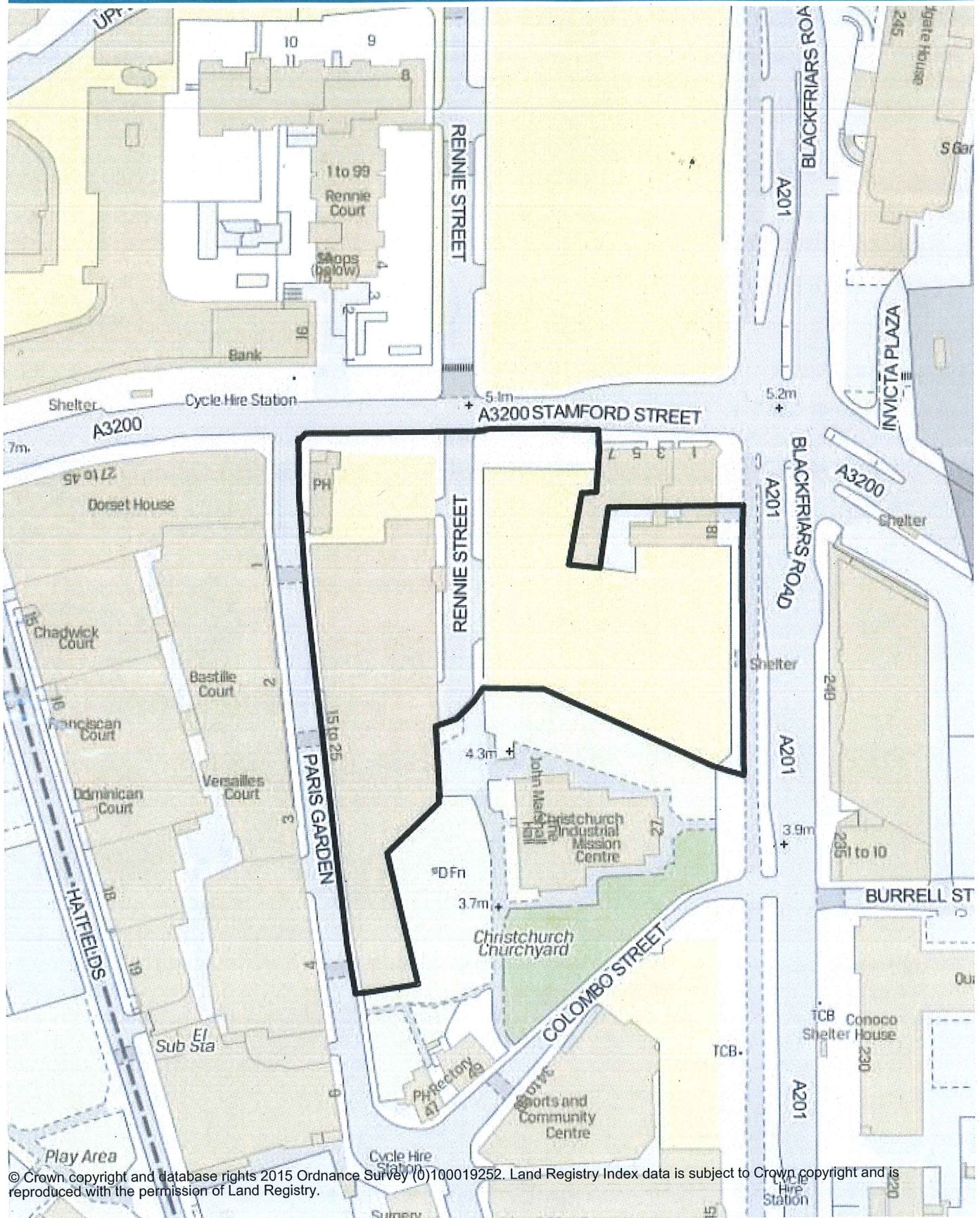
APPENDICES

Appendix	Title
Appendix A	Plan showing 18 Blackfriars edged black
Appendix B	Image of Paris Gardens' frontage

