

Cabinet

Tuesday 11 December 2018

4.00 pm

Ground Floor Meeting Room G02C - 160 Tooley Street, London SE1 2QH

Membership

Councillor Peter John OBE (Chair)
Councillor Rebecca Lury

Councillor Evelyn Akoto
Councillor Jasmine Ali
Councillor Stephanie Cryan
Councillor Richard Livingstone

Councillor Victoria Mills
Councillor Leo Pollak

Councillor Johnson Situ
Councillor Kieron Williams

Portfolio

Leader of the Council
Deputy Leader and Cabinet Member for
Culture, Leisure, Equalities and Communities
Community Safety and Public Health
Children, Schools and Adult Care
Housing Management and Modernisation
Environment, Transport Management and Air
Quality
Finance, Performance and Brexit
Social Regeneration, Great Estates and New
Council Homes
Growth, Development and Planning
Jobs, Skills and Innovation

INFORMATION FOR MEMBERS OF THE PUBLIC

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Contact

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

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 3 December 2018



Cabinet

Tuesday 11 December 2018

4.00 pm

Ground Floor Meeting Room G02C - 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 5 December 2018.	
6.	MINUTES	2 - 8
	To approve as a correct record the minutes of the open section of the meeting held on 30 October 2018.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Wednesday 5 December 2018.	
8.	POLICY AND RESOURCES STRATEGY 2019-20	To follow
9.	THE COUNCIL TAX BASE 2019-20	To follow
10.	HOUSING REVENUE ACCOUNT - INDICATIVE RENT SETTING AND BUDGET REPORT 2019-20	9 - 28
	To note issues associated with the housing revenue account.	
	To instruct officers to provide a final report to cabinet in January 2019 on rent setting after consultation with residents.	
11.	SOUTHWARK SCHOOLS STANDARDS REPORT 2017-18	29 - 33
	To note the 'Best start in life - Southwark school standards report 2017-18'.	
12.	ADOPT LONDON SOUTH, REGIONAL ADOPTION AGENCY	34 - 50
	To agree to enter into regional adoption arrangements as part of Adopt London South, with ten participating authorities.	
13.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: FACILITIES MANAGEMENT (FM) CONTRACT FOR THE COUNCIL'S OPERATIONAL ESTATE	51 - 74
	To approve the procurement strategy.	

Item No.	Title	Page No.
14.	ESTABLISHMENT OF THE POSITIVE FUTURES FUND	75 - 83
	To approve the establishment of the Positive Futures Fund that aims to support community organisations to provide inspiring opportunities for young people that divert them away from crime.	
15.	SOUTHWARK GREAT ESTATES PROGRAMME - PAPER 1 - AGREEING THE VISION AND APPROACH	84 - 93
	To agree the vision and approach for the Great Estates Programme including the principal approach to 'expand and enrich' our council estates, while restating the terms and circumstances for a redevelopment proposal.	
16.	ANNUAL WORKFORCE REPORT	94 - 104
	To note the annual workforce report.	
17.	INTRODUCING A GOLD STANDARD TO THE PRIVATE RENTED SECTOR	105 - 130
	To instruct officers to consult on the adoption of a Gold Standard and pilot an associated award scheme for the private rented sector and agree criteria to be consulted on to meet the Gold Standard.	
18.	NEW DEPOT	131 - 141
	To note the preparatory work done to date on providing a new depot for the council's in house services and to approve in principle the proposal to develop.	
19.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL FOR SOUTHWARK HIGHWAYS WORKS CONTRACTS	142 - 168
	To approve the procurement strategy for two separate contracts (works contract and services contract).	
20.	ALLOCATION OF LOCAL COMMUNITY INFRASTRUCTURE LEVY FUNDING	169 - 180
	To commit to spending the funds collected to end of financial year 2017-18 as the 25% neighbourhood portion of the Community Infrastructure Levy within each community council area and approve funding to be released and allocated to the priority projects put forward by community councils within the existing council capital programme.	

Item No.	Title	Page No.
21.	SOUTHWARK REGENERATION IN PARTNERSHIP PROGRAMME - LOT A SITES APPROPRIATION	181 - 196

To confirm that the land is no longer required for those purposes which they are currently held and to approve the appropriation of the land to planning purposes.

22.	CANADA WATER SOCIAL REGENERATION CHARTER	197 - 228
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To agree the Canada Water Social Regeneration Charter which includes five emerging priorities.

OTHER ITEMS

The following items are also scheduled for consideration at this meeting:

23.	CAPITAL LETTERS: PROCUREMENT OF ACCOMMODATION FOR HOMELESS HOUSEHOLDS
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24.	COMMERCIAL PROPERTY PORTFOLIO: ADDITION OF INCOME GENERATING ASSET
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DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING

EXCLUSION OF PRESS AND PUBLIC

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

25.	COMMERCIAL PROPERTY PORTFOLIO: ADDITION OF INCOME GENERATING ASSET
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DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT



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

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

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

DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 11 December 2018

LEAD OFFICER DETAILS

Name and contact details: Adrian Sancroft 020 7525 0068
or email: Adrian.sancroft@southwark.gov.uk

DETAILS OF THE REPORT

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

Commercial Property Portfolio: Addition of Income Generating Asset

To agree the acquisition of property in SE1.

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

The council made a late bid for the investment and the vendor has imposed a conditional timeframe within the Heads of Terms requiring a cabinet decision on the 11 December and completion of the acquisition not later than 19 December. Failure to meet these requirements will result on the vendor withdrawing from the transaction and the opportunity to acquire the investment will be lost to the council.

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

The agreed Heads of Terms require confidentiality. The terms were discussed at the cabinet agenda planning meeting and permission to proceed with the proposed acquisition was agreed on Wednesday 28 November.

Paula Thornton
For Proper Constitutional Officer
Dated: 3 December 2018



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 30 October 2018 at 4.00 pm at Ground Floor Meeting Room G02C - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John OBE (Chair)
Councillor Rebecca Lury
Councillor Evelyn Akoto
Councillor Jasmine Ali
Councillor Stephanie Cryan
Councillor Richard Livingstone
Councillor Victoria Mills
Councillor Leo Pollak
Councillor Johnson Situ
Councillor Kieron Williams

1. APOLOGIES

There were no apologies for absence. Councillor Evelyn Akoto gave her apologies for having to leave the meeting at 4.30pm.

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

The chair gave notice of the following late item:

Item 7: Deputation requests

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

The chair announced that item 14 "The Way Forward: Ledbury Estate high rise blocks" would be heard straight after the deputation regarding this item.

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

There were no closed items considered at this meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

None were declared.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 18 September 2018 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

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

RESOLVED:

That the deputation be received.

Ledbury Resident Project Group (RPG)

The deputation spokesperson addressed cabinet in respect of item 14 on the agenda for this meeting: The Way Forward: Ledbury Estate High Rise Blocks. They said that they welcomed the fact that the residents' preferred option was contained in the recommendations, as well as the right to return for leaseholders and council tenants, and not charging leaseholders for the works proposed. They further welcomed the opportunity to scrutinise the work and testing on the pilot flats, but called for an organisation other than the contractor to carry out the testing. The deputation asked for work on the low-rises to be brought forward to minimise the length of construction activity on the site, costs and residents' uncertainty. They called on the council to continue to work with and fully consult all residents (including those in the low-rises and the RPG) on all future plans before these were formulated, for example via the Ledbury Estate satellite office.

The chair thanked the deputation for attending.

In response to questions from cabinet members, the deputation said it was important for the council to engage fully with residents in the low-rises and that there were concerns that the new developments would leave some residents in the low-rises feeling boxed in. Communication had generally been good, in particular via meetings, pictorial representations of the works and the weekly newsletter, but other approaches like door-knocking were also important.

Councillor Leo Pollak, cabinet member for social regeneration, great estates and new

council homes, said that the council would employ a masterplan approach for any new development on the site, and would generally be looking at synchronising repairs and the delivery of new homes. He invited residents to approach him with their views and concerns.

Councillor Stephanie Cryan, cabinet member for housing management and modernisation, responded that she was delighted with the residents' preferred option. There were plans to have the work on the pilot flats checked by BRE (Building Research Establishment). The council would continue to work with and communicate with stakeholders, including the residents in the low-rises, through dedicated officers. She thanked officers who had worked with residents and on the report and said that this report was merely the first step in the process.

8. COUNCIL PLAN 2018-19 - 2021-22

RESOLVED:

1. That the issues raised in the public consultation on the council plan (paragraph 8 of the report) be noted.
2. That the final format of the proposed council plan 2018-19 – 2021-22 be agreed.
3. That the proposed council plan 2018-19 – 2021-22 be recommended for agreement by council assembly on 28 November 2018.

9. PUPIL PLACE PLANNING

RESOLVED:

1. That the updated forecasts of primary and secondary school places for 2019 as set out in tables 9 and 15 of the report be noted.
2. That the potential oversupply of primary places in a number of localities and intention of children's and adults' services to begin consultation on revisions to published admissions numbers (PANs) that will ensure supply broadly matches demand locally and across the authority area be noted.
3. That it be noted that any proposed alterations to PANs will be brought to cabinet for formal decision in January 2019, for proposed implementation in September 2019 (subject to the Office of the Schools Adjudicator approval).
4. That the projected future shortfall of secondary places from September 2019 onwards and the need for a new educational provision on the Old Kent Road area to meet need in the medium to long term be noted.
5. That officers continue approaching secondary schools to ascertain their willingness and capacity to take year-7 pupils over their PANs.

10. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL SOUTHWARK WORKS EMPLOYMENT SUPPORT COMMISSIONING FRAMEWORK

RESOLVED:

1. That the procurement strategy outlined in the report for the Southwark Works Employment Support Commissioning Framework for four years commencing on 1 July 2019, for a total value of £15,800,000 be approved, which will be split between:
 - An estimated maximum annual spend of £1,950,000 by Southwark Council
 - An estimated annual spend of £2,000,000 from other boroughs.
2. That it be noted that tenders for the initial call-off contracts will be invited from suppliers at the same time as inviting applications to the framework.
3. That approval of the gateway 2 report for the establishment of the framework be delegated to the chief executive for the reasons set out in paragraph 28 of the report.
4. That it be noted that the approval of individual call-off contracts from the framework will be approved by the chief executive in accordance with contract standing orders, for the reasons set out in paragraph 29 of the report.

11. APPROVAL OF THE COUNCIL'S MOVEMENT PLAN (TRANSPORT PLAN), LOCAL IMPLEMENTATION PLAN (LIP) 3 AND INTEGRATED IMPACT ASSESSMENT (IIA), ANNUAL SPENDING SUBMISSION FOR 2019 / 20 AND LIVEABLE NEIGHBOURHOOD BID FOR BRAMCOTE PARK

RESOLVED:

Decisions of the Cabinet

1. That the Movement Plan (transport plan), Local Implementation Plan (LIP) 3 and Integrated Impact Assessment (IIA) be approved for public consultation and submission to Transport for London (TfL) in Appendix A of the report and associated supporting documents contained in Appendix B of the report.
2. That the content of the council's proposed LIP submission to TfL that identifies transport projects to be delivered using this funding in 2019-20 by 2 November 2018 in Appendix C of the report be approved.

Decisions of the Leader of the Council

3. That authority be delegated to the cabinet member for environment, transport management and air quality to amend the programme for 2019-20 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding any scheme changes in their area.
4. That authority be delegated to the cabinet member for environment, transport management and air quality to determine the most appropriate use of the £100k discretionary funding allocated by TfL for 2019-20.

12. LAND AND GARAGES AT RYE HILL PARK, NUNHEAD**RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and sections 122(1) and 122(2A) of the Local Government Act 1972 be approved.
2. That following completion of the appropriation at paragraph 1 of the report the land shown edged on the plan at Appendix A of the report be confirmed as no longer be required for planning purposes and the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and sections 122(1) and 122(2A) of the Local Government Act 1972 be approved.

13. GARAGES AT WELSFORD STREET, BERMONDSEY**RESOLVED:**

1. That the land shown edged red on the plan at Appendix A that is currently held for housing purposes be confirmed as no longer required for those purposes and the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972 be approved.
2. That following completion of the appropriation at paragraph 1 of the report the land shown hatched on the plan at Appendix A be confirmed as no longer required for planning purposes and the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972 be approved.

14. THE WAY FORWARD: LEDBURY ESTATE HIGH RISE BLOCKS**RESOLVED:**

1. That the results of the options appraisal carried out for the Ledbury Estate high rise blocks be noted.
2. That it be agreed that the four high rise blocks should be refurbished and that land immediately adjacent to those blocks be used to build new homes (option B in paragraph 26 of the report) in accordance with the council plan which guarantees development on council housing land have at least 50% council rented homes and ensure a right to return for council tenants and leaseholders so local people can stay in the borough they call home.
3. That the proposal to carry out the refurbishment of Bromyard proceed using the

existing partnering contract and delegated approval process with Engie be noted and that the rest of the project proceed using existing frameworks or the partnering contract, the new contractor framework if in place, or a traditional procurement route, all activities to be run concurrently to ensure all homes can be provided as soon as possible.

4. That the decision not to charge leaseholders in the four tower blocks for their element of the cost of the refurbishment works be approved.
5. That the decision not to charge residents for the costs of the temporary heating and hot water communal systems to the four tower block residents be approved.

15. NEW HOMES PROGRAMME: DELIVERY MODEL REVIEW 2018

RESOLVED:

1. That the following be approved:
 - the exploratory work to provide an innovative solution to develop 'in house' construction development capacity within Southwark and for cabinet to receive a report on the options by April 2019
 - further development work to find a suitable site to develop a community land trust (CLT) in Southwark
 - that a programme wide approach is adopted to maximise the proportion of council homes at council rents, with sufficient flexibility for a sales element to support the viability of the programme, depending on the overall financial envelope. Developments on council housing land will have at least 50% council rented homes and ensure a right to return for council tenants and resident leaseholders so local people can stay in the borough they call home
 - that cabinet receive a general update report by April 2019.
2. That the following be noted:
 - the progress at September 2018 on the new build programme and the interim target to deliver 2500 homes by the end of 2022 as part of the longer term commitment to deliver 11,000 council homes by 2043
 - that the success of this programme is subject to a holistic, planned, managed and executed delivery programme that focuses on providing quality homes expediently
 - a robust borough wide capacity study is underway to provide a future pipeline to deliver the above aims
 - a renewed design approach as outlined in paragraphs 34-36 of the report
 - the detailed communications and engagement strategy outlined in paragraphs 30-33 of the report

- the funding position and the bid for GLA funding and additional borrowing headroom to enable the delivery of the first 2500 homes
- the establishment of a new member led steering group to oversee the strategic delivery of the development programme.

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.

16. MINUTES

RESOLVED:

That the closed minutes of the meeting held on 18 September be approved as a correct record and signed by the chair.

The meeting ended at 5.35pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 7 NOVEMBER 2018.

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

Item No. 10.	Classification Open	Date: 11 December 2018	Meeting name: Cabinet
Report title:		Housing Revenue Account – Indicative Rent Setting and Budget Report 2019-20	
Ward(s) or groups affected:		All	
Cabinet Members:		Councillor Stephanie Cryan, Housing Management and Modernisation, and Councillor Victoria Mills, Finance, Performance and Brexit	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION, AND COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

This year's indicative rent setting and budget report for the Housing Revenue Account sets out recommendations and key considerations before formally being agreed by cabinet in January 2019.

Since 2016 we have felt the impact of the National Rent Reduction of 1% a year which forms part of the Welfare Reform and Work Act 2016 and it is estimated that by 2020 this could be the equivalent loss of £62.5m to the Housing Revenue Account. This will be the last year that this impacts the HRA and we are seeing the impact that this has had on our income all too acutely.

The roll out of universal credit continues to have a detrimental impact on our tenants and we are still seeing rent arrears increase due to the delays in processing applications. We estimate that £2.2m of arrears can be directly attributed to universal credit.

We welcome the recent Government announcement to lift the HRA borrowing cap. This will help to deliver on our Council Plan commitment to build new council homes across the borough and help residents who are on our waiting list and desperately need a home. However the constraints and demands on the HRA for our Quality Homes Investment Programme, updating our district heating networks and day to day housing management continue.

As always we will consult on the recommendations of this report with Tenant Council, Homeowners Council and Area Housing Forums before the final report is presented to cabinet in January and we are asking cabinet to accept the recommendations for the indicative setting prior to this.

RECOMMENDATIONS

1. That Cabinet notes on a provisional basis a rent decrease of 1.0% for all directly and tenant managed (TMO) housing stock within the HRA (including estate voids, sheltered and hostels), with effect from 1 April 2019. This is in accordance with the provisions of the Welfare Reform and Work Act 2016.

2. With regard to other HRA-wide charges, that cabinet notes on a provisional basis the changes to tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry maintenance as set out in paragraphs 30 – 31 with effect from 1 April 2019.
3. That Cabinet notes on a provisional basis increases in charges for garages and other non-residential facilities as set out in paragraphs 32 – 33 with effect from 1 April 2019.
4. That Cabinet notes on a provisional basis no increase to district heating and hot water charges as set out in paragraph 34 with effect from 1 April 2019.
5. That Cabinet reaffirms its commitment to ensure that savings proposals are primarily based on efficiencies, and where staffing reductions form part of any savings proposal, that due consultation and process is followed with trade unions.
6. That Cabinet instructs officers to provide a final report on Rent Setting and the HRA Budget for 2019-20 after due consultation processes with residents have been followed for consideration at their meeting on 22 January 2019.

BACKGROUND INFORMATION

Statutory framework

7. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, homeowner service charges and other income. The council has a statutory responsibility to set a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).

KEY ISSUES FOR CONSIDERATION

National rent reduction

8. Provisions within the Welfare Reform and Work Act 2016 compelled local authorities and housing associations to reduce rents by 1% each year commencing April 2016 for four years and 2019-20 represents the final year of this policy. In October 2017 the Ministry for Housing, Communities and Local Government (MHCLG) announced that national rent policy would revert to CPI +1% for a period of five years from 2020-21 to 2024-25. Under normal circumstances, the resultant rent increase for 2019-20 at CPI +1% would have been 3.4% and raised around £6.67m, rather than the loss implicit in the rent reduction.

9. Southwark has a sustained record of low or inflation-linked rent rises and has adhered to the government's rent restructuring methodology when setting rents. The single exception to this was to agree a lower rent increase, equivalent to CPI in 2014-15, as the implied national increase was considered to be too high. This has meant that Southwark's rents remain around 10% lower than the government's assumed target and ranks 7th lowest of the 29 London Boroughs with retained housing stock. By way of mitigation, the impact of the straight to target policy for new lets implemented in April 2015 sees rents gradually moving to target over an extended period (twenty plus years).
10. Under such a reduction, the average dwelling rent across the main housing stock including Tenant Management Organisations (TMOs) for 2019-20 would be £97.83 per week (mid-year average).

Higher-value void property sales

11. The government indicated within the Green Paper "A New Deal for Social Housing", published on 14 August 2018 that provisions within the Housing and Planning Act 2016 with regard to the enforced sale of higher-value void properties in order to finance the introduction of the right to buy in the RSL sector were to be repealed "when parliamentary time allows" (paragraph 153).

Lifetime tenancies

12. The Housing and Planning Act 2016 set out proposals regarding secure tenancies from April 2016 onward. With some caveats, the statutory default position was for new tenancies to be limited to a five year, renewable period. However, the government position shifted during 2018, and within the Green Paper there was a significant rowing back on this policy, including the decision not to implement these provisions (paragraph 186). Whilst not as firm as the undertaking to repeal the higher-value voids legislation, this shift in policy means that none of the original financial aspects of the 2016 Act are currently operational.

Consultations

13. The Green Paper covers a number of policy areas as follows:
 - Ensuring homes are safe and decent;
 - Effective resolution of complaints;
 - Empowering residents and strengthening the Regulator;
 - Tackling stigma and celebrating thriving communities; and
 - Expanding supply and supporting home ownership.
14. The council's full response to the consultation is available on the website. <http://moderngov.southwark.gov.uk/documents/s78593/Report%20Southwark%20Councils%20response%20to%20the%20Social%20Housing%20Green%20Paper%202018.pdf> (copy and paste link into your browser)

15. In a parallel exercise, government also recently consulted on amending the rules around the application of right to buy capital receipts. The council responded seeking greater freedoms for the retention and application of receipts and their use in conjunction with grant aid, which would remove a further impediment to financing the council's new build programme. The outcome of this consultation is awaited.

Debt cap and prudential borrowing

16. With the introduction of self-financing in April 2012 came the imposition of a debt cap on HRA borrowing. Government reasoning being that such borrowing would count against the level of national debt and had to be strictly controlled. Since then local authorities have made strong representations for the removal of this constraint, arguing that it fettered the ability of providers to respond imaginatively to supply-side problems in terms of social housing provision. For many authorities, borrowing headroom was severely restricted, whereas the position for Southwark wasn't as acute and it has been possible to deliver the capital investment as planned within the available resources and reduce indebtedness over that period.
17. However, given Government's renewed focus on social housing provision, the Prime Minister at the Conservative Party conference on 3 October 2018 indicated that the cap would be removed in order to stimulate activity and on 29 October 2018, the Chancellor in his Budget speech announced its immediate removal. This is to be welcomed and removes a major hurdle to delivering on the council's new build commitment, but it is not without risk and should not be seen as a panacea, as the revenue financing costs of any new borrowing need to be sustainable over the long-term (thirty – fifty years). It should also be noted that whilst there is no statutory requirement for the HRA to make a minimum revenue provision (MRP) for debt repayment (unlike the general fund), it has been custom and practice to do so when resources have permitted, and this should remain an aspiration for the council going forward.
18. Borrowing remains subject to the provisions of the Local Government Act 2003 which requires the local authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that decisions are taken in accordance with good professional practice.
19. Statutory requirements govern the application of resources that support the council's housing investment programme (HIP) and specifically new build. Right to Buy (RTB) receipts, Section 106 planning contributions and grant aid are tightly regulated and over time as these resources fluctuate and diminish, borrowing will become the primary source of funding for the new build programme and will consume the vast majority of new borrowing capacity. Whilst the mainstream programme is predominantly funded through revenue, large-scale refurbishment schemes such as those planned at Tustin, Maydew and Ledbury will require bespoke funding solutions to make them financially viable, which will include borrowing to a greater or lesser degree. As before, there remains the need to maintain a borrowing contingency (currently set at £50m) to mitigate the risk of unforeseen events.

20. Initial assessment suggests that an affordable, prudent and sustainable borrowing limit would best be determined by reference to the net rental stream. Over time this will grow in line with inflation and as properties move to target and new provision comes on stream, it will provide additional capacity to support a higher financing requirement. Therefore, whilst the position with regards restricted borrowing headroom is no longer pertinent, the issue becomes one of affordability and decisions need to be made in the context of the council's treasury management strategy. At the same time, non-financial factors such as land availability and development of a robust delivery pipeline will determine the extent and pace of borrowing necessary.