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	Stephen Platts, Director of Regeneration	
Report Author	Patrick McGreal, Regeneration North	
Version	Final	
Dated	7 September 2017	
Key Decision ?	Yes	
CONSULTATION WITH OTHER OFFICERS/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Housing and Modernisation	Yes	Yes
Director of Law and Democracy	Yes	Yes
Date final report sent to Constitutional Team		7 September 2017

18 BLACKFRIARS ROAD



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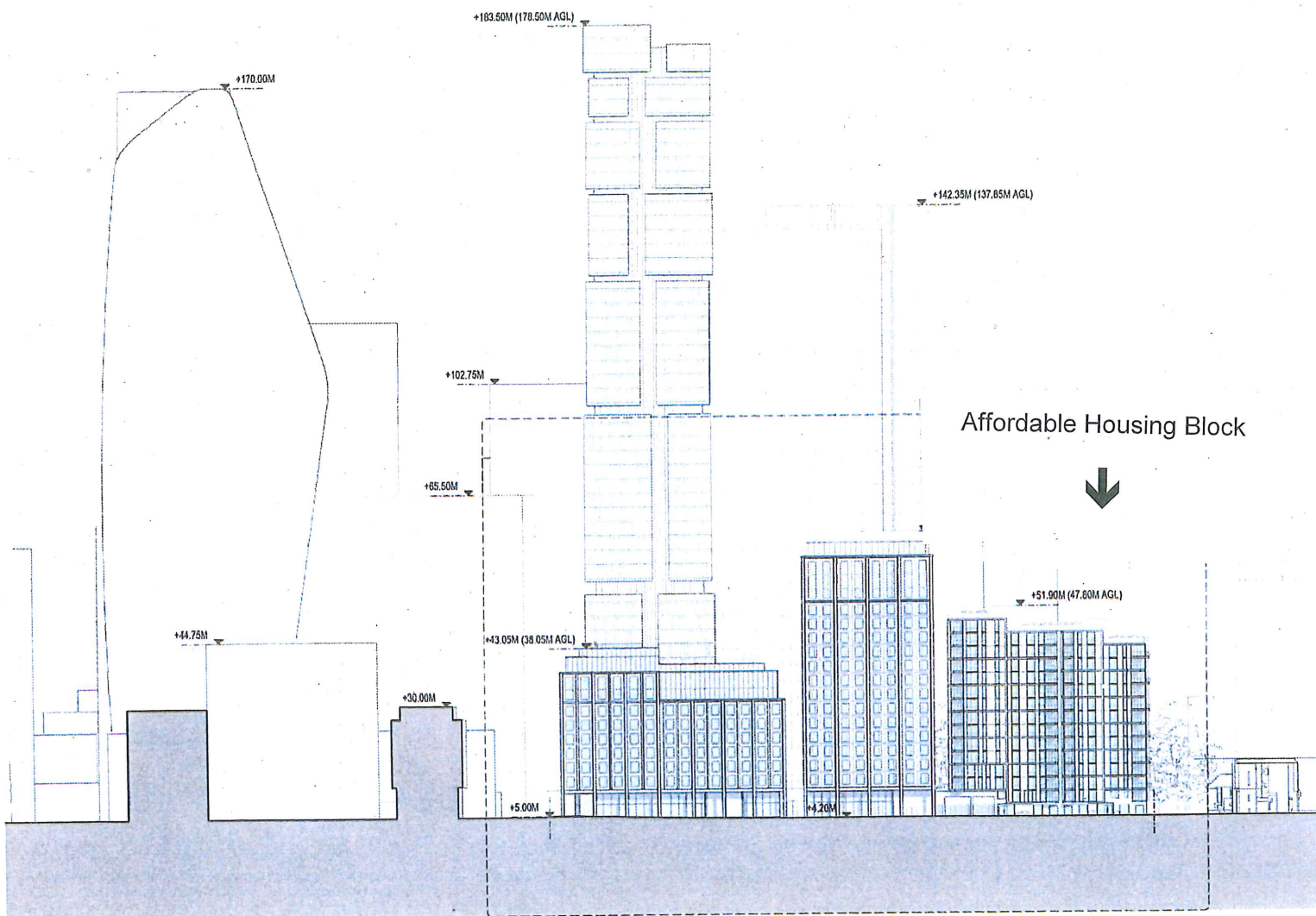
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APPENDIX B

18 Blackfriars Regeneration Frontage to Paris Gardens



Item No. 26.	Classification: Open	Date: 19 September 2017	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		Council Assembly	

RECOMMENDATION

1. That the cabinet considers the motion set out in the appendix attached to the report.

BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 12 July 2017 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motion referred to it. Any proposals in a motion are treated as a recommendation only. When considering a motion, cabinet can decide to:
 - Note the motion; *or*
 - Agree the motion in its entirety, *or*
 - Amend the motion; *or*
 - Reject the motion.

KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10.6, the attached motion was referred to the cabinet.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda	Report on the council's website	Virginia Wynn-Jones Constitutional Team 020 7525 7055
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&MId=5435&Ver=4		

APPENDICES

Number	Title
Appendix 1	What does Brexit mean for Southwark?
Appendix 2	Promoting the sale of new housing to local people
Appendix 3	Southwark's response to the London Bridge attack
Appendix 4	The terror attack on London Bridge and Borough Market
Appendix 5	Southeastern Trains
Appendix 6	Fire safety in Southwark
Appendix 7	Safety on Ledbury Estate

AUDIT TRAIL

Lead Officer	Chidilim Agada, Constitutional Manager (Acting)	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer (Acting)	
Version	Final	
Dated	10 August 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Finance and Governance	No	No
Director of Law and Democracy	No	No
Strategic Director of Children's and Adults' Services	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	10 August 2017	

APPENDIX 1

WHAT DOES BREXIT MEAN FOR SOUTHWARK?

1. Council assembly notes that the administration remains committed to its core values of fairness and equality, and to delivering its manifesto commitments made to the residents of our borough in 2010 and 2014 - to creating a fairer future for all. This commitment will not change as the UK prepares to leave the EU.
2. Council assembly notes that the UK Statistics Authority estimates the number of EU nationals living in the borough is 31,000, and recognises the significant contribution that EU nationals living and working in Southwark make to our community.
3. Council assembly notes that 73% of those who voted in the EU referendum in Southwark opted for the United Kingdom to remain a member of the European Union and welcomes the administration's public commitment at that time to "work hard to ensure that Southwark does not lose the many benefits that the EU brings".
4. Council assembly notes that since 2010 the employment rate in our borough has risen by over 10% to nearly 77%, with nearly 40,000 more people aged 16 – 64 now in work.
5. Council assembly welcomes the administration's commitment to attracting jobs and investment to Southwark, and notes with concern that some employers may delay investment decisions or consider transferring some employment away from London as a result of the Brexit decision.
6. Council assembly notes that this administration is dedicated to making our borough a greener and healthier place to live, and has invested in making walking and cycling easier, and reducing the council's own carbon emissions.
7. Council assembly notes that despite years of national government funding cuts, this administration has remained committed to protecting the most vulnerable in our communities, recognising that because of inflation and a weaker pound in the period since June 2016, our residents are facing rising costs for food, energy and other essentials.
8. Council assembly recognises the importance of Southwark's cultural, ethnic and religious diversity, and believes that this diversity is one of the factors that makes Southwark such an exciting and vibrant area to live and work in. Our diversity is strengthened by our bonds with other EU countries, and we should therefore continue to work with, and strengthen our connections with, our twinned boroughs of Clichy and Langenhagen.
9. Council assembly calls on cabinet to work with Southwark's three Labour MPs to lobby their leader, Jeremy Corbyn, and this Conservative government in order to clarify the rights of EU nationals to remain, rule out withdrawal from the EU without a deal, guarantee a Parliamentary vote on any final outcome to negotiations, set out transitional arrangements to maintain jobs, trade and certainty for business, set out proposals to retain the benefits of the Customs

Union and Single Market, set out clear measures to respect the competencies of the devolved administrations, include clear protections for EU nationals living in the UK now, including retaining their right to remain in the UK, and reciprocal rights for UK citizens, and to take every opportunity to ensure that local residents can continue to benefit from the jobs and apprenticeships in our borough which are connected to the EU.

10. Council assembly further calls on cabinet to maintain our high environmental standards and diversity, and to continue to protect our most vulnerable residents during the Brexit negotiations and after the UK leaves the EU.