Budget framework and key issues 2019-20

21. The funding regimes for the HRA and the council's general fund are different, but the underlying budget principles and timelines are aligned. Budget review and rationalisation is embedded as part of the council's monitoring/reporting framework and endeavours to identify savings through more efficient working practices, with particular focus on back-office and departmental/corporate overheads in order to protect front-line service provision. This is particularly challenging within the context of a national rent reduction policy, welfare reform changes, increasing housing demand and delivery of the council's landlord responsibilities in relation to the maintenance and renewal of the existing stock and building more council homes at council rent.
22. Since the implementation of self-financing, the HRA has managed budget pressures and commitments and the enforced reduction in rents totalling £54m, which has been met through savings (predominantly efficiency in nature) and budget rationalisation measures totalling £43.5m, together with additional income from rents and service charges totalling £10.5m, which has enabled a balanced budget to be set each year in accordance with statute.
23. The indicative budget for 2019-20 is predicated on a number of known cost pressures and assumptions around demand/activity, principally the loss of income arising from the statutory rent reduction, stock movements and changes in void turnover, and the move to full in-house provision for repairs and maintenance. Allowance must also be made for unavoidable contractual inflation specific to works contracts and nationally determined wage agreements. These represent the bulk of the changes contributing to the budget gap of £6.2m, before the application of charge increases, other income changes and budget saving measures as detailed in the appendices.
24. Robust contract management and effective control of high value/high volume budgets are critical to delivering better value for money, particularly in relation to maintaining the fabric of the housing stock. The cyclical preventative approach to managing the stock through the Quality Homes Investment Programme (QHIP) is intended to reduce the need for reactive works over time and mitigate the pressure on the revenue repairs budget enabling greater contribution to the HIP. However, this is challenging in the current environment as resources remain constrained and given the scale of investment required, this inevitably requires the prioritisation and re-profiling of programme budgets in order to achieve best value and ensure the HRA remains sustainable over the long-term.

25. The transfer of repairs to the in-house service provider Southwark Building Services (SBS) provides the opportunity for greater operational efficiency to drive performance improvements for the benefit of residents and over the medium to longer-term better value for money. However, this represents a significant scaling-up of activity; transition to the new delivery model will be challenging and inevitably carry a degree of risk both operationally and financially. Organisational changes will follow as greater collaborative working will reduce the need for a formal client/contractor split and less onerous inspection regime with a consequent reduction in establishment.
26. The integration of estate improvement works (commonly known as visible difference) into a more holistic approach aligned with the new build and QHIP programmes as part of the council's 'Great Estates' commitment, will be delivered through the capital programme rather than revenue going forward. The proposed change to the electrical testing programme is based on the latest stock condition data and enables the timeframe for testing to be extended without any detrimental impact. The council has undertaken two landlord's electrical tests to all blocks since 2010 and electrical contractors visit blocks regularly and report any issues that require attention. It is therefore important to view these changes in a redistributive context, such that limited resources can be directed to areas of highest need.
27. However, it is not possible to close the budget gap entirely without some limited impact on service provision. Whilst the repairs and maintenance contract budget for door entry systems remains unchanged, the replacement programme has been reviewed and the budget re-aligned, with works allocated on a priority basis within the revised budget available, including a limited top-sliced element for new installations, (subject to successful resident ballots). The proposed re-configuration of the My Southwark Service Point (MSSP) provision, with the closure of Walworth, reflects the continuing decline in footfall year on year and increase in self-service and on-line use. The remaining MSSP at Peckham is being refurbished and will provide greater capacity along with the development of enhanced service provision at libraries.
28. Appendix A summarises the proposed budget movements for 2019-20, and Appendices B – E set out detail by category. Appendices F and G set out the indicative position year-on-year, which remain subject to revision as the budgets are finalised at a detailed level.

HRA reserves

29. In accordance with the FFMTFS and in common with the general fund, the HRA holds specific reserves to manage demand, to fulfil future commitments made and mitigate the risk of exceptional or catastrophic events. The level of reserves and working balances at 31 March 2018 stood at £19.9m, up from £14.3m the previous year which represents a positive achievement and reversal of the downward trajectory in previous years. However, given the size and complexity of the HRA and HIP, this is still considered to be below the optimal level required and it remains a priority to establish a more prudent reserve position when resources permit.

Tenant service charges

30. Tenant service charges (TSC) originated from the government's rent restructuring regime in 2002-03 with the intention of engendering greater consistency and transparency between local authority and RSL sectors. They were first de-pooled from rents (i.e. rents were reduced by an equivalent amount to the cost of the service charges) in Southwark in 2003-04. Charges reflect the direct cost of provision divided by the number of service recipients to derive a standard borough-wide charge rate and are subject to annual rebasing to ensure they remain aligned.
31. Estate cleaning and grounds maintenance service charges are contract based, and the underlying increase in contract costs is itself primarily employee based (around 90%). Whilst the nationally determined pay award for 2019-20 is 2% for most grades, realignment of pay spines and higher increases applied at the lower end of the pay scale, disproportionately impacts the cost base for these contracts by around 5.5% on average and hence service charge rates. On a positive note, there is no anticipated increase in the underlying cost base for communal lighting and door entry maintenance service charges, and these will remain unchanged for 2019-20. The existing and proposed rates are set out below.

Tenant service charges	2018-19 £ per week	2019-20 £ per week	2019-20 £ change per week
Estate Cleaning	5.52	5.78	0.26
Grounds Maintenance	1.22	1.26	0.04
Communal Lighting	1.30	1.30	–
Door Entry Maintenance	0.63	0.63	–
Total	8.67	8.97	0.30

The overall increase in percentage terms for a tenant in receipt of all four services is 3.46% and remains eligible for welfare support.

Garage and other non-residential charges

32. The garage portfolio generates a valuable revenue stream to support HRA services and a planned programme of refurbishment to bring obsolete garages back into use helps to raise additional income to ameliorate wider budget pressures. Whilst there are a number of potential sites for refurbishment, resources are constrained and policy priorities for garage sites will potentially shift towards the provision of new housing development and new affordable business/creative work space, which reduces the opportunity to expand the lettings base and generate further revenue growth.
33. Notwithstanding the proposed uplift in charge rates, benchmarking continues to show that Southwark's charges are competitive in the market place. However, the budget situation dictates that all income sources are maximised and it is proposed that charges are increased broadly in line with CPI. The £5 concession for elderly and disabled residents is preserved under this proposal. The premium rate for private sector clients will increase by £1.00 from £33.50 to £34.50. Garage service charges and other miscellaneous non-residential facilities such as stores, sheds and parking bays will increase by a similar factor (subject to a de-minimis value of five pence). The existing and proposed garage charge rates are set out below.

Garage charges	2018-19 £ per week	2019-20 £ per week	2019-20 £ change per week
Standard rate	20.20	20.70	0.50
Concessionary rate (£5 reduction)	15.20	15.70	0.50
Small sites rate	10.80	11.00	0.20
Private sector rate	33.50	34.50	1.00
Larger than average garage	5.15	5.30	0.15
Additional parking	5.15	5.30	0.15
Water supply	0.50	0.50	–
Additional security	1.00	1.00	–

District heating charges

34. Council-wide utility contracts have and continue to deliver savings for gas and electricity and charges remain lower on average than retail market prices. Periodic review of the budget is necessary to align the anticipated cost and income during the forthcoming year arising from fluctuating prices, spikes in demand due to poor weather and changes in the recoverable stock base. Energy costs are pooled and standardised ‘fuel only’ charges set on a borough-wide basis for tenants, depending on property size (number of bedrooms) and type of heating installation. On-going investment in energy efficiency measures to reduce consumption contributes to the financial sustainability of the heating account which has enabled charges to remain static over an extended period and can be held at existing levels once again for 2019-20. Homeowners are charged actual costs, comprising energy and repairs and maintenance as determined by their lease.

Other income

35. Homeowner service charges are the second largest HRA income stream and represent the recovery of actual costs incurred in the provision of services directly attributable to homeowners. External and communal works and services are fully recoverable under the terms of the lease, in order to prevent cross-subsidisation by tenants. Costs will fluctuate depending on activity and the current income budget is considered to be towards the upper end of expectations given that RTB sales continue to decline and with increasing leasehold acquisitions on Aylesbury and elsewhere. Notwithstanding inflationary pressures in the system impacting homeowners, there is only modest room to increase the budgeted income position for 2019-20.
36. Homeowner capital works are determined by the scale and delivery of investment in the housing stock and the extent to which it pertains to leasehold property. The base budget has been revised downwards in previous years to reflect lower rechargeable works arising from the transition from WDS to QHIP. Given the fluctuating nature of the programme and non-linear income profile, there is no scope to assume any positive change in the budgeted income position for 2019-20.

37. Other contributory income streams include an increase from the HRA commercial property portfolio to reflect new lettings and lease renewals, higher interest returns on balances, low level costs recovered and other fees and charges which are set in accordance with the council's Fairer Futures Medium Term Financial Strategy (FFMTFS) and Integrated Efficiency Plan. Discretionary fees and charges are generally set in line with the most appropriate London average and/or at CPI (2.4% as at September 2018), unless mandatory provision or other over-riding policy/affordability criteria exists.

Consultation and notification

38. Unlike matters of direct housing management there is no statutory requirement to consult on rent and other charges; however the council has a long-standing commitment to engage residents under the terms of the Tenancy Agreement. Consultation on the budget commences with this interim scene-setting report to cabinet on 11 December 2018 setting out the indicative budget and implications for rents and other charges. This is to facilitate commencement of consultation with residents before Christmas. The process entails engagement with Tenant Council, area housing forums, Southwark TMO Liaison Committee and Homeowner Council (HOC) during December 2018 and January 2019. HOC are unable to make recommendations in the matter of tenant rents and service charges, but may do so in respect of proposals that directly impact homeowners, such as garage charges and proposals pertinent to the calculation of homeowner service charges.
39. Cabinet will consider the final rent setting and HRA budget report at their meeting on 22 January 2019. As in previous years, the results of the consultation, culminating in consolidated recommendations from Tenant Council who normally meet the previous evening, will be reported to cabinet at that meeting for their final consideration.

Statutory and contractual notifications

40. Subsequent to the approval of the final report on 22 January 2019, either as set out or as amended by cabinet, and the passing of the necessary date for its implementation, the council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the operative date (1 April 2019) for the commencement of the new rents and charges referred to above.

Community impact statement

41. The department undertakes equality analysis/screening on its budget proposals, which helps to understand the potential effects that the proposals may have on different groups and whether there may be unintended consequences and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and council-wide impacts.

42. In line with our public sector equality duty contained within section 149 of the Equality Act 2010, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community and where necessary, consultation will be undertaken alongside mitigating action.
43. As specific proposals are brought forward and at each stage of implementation thereafter, the impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
44. Information on the equality analysis is shared with relevant cabinet members so as to enable it to be considered when decisions are taken. To date no cumulative impacts have been identified.
45. The purpose of this report is specifically to set tenant rents and associated charges (which can also impact homeowners), and set a balanced budget as required by statute. The analysis has established there is no differential effect for any community or protected group. It should be noted that rent policy from 2016-17 to 2019-20 is determined nationally and requires authorities to reduce rents by 1% per annum. However, it is recognised that in normal circumstances a rent increase may present particular difficulties for people on low incomes, although rents and tenant service charges remain eligible for housing benefit/universal credit.
46. The wider impact of welfare reform changes have been considered and measures to mitigate the effects on the community have been implemented together with the identification of resources to support tenancy sustainment and financial assistance through the provision of Discretionary Housing Payments (DHP). Formal notification of the council's allocation for 2019-20 has yet to be announced, but expectations are that it will be similar to the current year, around £1.3m.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

47. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act provisions include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
48. Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, effectively limited by the above HRA provision, is subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016 ('the 2016 Act').

49. The Welfare Reform and Work Act and regulations require (subject to limited exceptions) a 1% annual reduction from a frozen 2015-16 baseline, to the rent payable by social tenants for a period of four years. The Act also makes provision, for a period of four years commencing 2016, for the maximum levels of rent for social tenancies commencing after 8 July 2015; these provisions apply to tenancies of new homes and re-lets to a new tenant, but not the grant of a new tenancy to an existing tenant.
50. For social rent properties, the rent reduction requirement applies to the rent element of the charge under the tenancy agreement and not to charges made for services.
51. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant Council before seeking to change rent and other charges. The report indicates consultation will take place in order to comply with this term.
52. It is provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which and, in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, and, the council's agreement with its tenants, that tenants be notified of variation of rent and other charges, by service of a notice of variation, at least 28 days before the variation takes effect.
53. In making a decision the cabinet must have due regard to its equalities duties set out in the Equalities Act 2010 and specifically 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. The protected characteristics covered by the equality duty are age, disability, gender reassignment, pregnancy and maternity, race, religion, sex and sexual orientation. The duty also includes marriage and civil partnerships in respect of eliminating unlawful discrimination.
 - Foster good relationships between those who share relevant characteristics and those who do not.
54. The report includes a community impact statement which sets out consideration given to the equality duties in the Equality Act.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
HRA Budget and Rent-Setting 2018-19 Final Report	160 Tooley Street London SE1 2QH	Paula Thornton, Constitutional Team
Link (please copy and paste into your browser): http://modern.gov.southwark.gov.uk/documents/s73435/Report%20Housing%20Revenue%20Account%20-%20Final%20Rent-Setting%20and%20Budget%20Report%202018-19.pdf		
Southwark Council response to the Green Paper 'A New Deal for Council Housing'	160 Tooley Street London SE1 2QH	Perry Singh, Resident Services
Link (please copy and paste into your browser): http://modern.gov.southwark.gov.uk/documents/s78593/Report%20Southwark%20Councils%20response%20to%20the%20Social%20Housing%20Green%20Paper%202018.pdf		

APPENDICES

No.	Title
Appendix A	Summary of HRA Budget Movements 2019-20
Appendix B	HRA Budget Pressures and Commitments 2019-20
Appendix C	HRA Income Generation 2019-20
Appendix D	HRA Efficiencies and Improved Use of Resources 2019-20
Appendix E	HRA Savings Impacting on Services 2019-20
Appendix F	HRA Summary Revised 2018-19 and Indicative Budget 2019-20
Appendix G	HRA Indicative Budget 2019-20

AUDIT TRAIL

Cabinet Members	Councillor Stephanie Cryan, Housing Management and Modernisation and Councillor Victoria Mills, Finance, Performance and Brexit	
Lead Officers	Duncan Whitfield, Strategic Director of Finance and Governance Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Ian Young, Acting Director of Finance and Departmental Finance Manager, Housing and Modernisation	
Version	Final	
Dated	30 November 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	N/a	N/a
Date final report sent to Constitutional Team		30 November 2018

APPENDIX A

SUMMARY OF HRA BUDGET MOVEMENTS 2019-20

	£'000
<u>Budget Pressures and Commitments:</u>	
Inflation	2,447
Rent reduction (including stock movements)	1,416
Service commitments	2,363
Sub-total (Appendix B)	6,226
<u>Income Generation:</u>	
Tenant service charges	(451)
Commercial property portfolio	(298)
Fees and charges	(115)
Garage charges	(544)
Homeowner service charges	(200)
Interest on balances	(65)
Sub-total (Appendix C)	(1,673)
<u>Efficiencies and Improved Use of Resources:</u>	
Efficiency savings and budget rebasing	(3,885)
Sub-total (Appendix D)	(3,885)
<u>Savings Impacting on Services:</u>	
Savings Impacting on Services	(668)
Sub-total (Appendix E)	(668)
HRA budget gap	0

HRA BUDGET PRESSURES AND COMMITMENTS 2019-20

Division	Description	2019-20 £'000
HRA-wide	Contractual inflation uplift.	2,447
Customer Experience	Reduction in Right to Buy fixed administration fee income arising from declining sales activity.	570
Customer Experience	Uplift in lease rental for Queens Road III following periodic rent review.	52
Central Services	Statutory rent reduction including estimated stock and void movements.	1,416
Central Services	IT systems upgrades – Northgate cloud hosting (iWorld), iCasework and SAP HANA.	220
Asset Management	Move to full in-house provision for R&M, transition to price per property (PPP) charging regime and estimated volume increase and specification standardisation.	1,521
Total		6,226

HRA INCOME GENERATION 2019-20

Division	Description	2019-20 £'000
Customer Experience	Service level agreement for the provision of the 'out-of-hours' service between Southwark and Kensington & Chelsea – new income stream.	(75)
Central Services	Increase in commercial property income from new lettings and lease renewals.	(298)
Central Services	Increase in tenant service charges in line with increased cost base.	(451)
Central Services	Increase in general fees and charges in line with council's FFMTFS.	(40)
Central Services	Increase in interest receivable on HRA cash flow balances.	(65)
Exchequer Services	Increase in homeowner service charges in line with increased cost base.	(200)
Exchequer Services	Increase in garage charges in line with council's FFMTFS.	(135)
Exchequer Services	Rebasing of garage rental income budget to reflect current volumes/forecast activity.	(409)
Total		(1,673)

HRA EFFICIENCIES AND IMPROVED USE OF RESOURCES 2019-20

Division	Description	2019-20 £'000
Customer Experience	Review of My Southwark Homeowners Service (MSHO) enables a reduction in staffing due to lower activity/demand in the Home Purchase and Arbitration teams.	(83)
Customer Experience	Consolidation of the performance and quality roles to eliminate duplication/overprovision within the Contact Centre with consequent reduced staffing requirement. Cease use of 'Staffino' customer feedback tool and rationalise equipment, supplies and services budgets across the division.	(128)
Customer Experience	'Choose and book' service for MSSP now on-line with consequent reduced staffing requirement.	(17)
Customer Experience	Withdrawal of mobile office service due to low usage and impending obsolescence – vehicle does not meet Mayor of London's new emission standards, requiring costly upgrade or replacement.	(110)
Central Services	Reduction in financial and operational risk provision.	(337)
Central Services	Reduction in contingency budgets for recruitment, pensions, court and legal and other administrative expenses.	(292)
Exchequer Services	Buildings insurance budget rebased to reflect actual premium.	(84)
Resident Services	Area Management: tree maintenance, pest control, hoarding and cleaning variations - rebasing of service budgets to reflect current/forecast activity.	(155)
Resident Services	Rebase Sheltered Housing planned maintenance works budget to reflect lower requirement going forward following revenue/capital funded refurbishment/improvement works.	(158)
Resident Services	Area Management: transport, storage and removals, marketing, publicity and computing - rebasing of service budgets to reflect current/forecast activity.	(115)
Resident Services	Area Management: review of voids management to realise back office efficiencies and reduced staffing requirement.	(110)
Resident Services	Rebase overprovision for Maydew concierge budget.	(96)

Division	Description	2019-20 £'000
Asset Management	The move to price per property (PPP) has reduced the requirement to check/measure all jobs for payment with consequent reduced staffing requirement.	120
Asset Management	In-house provision for R&M has reduced the requirement for pre/post inspection with reduced staffing requirement.	550
Asset Management	Estate improvements to be subsumed into the new build and QHIP programmes as part of the council's Great Estates commitment (to be funded from the capital programme going forward).	930
Asset Management	The electrical testing programme to be extended based on most recent stock condition data.	600
Total		3,885

HRA SAVINGS IMPACTING ON SERVICES 2019-20

Division	Description	2019-20 £'000
Customer Experience	Reduce number of MSSP's – closure of Walworth due to declining footfall and increased self-service and on-line use. Remaining Peckham MSSP refurbished and enhanced customer offer at Libraries.	(305)
Asset Management	Door entry programme has been reviewed and will be allocated on priority basis going forward, including top-sliced element for new installations (maintenance programme remains unchanged).	(363)
Total		(668)

APPENDIX F

HRA SUMMARY REVISED 2018-19 AND INDICATIVE BUDGET 2019-20

	Revised Base Budget 2018-19 £m	Indicative Budget 2019-20 £m
Expenditure:		
Employees	36.8	35.8
Running Costs	33.5	33.5
Cleaning, Grounds and Refuse Collection	15.9	16.6
Repairs and Maintenance	44.2	44.4
Contribution to the Investment Programme	26.1	26.1
Corporate Support Costs	11.8	11.8
Depreciation	53.0	53.0
Financing Costs	33.5	33.5
Tenant Management Organisations (TMOs)	6.8	6.8
Sub-total	261.6	261.5
Income:		
Dwelling Rents	(189.5)	(188.4)
Garage and Non-Dwelling Charges	(5.1)	(5.6)
District Heating Charges	(8.9)	(8.9)
Tenant Service Charges	(14.8)	(15.2)
Homeowners – Major Works	(10.0)	(10.0)
Homeowners – Service Charges	(19.6)	(19.8)
Interest on Balances	(0.5)	(0.6)
Commercial Property Rents	(7.3)	(7.6)
Fees and Charges	(1.9)	(2.1)
Recharges and Costs Recovered	(4.0)	(3.3)
Sub-total	(261.6)	(261.5)
TOTAL	-	-

HRA INDICATIVE BUDGET 2019-20

HOUSING REVENUE ACCOUNT	2018-19 Revised Budget £'000	Budget pressures and commitments £'000	Income generation £'000	Budget realignment/ efficiencies £'000	2019-20 Indicative Budget £'000
Expenditure:					
Employees	36,772	892	-	(1,833)	35,831
Running Costs	33,557	308	-	(400)	33,465
Cleaning, Grounds and Refuse Collection	15,890	769	-	(50)	16,609
Repairs and Maintenance	44,167	2,294	-	(2,051)	44,410
Contribution to the Investment Programme	26,145	-	-	-	26,145
Corporate Support Costs	11,765	-	-	-	11,765
Depreciation	53,000	-	-	-	53,000
Financing Costs	33,555	-	-	-	33,555
Tenant Management Organisations (TMOs)	6,753	-	-	-	6,753
Sub-total	261,604	4,263	-	(4,334)	261,533
Income:					
Dwelling Rents	(189,488)	1,416	-	(337)	(188,409)
Garages and Non-Dwelling Charges	(5,081)	-	(544)	-	(5,625)
District Heating Charges	(8,924)	-	-	-	(8,924)
Tenant Service Charges	(14,764)	-	(451)	-	(15,215)
Homeowners – Major Works	(10,000)	-	-	-	(10,000)
Homeowners – Service Charges	(19,635)	-	(200)	-	(19,835)
Interest on Balances	(486)	-	(65)	-	(551)
Commercial Property Rents	(7,277)	-	(298)	-	(7,575)
Fees and Charges	(1,929)	-	(115)	-	(2,044)
Recharges and Costs Recovered	(4,020)	547	-	118	(3,355)
Sub-total	(261,604)	1,963	(1,673)	(219)	(261,533)
TOTAL	-	6,226	(1,673)	(4,553)	-

Item No. 11.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Southwark School Standards Report 2017-18	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Jasmine Ali, Children, Schools and Adult Care	

FOREWORD - COUNCILLOR JASMINE ALI, CABINET MEMBER FOR CHILDREN, SCHOOLS AND ADULT CARE

This is the council's fifth annual report on school standards in Southwark, setting out information covering progress in education across the borough.

It quite clearly tells us that in Southwark brilliant schools give young people the great start in life they deserve. The *Best Start in Life - Southwark school standards report 2017/18* provides a summary of pupil and student outcomes at published key stages, from foundation right through to key stage five (A Levels), and the picture is very positive.

The results speak for themselves, reflecting excellence in our schools and the hard work of teachers, pupils and parents right across the borough. We know are above the national average in all external examination areas.

This report is helpfully set out in chronological order, starting with the very youngest through to post 16 students, with sections on the attainment of our looked after children and pupils with SEND, special educational needs and or disabilities.

The report usefully illustrates the characteristics of significant groups across the borough within key stages and for phonics. This enables the council to share this information and discuss it with schools, in turn helping schools benchmark against others from a borough-wide perspective.

The Southwark Standards report is a snapshot of where our schools are, at a particular time, and over time. It gives us a robust starting point for discussion, innovation, collaboration and challenge. The overview is useful to school leaders, including governors, to see where they sit in the wider context of attainment, progress and improvement. It is a supportive document that shows how well students in Southwark have done.

The results found here combined with the Council's successful school building programme will equip parents and young people to express and secure a genuine preference when applying for a school place.

RECOMMENDATION

Recommendation for the Cabinet

1. That cabinet note the 'Best start in life - Southwark school standards report 2017/18' attached at Appendix 1.

BACKGROUND INFORMATION

2. Members requested a report on school standards in Southwark be produced that would set out information covering progress across the borough. The attached report at Appendix 1 contains information on educational achievement ranging

from Early Years Foundation Stage (5 years old), through to A-levels. The report also contains data on post-16 not in education, employment or training (NEET) performance; the achievement of different groups, including Looked After Children (LAC); and Special Educational Needs and Disability (SEND) attainment; information on attendance and exclusions; and school admissions.