APPENDIX 2

PROMOTING THE SALE OF NEW HOUSING TO LOCAL PEOPLE

1. Council assembly notes with concern that:
 - Recent research conducted for the Mayor of London indicates that over half of new build properties bought by foreign investors in London are sold at a price-point deemed suitable for first-time buyers (under £500,000).
 - The same research indicates that 25% of new build homes sold in the London Borough of Southwark are sold overseas, putting Southwark in the top four London boroughs for the proportion of new homes sold overseas.
2. Council assembly further notes that:
 - The redevelopment of the Heygate Estate will see more than 2,700 new homes built; at least 25% of these new homes will be offered for social rent, affordable rent or shared-ownership sale following the intervention of the then newly elected Labour council. This is opposed to if the amount of affordable housing was determined through the planning system alone as advocated by Southwark Liberal Democrats which would have secured significantly less affordable housing.
 - Council assembly also notes that the last Labour government provided £120,000 subsidy for each new affordable home built, and that the Conservative/Liberal Democrat coalition slashed this to just £20,000 per affordable unit.
 - Council assembly further notes that the former MP for Bermondsey and Old Southwark was reprimanded by the Parliamentary Commissioner for Standards for not declaring a donation from a developer on the Old Kent Road, whose scheme only comprised 6% affordable housing. Council assembly also notes this application was refused by Southwark's planning committee, but was overturned by the Conservative Mayor Boris Johnson.
3. Council assembly welcomes:
 - The announcement from Labour's shadow housing secretary, John Healey, indicating that a Labour government would give local people "first dibs" on new homes ahead of overseas buyers.
 - The call from the Mayor of London's advisory board, Homes for Londoners, for steps to be taken "to make more homes available to Londoners before anyone else, with any measures particularly focusing on homes sold for prices that Londoners, especially first-time buyers, are more likely to be able to afford".
 - That this council already requires developers to give UK residents a fair chance by marketing new homes to them before they are advertised abroad.
4. Council assembly therefore calls on cabinet to take urgent action to promote the sale of new homes to local people by:

- Ensuring that at least one in three homes in every new development is genuinely affordable.
- Using its influence with existing developers to ensure that new-build homes in Southwark costing £500,000 or less are actively marketed to local people in the first instance rather than marketing them overseas.
- Including the above two conditions in any future development agreements.
- Lobbying the Mayor of London to implement the recommendations of the Homes for Londoners Sub-Group Board Report on Overseas Investment.

APPENDIX 3

SOUTHWARK'S RESPONSE TO THE LONDON BRIDGE ATTACK

1. Council assembly notes that on 3 June 2017, a horrific terrorist attack took place on London Bridge and in Borough Market which killed eight people, and left a further forty-eight people injured.
2. Council assembly notes that within 20 minutes of the terrorist attack taking place, Southwark Council's emergency planning team were in contact with the chief executive of the council and setting up the Borough Emergency Control Centre (BECC).
3. Council assembly notes that in the immediate aftermath of the terrorist attack and beyond, Southwark Council staff voluntarily came into work on a Saturday night to support the work of the BECC, with many working throughout the night. In the days and weeks after the attack, staff continued to play an important role, which included, but was not limited to:
 - Supporting residents who were unable to immediately return to their homes and helping them find alternative accommodation.
 - Providing information and support to local businesses affected, and assisting them in re-opening.
 - Co-ordinating the lifting of the police cordon around Borough Market.
 - Cleaning and preparing roads and other areas before they were re-opened to the public.
 - Working with the NHS and local charities to set up a community assistance centre for local people affected by the terrorist attack to seek emotional support.
4. Council assembly notes that without the council staff who volunteered their assistance, the council would not have been able to provide as high quality support to residents, businesses, local organisations and the emergency services.
5. Council assembly would like to formally put on record its thanks to the emergency services, and all council staff, local residents, business owners and community groups who helped to respond to the terrorist attack. By standing together, we have shown that this dreadful attack will not defeat us, and that we will always stand together as a community. Southwark can, and should, be proud of our response.