KEY ISSUES FOR CONSIDERATION

3. The key issues for consideration are included in the report at Appendix 1 - 'Best start in life – Southwark school standards report 2017/18'.
4. The 2017/18 data contained within this report is provisional. The Department for Education will provide validated results in December for primary phase and January for secondary phase.
5. We will update the report as required as soon as the validated results are published.

Policy implications

6. The report at Appendix 1 is fully aligned to local planning and policy frameworks including the Council Plan 2018-2019 – 2021-2022. These outline the council's continued commitment to and supporting schools to be good or outstanding, with children and young people able to achieve their full potential.

Community impact statement

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

Resource implications

9. There are no resource implications resulting from the recommendations in this report. The continued delivery of universal education services and statutory functions, including early years, school improvement, school admissions and youth services, specialist education and special educational needs services will continue to be provided via the existing education budget.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

10. The purpose of this report is to provide an update to Cabinet on Southwark school standards in 2017/18.
11. The council is the relevant authority tasked with carrying out functions in relation to education and childcare in Southwark.
12. The council has a number of general duties in relation to the provision of education, including a duty to contribute towards the spiritual, moral, mental and physical

development of the community, by securing that efficient primary, secondary and further education are available to meet the needs of the population of the area. Cabinet will note that the council itself maintains the significant majority of the schools discussed in the report; however the council's ability to develop new school proposals is now significantly restricted, and legislation enables existing maintained schools to convert to academy status which are outside of the council's ownership and control.

13. In respect of people aged under 20 (or over 20 if the council maintains an Education, Health and Care Plan for them), the council must also exercise its education and training functions with a view to promoting high standards, ensuring fair access to opportunities for education and training, and promoting the fulfilment of learning potential by every person to whom this duty applies.
14. More generally, in respect of the well-being of children, the council is under a duty to make arrangements to promote cooperation between the council and relevant partners to promote the well-being of children in the authority's area. The council is also under a duty to improve the well-being of young children and reduce inequalities between them. "Well-being" in this context relates to education and training, amongst other things.
15. As such, the preparation of a school standards report is something that can be said to be incidental to the council's functions in these areas.
16. Besides these more general duties, the council has a number of more specific functions in relation to education. Of particular relevance to the subject matter of the report are: the duty to exercise council functions with a view to promoting the effective participation by young people aged 16-18 in education or training; a duty to promote the educational achievement of children looked after by the council; a duty to make arrangements (so far as it is possible) to identify children in Southwark who are of compulsory school age but are not registered with a school and are not receiving suitable alternative education; and powers to instigate legal proceedings for non-school attendance.
17. When making its decision, section 149 Equality Act 2010 requires that Cabinet have due regard to the need to eliminate discrimination and other prohibited conduct and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. Information about the consideration given to equalities issues is set out in the Community Impact Statement.

Strategic Director of Finance and Governance (CAS 18/005)

18. The strategic director of finance and governance notes the recommendations in this report which sets out information on school standards including school results in external assessments, admissions, the attainment of Looked After Children, and the attainment of children from different pupil groups in Southwark.
19. As noted in the report this is primarily a retrospective performance report. Future performance across is vulnerable to the growing pressure on school budgets. There are also challenges in the budgets of individual settings given that cost pressures are increasing and that the funding system imposed by central government in particular with regard to the Dedicated Schools Grant is not adequate.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Performance tables for school level and national 2017 KS2 and A level; and 2018 GCSE attainment	Department for Education (DfE) website	Terry Segarty, Head of Standards
Link: http://www.education.gov.uk/schools/performance/		
School level and national pre 2017 KS2 and A level; and 2018 GCSE	DfE website	Terry Segarty, Head of Standards
Link: https://www.compare-school-performance.service.gov.uk/download-data		
Local authority level and national EYFSP attainment 2018	DfE website	Terry Segarty, Head of Standards
Link (please copy and paste into your browser): https://www.gov.uk/government/statistics/early-years-foundation-stage-profile-results-2017-to-2018		
Local authority level and national KS1 and phonics attainments 2018	DfE website	Terry Segarty, Head of Standards
Link (please copy and paste into your browser): https://www.gov.uk/government/statistics/phonics-screening-check-and-key-stage-1-assessments-england-2018		
Local authority level and national KS2 data	DfE website	Terry Segarty, Head of Standards
Link (please copy and paste into your browser): https://www.gov.uk/government/statistics/national-curriculum-assessments-key-stage-2-2018-provisional		

APPENDICES

No.	Title
Appendix 1	Best start in life – Southwark school standards report 2018 (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Children, Schools and Adult Care	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Terry Segarty, Head of Standards	
Version	Final	
Dated	30 November 2018	
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	29 November 2018	

Item No. 12.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Adopt London South, Regional Adoption Agency	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Jasmine Ali, Children, Schools and Adult Care	

FOREWORD - COUNCILLOR JASMINE ALI, CABINET MEMBER FOR CHILDREN, SCHOOLS AND ADULT CARE

The following report seeks approval from the cabinet to go forward with the council’s plan to lead the Adopt London South Regional Adoption Agency. The regionalisation of adoption services forms a key part of the government’s policy to optimise adoption performance, promote cost efficiency and share expertise.

Following the DfE’s paper on Regional Adoption Agencies in 2016, the agencies have and are being established across the country. They bring together local authorities and voluntary organisations. The Regional Adoption Agencies are tasked with the recruitment of adopters, family finding, matching and delivering adoption support.

This paper recommends that Southwark Council becomes the lead local authority for the Adopt London South Regional Adoption Agency (RAA). This will mean Southwark taking the lead for what is to become the largest RAA in the country. Southwark will be at the helm and nine other local authorities will be a part of the RAA. They are Merton, Sutton, Kingston, Wandsworth and Richmond in the South West and Lambeth, Lewisham and Greenwich and Croydon in the South East.

The paper outlines the scope of this work and the issues for consideration. It is expected that 50 staff will make up the South London RAA. The purpose is to drive up the recruitment of adopters, ensure that all children requiring adoption get matched quickly and access a placement, successfully match children and families and provide them with adoption support.

There is a schedule of finance in the report. All money spent on forming this agency will be reimbursed by the government.

The role of Southwark as lead authority is a positive move and reflects the outstanding status of our existing adoption service. This lead role not only speaks to the excellence of this borough’s service, it will also benefit Southwark adopters and children in care who need adoptive parents.

RECOMMENDATIONS

That Cabinet:

1. Agrees that Southwark enter into regional adoption arrangements as part of Adopt London South with ten participating authorities identified in this report.
2. Agrees that Southwark is the host for Adopt London South. This means Southwark hosts staff and resources from up to nine other boroughs in South London to deliver a regional adoption agency for South and South West London

3. Delegates authority to the strategic director for children's and adults' services to make more detailed decisions around the implementation of this proposal including signing off the inter-authority agreement between Southwark and the other boroughs involved in Adopt London South and the finalisation of governance arrangements.
4. Notes that the governance arrangements will operate by the other local authorities in Adopt South London delegating adoption functions to the council and that the Leader of the council will need to formally accept the delegation of the relevant functions once these have been delegated by the other councils.

BACKGROUND INFORMATION

The National Picture

5. In March 2016, the government announced intended changes to the delivery of adoption services, setting a clear direction that all local authorities' adoption services must be delivered on a regional basis no later than 2020. This followed a range of national policy changes since 2012, including the 2015 'Regionalising Adoption' paper by the Department for Education (DfE) that sought improvements in adoption performance. Following the general election in June 2017, the Minister of State for Children and Families reaffirmed commitment to this policy, through provisions made in the Education and Adoption Act 2016. In March 2018, the DfE commenced implementation of that legislation allowing them to direct a local authority into a Regional Adoption Agency (RAA) no progress is being made by the authority in becoming part of a RAA. There will be four RAAs across London: Adopt London South; Adopt London East; Adopt London West; and Adopt London North.
6. The regionalisation programme is founded on the belief that it will:
 - a. Increase the number of children adopted
 - b. Reduce the length of time children wait to be adopted
 - c. Improve post-adoption support services to families who have adopted children from care; and
 - d. Reduce the number of agencies that provide adoption services thereby improving efficiency & effectiveness.

Adopt London South (ALS)

7. The South and South West London RAA will be known as Adopt London South (ALS). Adopt London South will build upon the previous positive practice established within the two South London consortia – South London Adoption and Permanence Consortium (SLAPC) and South West Consortium which have acquired over the years good reputations for delivering effective services.
8. Currently 10 boroughs are at different stages of decision making in their journey to become part of Adopt London South (ALS).

Croydon	Greenwich
Kingston *	Lewisham
Merton	Richmond *
Lambeth	Wandsworth
Sutton	Southwark

*(*Note Kingston and Richmond are already combined under an organisation called Achieving for Children)*

9. Each borough wishes to build on the success of their existing services and seeks to improve performance further in relation to children whose needs will be best met through adoption by bringing together the best practice from each authority within the RAA. Establishing a single agency will allow the ALS authorities to provide a more coordinated and cohesive service, alongside more efficient and effective use of resources and development of practice to the benefit of children, adopters and others who gain from adoption services. The RAA development costs for the RAA have been funded by the Department for Education (DfE). The creation of ALS forms part of an overarching project to develop four RAAs across London.

KEY ISSUES FOR CONSIDERATION

The London wide RAA Approach

10. The decision to pursue four RAAs in London (Adopt London South; Adopt London East; Adopt London West; and Adopt London North), was agreed by the Association of London Directors of Children's Services (ALDCS), with endorsement given in May 2018 for this approach by the DfE. ALDCS delegated decision making to the Adopt London Executive Board to oversee the development of these four London Regional Adoption Agencies. The executive set out a number of key principles that will shape the formation of regional adoption for London. These have been endorsed by the DfE. The principles are:
 - a. Local authorities involved in Adopt London and each of the four RAAs are committed to collaborating adoption arrangements so that the best interests of children and their adoptive families are secured and kept at the forefront of decision-making;
 - b. Adopt London will provide an overarching framework for enabling effective coordination, coherence and partnership working across London;
 - c. Adopt London authorities, and the four RAAs will make sure that there is consistency of approach in relation to key strategic and operational decisions. For example staffing issues and how transfers of staff from authorities will be appropriately managed within relevant employment legislation, and the design and deliver of operating models that suit each of London RRA's needs.
 - d. Adopt London authorities are committed to working effectively together with Voluntary Adoption Agencies (VAAs), making sure that their unique and important contribution is maximised and that VAAs are involved in the development of the RAAs and Adopt London.

Adopt London South: Moving Forward

11. Subject to appropriate approvals by each of the prospective participating authorities development of Adopt London South RAA will be undertaken during 2019 with a fully operational service being up and running by no later than April 2020, the DfE deadline.
12. Various work streams will be taken forward by officers within Southwark working in close collaboration with officers in the other prospective participating authorities. The work streams will include areas such as transferring of staff to form the new service from across the prospective participating authorities in line with relevant employment

legislation; this will include as appropriation consultation with recognised Trades Unions. The physical location of the new service is likely to be in more than one location, subject to development of the service delivery model.

13. Governance for ALS will operate through an Executive Board established by the participating authorities and comprising of senior representatives from all councils with executive voting powers, with non-executive advisory representation from Voluntary Adoption Agencies (VAAs), adopters and adoptees. The RAA will continue to be accountable to each council's corporate parenting committee, and overview and scrutiny committee or equivalent in other authorities.
14. Adopt London South will deliver the following main services across South London:
 - a. Recruitment and Assessment will provide the prospective adopters;
 - b. Permanence Planning ensures that children identified as requiring adoption achieve a placement;
 - c. Matching and Placement matches prospective adopters with children in need of adoption; and
 - d. Adoption Support helps all affected by adoption.

Policy implications

15. The decision to join Adopt London South Regional Adoption Agency would support several of the council's existing policies and strategic objectives.
16. The Council Plan for 2018 – 2022 sets out the council's vision of a "*fairer future for all*", including a great start in life. The plan says as follows:

Every child deserves the best start in life. We want all children and young people in the borough to grow up in a safe, healthy and happy environment where they have the opportunity to reach their potential.
17. The decisions in this report enable the council to lead the regional arrangements and therefore ensure Southwark children, for whom there is a need for adoption, continue to get the best possible chance to reach their potential.
18. The decision to join Adopt London South RAA will also enable the council to comply with national policy objectives announced by the DfE in March 2016, which requires adoption services to be delivered on a regional basis by 2020.

Community impact statement

19. There is likely to be a positive equalities impact as a result of the implementation of these proposals. Southwark will give due consideration to the Public Sector Equality Duty (PSED) as a positive duty to consider the promotion of equality throughout the work of the ALS.
20. There will be an impact on residents who possess one or more of the protected characteristics as defined by the Equality Act 2010, ALS will exercise of all its functions, and will have due regard (section 149 Equality Act 2010) to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

21. Regionalisation is intended to improve:
 - a. Post-adoption support;
 - b. Adopter recruitment for harder to place children (older children, larger sibling groups, substance addicted babies, disabled children, those with special educational needs, and children from black and other ethnic minority backgrounds; and
 - c. A consistent adopter experience across south London from initial contact and recruitment through to training and post-adoption support.
22. These aims should particularly benefit children and families from ethnic minority groups, with disabilities and complex needs.
23. An equalities impact assessment has been completed and attached to this report as Appendix 1.

Resource implications

24. There are staffing implications for the staff currently with prospective participating authorities that currently undertake work which will now be the responsibility of the RAA. These staffing implications will be managed within the context of appropriate employment legislation including appropriate consultation with recognised Trades Unions. Southwark will in due course become the employer for staff of Adopt London South.

Legal implications

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

Finance implications

26. Please see concurrent from strategic director of finance and governance.

Consultation

27. There are a wide-ranging set of engagement, consultation and co-design mechanisms in place to ensure that stakeholders are being involved in shaping the proposed Adopt London South approach. These have included:
 - a. Establishing pan-agency project organisation and project governance arrangements including establishment of a Project Board and operational group;
 - b. Eight separate practice workshops have been held, and task and finish groups setup to engage a wide range of staff and stakeholders in the practice approaches to be applied in Adopt London South;
 - c. Staff conferences took place in October 2018 and are planned again for January 2019.
 - d. Elected members and portfolio holders have been consulted in all local authorities. Portfolio holders have had the opportunity to attend a conference in October 2018. The Cabinet Member for Children, Schools and Adult Care attended this event.

- e. London VAAs and London-wide unions have been engaged at a pan London level through the Adopt London executive board;
- f. Continued stakeholder engagement through web-based surveys, staff newsletters and face-to-face events including detailed engagement work with adopters and adoptees;
- g. Options appraisal and evaluation of delivery model options, including obtaining independent external legal advice on the options available;
- h. Baseline statistical data was obtained to inform the development of a target operating model.

Implementation

- 28. Adoption regionalisation in South and South West London is a large and complex project involving ten councils. As such the implementation approach will be flexible in order to ensure we achieve the best possible regional adoption service in line with the statutory deadline of 2020. It is therefore proposed that detailed decision making is given to the strategic director for children's and adults' services.
- 29. The broad outline for implementation will follow development and endorsement of the delivery model by prospective participating authorities by early 2019, a draft operational structure for Adopt London South RAA will be subject to formal trade union and staff consultation under relevant employment legislation during the first half of 2019. The following phase of implementation will begin once the consultation processes concludes, with the operational start date of the service within the new financial year (2019-20).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Human Resources

- 30. Agreement to join Adopt London South as outlined in this paper will have implications in employment terms for existing Council staff. As appropriate consultation will need to be undertaken with our recognised trades unions and the affected staff group. Any resulting reorganisation of staff within the children social care teams to accommodate service changes will be undertaken in accordance with the council's management of change policies and procedures (Reorganisation, Redeployment and Redundancy Procedure).
- 31. Agreeing to be the host authority for Adopt London South will require detailed discussion, consultation and planning with other boroughs joining Adopt London South to ensure employment obligations for all affected staff within those authorities are fully met. It is important that the engagement with the other authorities is started at the earliest possible opportunity to ensure the agreed operating model for delivery of the services of Adopt London South can be operationally in place for all participating boroughs from the agreed start date of operations.

Director of Law and Democracy

- 32. This report seeks the approval of cabinet for the recommendations highlighted in paragraphs 1 to 4 of this report regarding the proposed establishment of the Adopt London South, Regional Adoption Agency.

33. Local authorities' principal functions in relation to adoption services are set out in the Adoption and Children Act 2002 (ACA 2002). Section 2 of the ACA 2002 sets out details of the relevant adoption service which each relevant local authority is required to maintain under section 3 of the ACA 2002. Section 3 of the ACA 2002 together with regulation 5(1)(a) of the Adoption Support Services Regulations 2005 permit relevant local authorities' to provide any of the requisite facilities by securing their provisions by (among others) another local authority.
34. In entering into these arrangements the cabinet needs to be satisfied that it will be complying with its own statutory duty to maintain the requisite adoption services.
35. Under the Local Government Act 1972 and Local Government Act 2000, a local authority can arrange for the discharge of any of its functions by another local authority. For Southwark as host authority, these will be executive functions, and therefore any delegation from another local authority will need to be accepted by the Leader of the Council at Southwark, or anyone he delegates this task to in accordance with Regulation 4 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. This will need to be done formally once all the other local authorities have themselves delegated their functions and to take effect on a date to be agreed between the authorities.
36. Although these functions will be delegated to Southwark, each local authority will retain its overall statutory duty to maintain within their area an adoption service as defined in the ACA 2002.
37. In proceeding with the implementation of the RAA, the RAA will be overseen by a board including representatives from each of the relevant local authorities and be subject to an Inter Authority Agreement (IAA) which will set out the terms of the arrangement. The IAA should not be drafted to include features of a services contract such as payment mechanisms and performance criteria which enable performance deductions to be made for specific failures. Any IAA should set out for the purposes of certainty the scope and specification of what is delegated and may include indicators, not for the purpose of applying a deduction regime, but to provide information to include but not limited to the worth of the arrangements, insurance and indemnities, governance, staffing and TUPE, pensions, assets, funding and potentially to provide a basis for termination if the arrangements are not delivering benefits intended.
38. Where the arrangement involves the transfer of power to perform a public task from one public entity to another public entity, the European Courts have held that those arrangements do not involve the award of a public contract and are therefore not subject to the procurement rules. This means that the proposal to delegate the functions to Southwark will not amount to an award of public services contracts and is therefore not subject to procurement rules.
39. It is reported that the adoption services of Richmond and Kingston are combined under a social enterprise company called Achieving for Children. Following delegation of the adoption services of Richmond and Kingston to Southwark, the contracts between Richmond, Kingston and Achieving for Children will need to be transferred to Southwark by way of a novation agreement. This releases Richmond and Kingston from their obligations and rights under the contract and Southwark will assume these obligations and rights. It is important that Southwark is aware of the obligations before the novation takes place.
40. There is no specific statutory duty to carry out any public consultation in relation to the proposals. The cabinet is referred to paragraph 27 which sets out the consultation that

has taken place. The cabinet should take into account the outcome of that consultation when approving the proposals in this report.

41. The cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The cabinet is specifically referred to the community impact statement at paragraphs 19 to 23 setting out the consideration that has been given to equalities issues which should be considered when approving the proposals in this report, and at each stage of the process and to the equality impact assessment that has been completed.
42. In order to deliver the services, the affected staff will be subject to a TUPE transfer to Southwark. The employment law considerations relevant to the proposal in this report are referred to in the Comments from the Head of HR at paragraphs 30 and 31.
43. It is likely that, if Southwark hosts the RAA, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to transfer to the council the employment of those employees of the other participating authorities and or of organisations that currently undertake those authorities' relevant adoption services (Transferor Organisations), and who are permanently assigned to the services being transferred.
44. Consideration will need to be given to the applicable trade union recognition arrangements and agreement reached on what the consultation requirements will be before and after the commencement of the RAA .
45. If TUPE applies and or the result of hosting the RAA is that a reorganisation is considered necessary, the relevant legislative requirements, policies and procedures will need to be complied with to mitigate against potential claims in the Employment Tribunal by any affected parties. Affected parties potentially include the Transferor Organisations, their employees and employees of the council and relevant Trade Unions.

Strategic Director of Finance and Governance (REF: CAS18/006)

46. Of the adoption service budget at Southwark in 2017-18 the allowances aspect of the budget of £1,319k and there is also a £50k gross budget of the adoption support fund. These budgets will be outside the scope of the arrangement. However, within the scope of the arrangements are £503k of staffing budgets for Southwark staff, some sundry expenses, as well as Panel costs of £13k.
47. The budget for the RAA has been built through each of the 10 authorities considering the agreed scope and outcomes for the RAA and identifying the existing budget available to deliver these activities. LAs have ensured that sufficient resource is retained to deliver the activities which will remain the responsibility of the local authority. These figures are currently subject to due diligence and review by independent auditors.
48. It is proposed that the budget agreed is reviewed regularly by the Adopt London South board (comprised of the funding local authorities) to ensure that contributing boroughs

are funding on the basis of demand. Southwark has identified a budget of £503k plus £13k for the Panel which will transfer to the hosted service within the Authority.

49. Data has been collected on boroughs' adoption allowances, including the proportion funded by the Adoption Support Fund and the proportion funded by LAs. However, this is not included in the proposed base budget which will be transferred to Southwark as it will be retained by the boroughs. However, expertise in securing ASF will sit within the RAA and the RAA will have a role in the future in reviewing the approach to allowances across 10 boroughs. In total the approximate budget for Adopt London South to deliver all the services within scope is likely to be in the region of £3-£3.5 million.
50. By Southwark hosting the arrangement there will be estimated costs of £291k (10% of estimated staffing costs) which will be met by the funding partners as per the arrangements set out above and by a notional contribution from the host. Southwark will use no more than £6,000 per FTE of the funding being transferred to cover hosting charges incurred (for example HR, IT, legal, finance, insurance, facilities and buildings), the remainder will be used to resource Adopt London South. This level of funding is commensurate with other RAAs nationally and is in line with the other London RAAs.
51. These arrangements are by their nature still under development and there will need to be assurance built in to the arrangement that the council's financial interests are protected and that there is not any cross subsidisation and moreover that there are adequate arrangements to share any risk/reward between the partners. Furthermore there will also need to cover areas such as pay inflation, harmonisation of terms and conditions and also workloads. Finance staff will be involved in shaping the agreement that underpins the arrangement, using the learning from other RAA arrangements outside London. As stated above additional assurance will be obtained by due diligence and independent audit.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Equality Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Children, Schools and Adult Care	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Alasdair Smith, Director, Children and Families	
Version	Final	
Dated	28 November 2018	
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		28 November 2018

APPENDIX 1

Equality Impact Assessment	Please enter responses below in the right hand columns
Date	November 2018
Sign-off path for EIA	<ul style="list-style-type: none">• Head of Legal• Cabinet
Title of Project, business area, policy/strategy	Adoption Regionalisation
Author	Rebecca Eligon/Pam Walton
Job title, directorate	Project Manager, Practice Lead Adopt London South
Contact email and telephone	Pam.walton@southwark.gov.uk
Strategic Director Sponsor	David Quirke Thornton

Please enter responses below in the right hand columns.

Equality Impact Assessment

1.0 Introduction

1.1 Business activity aims and intentions

In brief explain the aims of your proposal/project/service, why is it needed? Who is it aimed at? What is the intended outcome? What are the links to political priorities, and outcomes?