APPENDIX 4**THE TERROR ATTACK ON LONDON BRIDGE AND BOROUGH MARKET**

Council assembly:

1. Offers its thoughts and condolences to the friends and family of the eight people who lost their lives, those who were injured, are still in hospital or were otherwise caught up in the horrendous terrorist attack on London Bridge and Borough Market on Saturday 3 June 2017.
2. Offers its sincere thanks to the Metropolitan Police Service, the Counter Terrorism Police, the London Ambulance Service, NHS staff, Southwark Council staff and other emergency workers for the professional and outstanding way they responded to the incident and the care and support they have provided to those affected.
3. Acknowledges the impact on Borough Market, Southwark Cathedral and other business and venues in the vicinity of the attack and pledges its support to their response and commitment to get “back to business”.
4. Acknowledges the impact on residents who live in the area which was cordoned-off and who were either unable to leave their homes or unable to return home.
5. Thanks the clergy and staff of Southwark Cathedral and religious leaders from churches, mosques and other places of worship across the borough for their prayers and spiritual guidance in the wake of the attack.
6. Thanks the Mayor of London and other politicians for their united response to the terror attack and acknowledges the wider support and love shown to those affected by the attack from people across London, the UK and the world.
7. Acknowledges the unique role that James Hatts and @SE1 played in providing up to date information to those caught up in the incident, including residents and businesses.
8. Recognises the strength and solidarity of the community in SE1 and across Southwark in their response to the attack and celebrates the community cohesion and diversity that exists in our borough.
9. Calls upon cabinet to take steps to look at what lessons can be learnt from the response to the attack, including exploring any additional measures that can be put in place to make our borough safer and seeking to improve our response to sharing information and building on existing networks and communities in the event of a major incident.
10. Resolves to promote the financial appeals and ongoing support structures that have been launched or put in place for those who lost their lives, were injured or were impacted psychologically or financially as a result of the attack.
11. Resolves to celebrate our way of life and our shared values of tolerance, openness and diversity and reconfirms that those who seek to attack us will never win and that love will always conquer hate.

12. Calls on the council, in conjunction with the families of those who died, those who were injured and other appropriate stakeholders, to consider an appropriate memorial for the victims of this attack.

APPENDIX 5**SOUTHEASTERN TRAINS**

1. Council assembly recognises the importance of public transport for residents in Southwark and that the Southeastern line to London Victoria is used by thousands of passengers from Nunhead, Peckham Rye and Denmark Hill stations. It links south East London and Kent to the DLR and Overground as well as the tube network at Victoria and provides public transport to Kings College and the Maudsley Hospitals.
2. Council assembly notes that after much lobbying (including the 2012 motion agreed by this assembly), this service was extended to a full Monday to Sunday service including evenings. Residents had already lost the Victoria to London Bridge service when the Overground service via Peckham Rye started and extension to this service was much needed. There has already, therefore been a net loss in service to Victoria on Monday to Saturday peak times of two trains per hour.
3. Council assembly is deeply concerned by the recent Department for Transport consultation seeking passengers' views on the principle of reducing the choice of London termini to provide a more regular timetable and reliable service. This has arisen to appease the Kent commuters who want a faster service into London. The proposal is to rationalise the services via Lewisham so they go to London Bridge or Cannon Street only and not to Victoria, thereby cancelling the service via Southwark to Victoria. As well as the loss of the service, this means, that when there are problems or engineering works on the Thameslink line, there won't be the option of rerouting services into Victoria as happens at present.
4. Council assembly accepts that the Lewisham train junction is a busy one. Therefore, if rationalisation of services through this junction is deemed necessary, alternative rerouting to the south of Lewisham would need good, frequent connections at Lewisham and extra train services, i.e. a return to four trains per hour through Southwark, as our residents also use the service southbound towards Dartford for work and school.
5. Council assembly find it unacceptable that the recent consultation has been skewed towards the longer distance commuters. This consultation was not even advertised at our stations. We believe the current system provides a poor outcome for our residents and that Transport for London (TfL) should take on the responsibility for the running of this and other south east London rail services to enable our residents to have a properly integrated transport system.
6. Council assembly calls on cabinet to work with Network Rail and TfL to seek a concrete commitment and funding from Government to support the reopening of Camberwell station in order to provide a much needed additional transport link for the local area.
7. Council assembly recognises the increase in passenger numbers at Denmark Hill station which has resulted in dangerous overcrowding and therefore calls on cabinet to support plans to build an additional entrance and ticket machines on Windsor Walk by accelerating the anticipated planning application and other council required permissions.