This Equality Impact Assessment relates to the proposed regionalisation of adoption services across ten boroughs in South London – Kingston, Richmond, Merton, Croydon, Lambeth, Greenwich, Lewisham, Wandsworth, Sutton and Southwark. Together they are responsible for about 110 adoptions each year. Adoption services are statutorily required to become regionalised by 2020.

Regionalisation is intended to:

- a. Increase the number of children adopted;
- b. Reduce the length of time children wait to be adopted;
- c. Improve post-adoption support services to families who have adopted children from care; and
- d. Reduce the number of agencies that provide adoption services thereby improving efficiency & effectiveness.

2.0 Analysing your equalities evidence

2.1 Evidence

Any proposed business activity, new policy or strategy, service change, or procurement must be informed by carrying out an assessment of the likely impact that it may have. In this section please include both data and analysis which shows that you understand how this decision is likely to affect residents that fall under the protected characteristics enshrined in law.

Protected characteristics

Impact analysis

For each characteristic please indicate the type of impact (i.e. positive, negative, positive and negative, none, or unknown), and:

Please explain how you justify your claims around impacts.

Please include any data and evidence that you have collected including from surveys, performance data or complaints to support your proposed changes.

Overall

Southwark's adoption service, whilst high performing, is a small and relatively specialist. In Southwark in 2017/18 there were 10 assessments and 14 adoptions.

Across London there is a highly-fragmented system with around 180 agencies recruiting and matching adopters for relatively small numbers of children per year. Across the 10 south London authorities proposed to be part of Adopt London South 113 adoptions took

Equality Impact Assessment	Please enter responses below in the right hand columns.
	<p>place in 2017/18 an average of 11 per borough.</p> <p>Across the 10 south London authorities 89 families were assessed in 2017/18 an average of nine per local authority area. Projections for 2018/19 and 2019/20 are at similar levels with the numbers of assessments being outstripped by the numbers of children requiring adoption</p> <p>Recent data from the London Adoption Board shows that, at the end of June 2018 there were 68 London prospective adopters and 78 children waiting with placement orders. Seven of the children waiting with placement orders were Southwark children.</p> <p>In London 6% of children leave care through adoption, compared with the national average of 14%</p>
Race	<p>Positive</p> <p>63% of ethnic minority children awaiting adoption are from mixed race backgrounds, and this proportion is much higher in south London¹. The vast majority of south London children where the plan is adoption are from ethnic minority backgrounds. Specific work is already underway through the Adopt London South project team to encourage and support more BME and transracial adopters. The proposed new ALS recruitment and marketing team will have a particular focus on recruiting BME adopters and adopters with trans-racial placements.</p> <p>Research with BME communities shows that most critical in their consideration of becoming adopters is word of mouth, hearing from others. And the key message from current adopters (including BME and those with trans-racial placements) is that post-adoption support, and peer networks are vital to prevent adoption breakdown and ensure stability.</p> <p>Therefore, BME and transracial adopters peer support is under development with postcode cafes for people to come together informally, and camping trip being set up. A successful BME, transracial adopters party was held in November 2018 and over 54 existing adoptive families attended. Many of them were keen to share their story with</p>

¹ <https://www.adoptionmatch.org.uk/statistics/>

Equality Impact Assessment	Please enter responses below in the right hand columns.
	others and the ALS project team is currently following up to involve existing adopters in future marketing and recruitment.
Gender	Positive Nationally, slightly more boys than girls are awaiting adoption, and this is a trend mirrored in South London.
Gender re-assignment	Unknown It is not known how many children are placed with families where a parent has undergone gender reassignment.
Disability	<p>Positive The vast majority of the children who are placed for adoption have some sort of complex need. There may be physical disabilities, but often there are issues relating to trauma, mental health including anxiety and attachment issues, and developmental delay or developmental uncertainty.</p> <p>Through ALS instead of there being small teams of a handful of staff, there is proposed to be a single organisation with a concentration of expertise in the highly specialised area of adoption and adoption support. Through a specialist pan-South London post-adoption team it is anticipated that the quality and consistency of support to families and children with complex needs will improve, preventing adoption breakdown and ensuring good outcomes for children. Through a specialist marketing and recruitment team ALS will be specifically looking to recruit families, and then support them through the assessment and matching process to ensure they are trained, supported and able to give a permanent loving home to some of our most complex children.</p>
Age	<p>Positive Pre-birth and babies Nationally only 1% of looked after children are in placements where the carer is also an approved adopter (fostering for adoption) or where they were subject to concurrent planning. Through Southwark's well-regarded practice in early permanence two further social workers from Greenwich and Merton are being supported to further develop their expertise in this area with a view to increasing these sorts of placement where they are appropriate. By placing babies from birth with foster carers who then go on to adopt those children can have a secure and stable start.</p> <p>Older children Nationally and in south London children aged over 5 are less likely to be</p>

Equality Impact Assessment	Please enter responses below in the right hand columns.
	<p>placed for adoption. Indicative data from adoption match shows that 81% of children awaiting adoption are aged under 6. Through ALS a practice model to support placement of older children, (where adoption may be a good route to permanence), in foster to adopt arrangements.</p> <p>Sibling groups: Nationally 64% of children awaiting adoption are part of sibling groups. Through ALS there will be a particular focus on supporting and preparing potential adoption families to consider sibling groups.</p>
Sexual orientation	<p>Positive</p> <p>9.7% (420) of children were adopted by same sex couples (either in a civil partnership, married or neither). Specific work is already underway through the Adopt London South project team to encourage and support more LGB adopters. An LGB adopters peer support network is being set up, and existing LGB adopters are already starting to volunteer to share their experiences to encourage and support others who may be considering adoption.</p>
Religion and belief	<p>Positive</p> <p>There is no centrally collected data on the faith and belief or non-belief of adopters, or the birth families. It will be important to gather and map this information to better inform both post-adoption support in ALS and to enable targeted recruitment of families.</p>
Pregnancy and maternity	<p>Positive</p> <p>ALS will continue to link with Southwark's successful Pause project to identify women who may benefit from participating.</p>
Marriage and civil partnership	<p>Positive</p> <p>Nationally, 90% (3,920) of children were adopted by couples and 10% (420) by single adopters. Specific work is already underway through Adopt London South to encourage and support more single adopters. A single adopters peer support network has been set up, and existing single adopters are already starting to volunteer to share their experiences to encourage and support other single people who may be considering adoption.</p>
4.0 Conclusions, justification and action	

Equality Impact Assessment	Please enter responses below in the right hand columns.
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<p>4.1 Conclusions and justification <i>What are the main conclusions of this EIA? What, if any, disproportionate negative or positive equality impacts did you identify at 2.1? On what grounds do you justify them and how will they be mitigated?</i></p>	<p>Adoptees: On balance the intended outcome of regionalisation should have a positive equalities impact particular for children from ethnic minority backgrounds, older children, those in sibling groups, those with disabilities, developmental delay and uncertainty and other complex needs. For adult adoptees there should be increased consistency in accessing birth records.</p> <p>Adopters: It should also have a positive impact for adoptive families, in particular improving support to single, ethnic minority, transracial and LGB families.</p> <p>Birth families: Finally, ALS is intended to have a positive impact on birth families. There is proposed to be a single approach to letterbox and contact arrangements; and increased consistency around post-adoption is also intended to improve support to birth families in south London. There is a practice steering group which has been set up to specifically look at how ALS can better support birth families.</p> <p>Staff: A separate staffing EIA will be undertaken once it is clear the staff likely to be affected by the creation of Adopt London South. The template it is proposed will be completed is attached. This will be completed and shared at consultation, and again prior to implementation of the new ALS staff structure. Where possible a similar analysis will be undertaken to understand the impact on adoption panel members.</p>
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<p>4.2 Equality Action plan <i>Please list the equality issue/s identified through the evidence and the mitigating action to be taken. Please also detail the date when the action will be taken and the name and job title of the responsible officer.</i></p>

Equality Issue	Mitigating actions
That the equality analysis may not have accurately covered all the equality impacts; and the mitigations may not act to reduce disproportionate impact	Review the EIA and assess whether the mitigating actions were sufficient.
Limited analysable faith and belief data	Collect further data on faith and belief
Lack of detail about the protected characteristics of the projected 110 children where the plan is adoption	Collect data from all ten local authorities to ensure ALS is developing appropriately targeted approaches to marketing and recruitment

Equality Impact Assessment		Please enter responses below in the right hand columns.
5.0 Publishing your results		
The results of your EIA must be published. Once the business activity has been implemented the EIA must be periodically reviewed to ensure your decision/change had the anticipated impact and the actions set out at 4.2 are still appropriate.		
EIA publishing date	November 2018	
EIA review date	April 2020	
Assessment sign off (name/job title):	Alasdair Smith	

Item No. 13.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Facilities Management (FM) Contract for the Council's Operational Estate	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Housing Management and Modernisation	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION

With our two large facilities management contracts expiring in 2020 we have an opportunity now to consider how we will deliver these services in the future. With the collapse of Carillion and profit warnings from other large firms in the outsourcing sector, we have particularly considered the risks associated with large single provider outsourced contracts, and in accordance with the Fairer Future Procurement Strategy, considered the opportunity and our capacity to bring services in house.

At January's cabinet meeting we agreed that we wanted to bring a number of FM services back in house, such as pest control, reception services and cleaning in our main offices. The remaining FM services will be divided into two contracts, one for soft FM services which includes one off security and cleaning of outlying offices and facilities and one for hard FM services such as repairs and maintenance. We will also look for opportunities to insource more services when these contracts expire.

We will also be using the tender process to encourage the contractors to employ local people and use local SME businesses as sub-contractors. As ever we will require them to pay the London Living Wage and offer apprenticeships and to not use zero hours contracts.

RECOMMENDATIONS

1. That Cabinet approves the procurement strategy outlined in this report, and as detailed in paragraphs 2 – 5.
2. The approval to bring the CFM (Corporate Facilities Management) services outlined in paragraph 36 in-house on expiry of the current facilities management (FM) contracts in June 2020, with an estimated annual cost of £1m.
3. The approval to undertake a further competition via the Crown Commercial Service (CCS) framework for Hard FM Services (hard FM), which includes small works and capital investment projects, Ref: RM3830 Facilities Management Marketplace (Lot 1b – Total Contract Value £7m - £50m) at an estimated annual cost of £3.6m for hard FM and up to £3.5m for the small works and capital investment projects, for a period of five years with the potential to extend up to a further two years (in increments at the council's discretion), making an estimated maximum total contract value of £49.8m, with an estimated start date of June 2020.

4. The approval to direct award small works and capital investment projects in line with the council's Contract Standing Orders, to exempt CFM from obtaining five tenders from the works approved list in respect of project related works procured through this contract in accordance with the methodology specified below;
 - all project related works up to £500k will be procured through this contract where the contractor is adequately performing their main contract work, subject to CFM undertaking a pre-tender estimate and the contractor demonstrating value for money against this benchmark
 - for project related works up to £500k, where the contractor is not a specialist in the area, is not adequately performing the main contract or cannot prove value for money, then tendered from the approved list an open market exercise.
5. The approval to undertake a separate further competition, to appoint a second supplier for Soft FM Services (soft FM) Ref: RM3830 Facilities Management Marketplace (Lot 1b – Total Contract Value £7m - £50m) at an estimated annual cost of £5.2m for a period of five years with the potential to extend up to a further two years (in increments at the council's discretion), making an estimated total contract value of £36.2m, with an estimated start date of June 2020.
6. That Cabinet notes that there is no additional cost to use this framework agreement.