8. Council assembly calls on cabinet to lobby the Department for Transport to reinstate the South London Line service, in order to provide a key link for many Southwark residents to Central London, once rebuilding works at London Bridge have been completed.

APPENDIX 6**FIRE SAFETY IN SOUTHWARK**

1. Council assembly offers its sincere and heartfelt condolences on behalf of the people of Southwark to all those affected by the tragic fire at Grenfell Tower in Kensington and Chelsea.
2. Council assembly notes:
 - The courageous response of the men and women of the emergency services to the fire at Grenfell Tower.
 - The impressive scale of donations and offers of help from members of the public and voluntary organisations in response to the fire at Grenfell Tower.
 - The contribution of Southwark Council to the London Councils' led Grenfell Fire Response Team in providing support to those affected.
 - The contribution of Eleanor Kelly, chief executive of the council, for her work with the government taskforce in providing support in Kensington and Chelsea.
3. Council assembly further notes:
 - The investment into improving the fire safety of council properties in Southwark since the devastating fire at Lakanal House in 2009.
 - Decisions made by the cabinet in 2013 on where best to focus investment in response to the coroner's recommendations.
 - The understandable concerns that Southwark residents will have about the safety of council-owned blocks and about whether they will be safe in the event of a fire.
 - The independent review into fire safety in council blocks commissioned by the deputy leader and cabinet member for housing which will include but is not limited to ascertaining the need for and cost of fitting sprinkler systems and any other fire safety measures in these buildings.
 - The work the council has undertaken to keep residents updated through the council's website, letters from the deputy leader and cabinet member for housing and a special fire safety edition of Southwark Life.
4. Council assembly therefore calls upon the cabinet to:
 - Make public the findings of the independent review.
 - Establish a fire safety advisory group to allow residents to be involved in shaping fire safety following the review.
 - Bring a report to cabinet outlining the measures that the council will take to implement the recommendations of the review.

APPENDIX 7**SAFETY ON LEDBURY ESTATE**

1. Council assembly notes the significant concerns of residents of the four Ledbury tower blocks – Bromyard House, Peterchurch House, Sarnesfield House and Skenfrith House – regarding fire safety.
2. Council assembly views the tragic events at Grenfell Tower as requiring every council to put significant focus on improving fire safety, and recognises that our residents have a right to feel safe in their own homes.
3. Council assembly acknowledges the steps taken by the council to date to address the fire safety concerns at the four Ledbury Tower blocks over the last two weeks, but believes that the council needs to do more to ensure that its residents are safe, improve communication with them and address their concerns.

Council assembly therefore calls upon the cabinet to ensure that:

4. Any tenant of the four Ledbury Tower blocks that requests a transfer to a new home is treated as a band 1 priority.
5. The council urgently requests that Arnold Tarling shares his report on safety issues regarding the towers with the council so that all the issues that it raises can be fully addressed.
6. The council continue to carry out the type 4 fire risk assessments to the four Ledbury tower blocks and ensures all other necessary safety checks are carried out urgently. The council should share any reports arising from these reports with residents as quickly as is possible.
7. Any council officer or contractor involved in work on the towers treats every resident with the same respect and concern as if they were a valued member of their own family.
8. Whilst fire wardens are in place in the blocks, council officers ensure that they are fully trained and equipped to perform their role as fire marshals.
9. The council installs a comprehensive fire alarm system in all communal areas in the four blocks to ensure that there is full fire safety coverage in these areas once the fire wardens leave.
10. A compensation package for tenants and residents is developed that recognises the disruption and distress to their lives caused through the fire safety concerns to their homes.
11. The council does all that it can to share all that it knows with residents, recognising that different residents have different communication needs. Where information is not yet known, the council must be clear about what steps it is taking to find this out and give an indication of how long this will take.
12. The entryphone system is fully reinstated as soon as it is safe to do so, with new fobs being issued to every resident.

13. Leaseholders of the four blocks are not charged for any safety work arising from the safety issues there.

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Paula Thornton Tel: 020 7525 4395

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