BACKGROUND INFORMATION

7. The council's two large facilities management contracts expire in 2020, which has provided an opportunity to consider how the services are provided in future. The gateway 0 report was presented and approved by cabinet on 13 March 2018 and the report recommended approval to divide CFM services into three areas; in-house services, hard FM and soft FM.
8. The GW0 report considered the inclusion of fixed security services to be brought in-house for the council's corporate buildings (Tooley Street and Queens Road). However, following the due diligence exercise, it was identified that an additional 10 security guards would be required to be employed to cover the working hours covered under the current contract. This could potentially cause hardship to the security guards that are subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as their hours may be reduced accordingly. Keeping the security services outsourced provides the council with the best balance of cost and quality of service provision.
9. A total facilities management (TFM) model was originally considered to appoint a single supplier to deliver all FM services. However, due to the risk of disruption to service delivery (in the event of supplier failure), it was concluded that a TFM model may not be the best solution to meet the council's operational requirements. The decision was taken to divide the hard FM and soft FM into two separate contracts (to be awarded to separate suppliers) and to consider the opportunity and internal capacity to bring some of the services in-house.
10. The hard FM services include planned preventative maintenance, reactive maintenance, statutory compliance (such as fire and water risk assessments) and small works projects; the soft FM services include the help desk, cleaning services, pest control, security services (fixed and ad-hoc), confidential waste, vending services and inter-site mail. Both hard and soft FM services are provided to the core operational (such as Tooley Street, Queens Road and Bournemouth Road) and

non-residential (which consists of the non housing estate, anchor care homes, parks and office accommodation) buildings (approximately 350 in total) within the borough (wider estate).

11. The two suppliers that enable CFM to deliver the above services are;
 - Interserve Facilities Management Limited (Interserve) who provide a TFM solution to Tooley Street, Queens Road and other principal buildings within the wider estate, and
 - Kier Facilities Services Ltd (Kier) who provide hard FM services to the wider estate.
12. The expiry dates for these contracts are January and June 2020 respectively and CFM are currently considering options to co-terminate both contracts.

Summary of the business case/justification for the procurement

13. The council are responsible for ensuring buildings are maintained and are statutory compliant to ensure the health, safety and wellbeing of its employees, visitors and members of the public. As the current contracts are terminating in 2020, the council are required to procure new contracts and secure arrangements, with sufficient time to mobilise the contracts and undertake any staff transfers under the Transfer of Undertakings (Protection of Employment) (TUPE) regulations as deemed appropriate within the current contracts.
14. This procurement replaces the two current contracts, consolidating the TFM and hard FM services into two new contracts, hard FM (including small works projects) and soft FM;
 - to provide a safe and comfortable working environment for all building users which in turn enables them to deliver services
 - to ensure the efficient and cost effective use of assets
 - to maximise the useful life span of buildings, plant and equipment, and
 - to ensure that all statutory health and safety requirements are met pertaining to maintenance works and inspections.
15. Procuring the services through the recommended framework agreement (CCS), ensures that the core services will be delivered to corporate standards across the operational estate, including (but not limited to);
 - planned preventative building maintenance, primarily routine and scheduled maintenance activity to building service and fabric
 - reactive building repairs and maintenance e.g. repairs to broken windows
 - compliance with statutory regulations to meet all statutory and regulatory requirements relating to the building's fabric, plant and equipment, including fire risk assessments, asbestos management, gas, water and electrical testing which are compliance activities
 - maintenance of building related equipment to ensure that it is in good working order
 - provision of spares and consumables to include lighting tubes, plant lubricants and engineering parts
 - works projects i.e. refurbishment and alterations consisting of works required by the council to alter or improve the working environment.

16. Each of the buildings for inclusion within these contracts will require varying levels of maintenance. These levels will be determined by a matrix of factors including current and future use, business critically, the condition of fixed assets and the overarching accommodation strategy.
17. CFM (along with other relevant service areas), will determine the most suitable maintenance category to fit each building. This process will be fully supported by the information from the recently commissioned asset verification survey. The contracts will allow for buildings to be moved between maintenance strategies in line with the evolving estate strategy.
18. Each maintenance strategy will have its own pricing mechanism reflecting the degree of investment required in individual buildings. For example, a building providing a front line or critical service and with reasonable utilisation expectancy or a building with a short life expectancy will be assigned a specific maintenance strategy and cost.
19. A simplified pricing mechanism for fixed price, ad-hoc and hard FM projects will be implemented as part of these new contracts. The fixed price element provides a degree of cost certainty for medium and long term business planning.
20. The new contracts will have the flexibility to allow the council to expand the scope of the contracts to include other buildings that it acquires, owns, occupies or is responsible for providing FM services to during the contract term. Examples include voluntary and community schools/academies, the voluntary and community sector estate and the tenant and resident's association estate. The governance process for adding new buildings or buildings being returned following a period of tenancy to the contracts will also be detailed in the gateway 2 report.

Market considerations

21. The gateway 0 report reviewed the different FM delivery models available to CFM, and whilst the TFM model was once favoured by the market, many organisations have moved away from this model choosing to bring some services in-house and dividing the remaining services between two or more suppliers. The main driver behind this change is to mitigate the risk of service delivery failure, in the event of non or poor performance from the TFM supplier.
22. CCS has taken this into consideration throughout the procurement of the RM3830 Facilities Management Marketplace framework agreement, and has awarded a place on the framework to 46 suppliers, who are shortlisted based on their geographical location, encouraging the use of local suppliers.
23. The framework is divided into three lots depending on the total contract spend;
 - Lot 1a – Total Contract Value up to £7m
 - Lot 1b – Total Contract Value between £7m and £50m (Appendix 1), and
 - Lot 1c – Total Contract Value Over £50m.

This will ensure that only suitable suppliers are able to bid for each new contract, thus protecting both the supplier and the council.

24. The estimated costs for the hard FM and soft FM contracts (as detailed in paragraphs 3 and 4) are based on the current costs of the services and expected

increase in cost due to market volatility (following the Carillion collapse). The estimated cost for the small works and capital investment projects is a maximum value and is not guaranteed.

25. The recommended framework (above) was established in accordance with the EU regulations (the Public Contracts Regulations 2015) and therefore has engaged with suppliers nationally.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

26. **Option 1 – Do nothing**

CFM are responsible for ensuring the council buildings are maintained and are statutory compliant. The contracts with the incumbent suppliers (Interserve and Kier) expire in 2020 and replacement contracts are required to continue to provide these services. This is not an option for the council.

27. **Option 2 – Provide all services in-house**

Following careful analysis and consideration, some of the services were deemed viable to bring in-house (and formed part of the recommendation in the gateway 0 report (see structure contained with Appendix 2)). The remaining services do not fall within the council's core business, and therefore it has been considered that bringing those services back in house would not provide value for money.

28. Although the new in-house service supporting the residential housing estate is settling down, it is considered too soon to add the additional complexity of the operational estate to the service at this time. This is considered a future option but currently not viable for the council's operational estate.

29. **Option 3 – use an EU compliant framework agreement (recommended)**

There are five organisations that have facilities management framework agreements that are accessible and available for the council to use; CCS, Eastern Shires Purchasing Organisation (ESPO), Fusion 21, NHS Shared Business Services (NHS SBS) and the Scape Group.

30. Following a thorough market analysis (contained within Appendix 3), the CCS RM3830 Facilities Management Marketplace, Lot 1b - (£7m to £50m) not only meets all of the council's essential requirements, it has also incorporated the lessons learnt from previous facilities management framework agreements and contracts. Some of the improved services to be provided are;

- having a regional lot structure, meaning that services can be procured locally, enhancing social value based on geographical strength
- having simplified processes for ad-hoc works to be included within the contract
- providing a simplified bid pack to communicate requirements to suppliers
- requesting suppliers to tailor their offer to match social value priorities and measurable local benefits, such as: an efficient and sustainable public estate; support for diversity and inclusion; improved competency and capacity
- the flexibility to allow the council to expand the scope of the contract to include other buildings that it owns, occupies or is responsible for providing FM services to during the contract term
- the contract length can be awarded for up to seven years with an option to extend for up to an additional three years.

31. Whilst the other organisations have suitable framework agreements, the CCS framework is superior in terms of scope and offers more services required to enhance the service provision provided by CFM.
32. Other organisations were considered and discounted for being unable to meet all of the council's operational requirements.
33. **Option 4 – Procure via the Official Journal of the European Union (OJEU)**
Due to the estimated value of the new contract being above the EU Services threshold of £181,302 it is subject to the EU procurement regulations and therefore an OJEU compliant procurement procedure is required to be followed. The council could therefore undertake a competitive procurement process via the OJEU restricted procedure, however this process would take longer (requiring more of the council's resource) than undertaking a further competition via a framework agreement.

This approach would not guarantee to attract suppliers other than the 46 suppliers that are already on the framework agreement. All of the major suppliers within the FM marketplace are on this agreement, and 34 out of the 46 suppliers are on Lot 1b (£7m - £50m) which is the recommended Lot for both the hard FM (including small works projects) and soft FM procurement processes. This option is therefore not recommended.

34. **Option 5 – Shared services**
There are currently no opportunities to work with neighbouring councils to join agreements or to undertake procurement projects. This is not an option for the council.

Proposed procurement route

35. Having considered all of the opportunities available to the council, the following recommendations are shown below;
36. To bring the following services in-house on expiry of the current facilities management contracts;
- **Tooley Street** – cleaning and the help-desk
 - **Queens Road** – post room, reception, cleaning and building management
 - **Wider council estate** – pest control
37. To procure hard FM services (including small works projects), 'Option 3 – to use an EU compliant framework agreement' and in particular, CCS RM3830 Facilities Management Marketplace, Lot 1b (£7m to £50m). The following CFM services will be provided under this contract;
- mechanical, electrical and plumbing (MEP)
 - building fabric
 - lifts and equipment falling within the lifting operations lifting equipment regulations 1998 (LOLER), and
 - statutory compliance (fire safety, water hygiene and asbestos etc.)
 - small works projects

38. To procure the soft FM services, 'Option 3 – to use an EU compliant framework agreement' and in particular, CCS RM3830 Facilities Management Marketplace, Lot 1b (£7m to £50m). The following CFM services will be provided to the wider council estate under this contract;

- cleaning
- security services
- vending services
- confidential waste, and
- inter-site mail

Identified risks for the procurement

No	Risk	Risk Rating	Description and Mitigation
1	The bids received for hard FM and soft FM are higher than the current cost of these services.	Medium	Following the Carillion collapse, suppliers are likely to submit higher bids to ensure profitability on the contract. This will be mitigated by ensuring that the specification is robust, by early supplier engagement and by inviting up to 34 suppliers to bid.
2	Insufficient resource Not having the appropriate resource to deliver this project could result in long delays or even stop this project. This in turn would leave the council vulnerable to not providing a FM service provision in 2020.	Medium	Appropriate resource needs to be identified and budget approved prior to the commencement of this project.
3	Abnormally low bids There would also be a risk of suppliers providing an unsustainable pricing model which could lead to particularly high or low cost models being submitted.	Medium	Robust evaluation of the pricing proposals will be conducted to ensure that the successful supplier can deliver services to the desired quality for the submitted cost.
4	Poor response A poor response resulting in few suppliers presenting submissions undermines the procurement and limits the council's choice of suppliers.	Medium	Open days for bidders will be held to inform potential suppliers and promote the procurement to the market. Conduct early supplier engagement with the 34 suppliers on Lot 1b.
5	TUPE The staff that are subject to TUPE choose not to TUPE over to the council.	Low	This will be mitigated through early consultation and communication with the individuals concerned. In the event of the staff not wishing to TUPE into the council, the council will employ temporary / agency workers in the first instance, which will be followed by a recruitment campaign to permanently fill required vacancies.
6	Delays to procurement programme Procurement programme is delayed resulting in a period where the	Low	The programme will be planned to ensure that appropriate resources are deployed to meet target dates to obtain timely decisions so that the tender is not

No	Risk	Risk Rating	Description and Mitigation
	council will be out of contract which may have an impact on service delivery as the supplier may stop providing their services.		<p>delayed.</p> <p>Robust tender documents will be developed to reduce the likelihood of subsequent revisions and clarifications that cause delays.</p> <p>The evaluation of tenders will be appropriately resourced and executed, and completed on time.</p>
7	<p>Insufficiently robust specification Poor specification results in contracted services not being fit for purpose to meet the council's requirements.</p>	Low	<p>Effective stakeholder engagement to identify needs and analyse services and their value to define the scope and specification of services.</p> <p>The project manager will hold workshops with internal stakeholders to ensure that all requirements are identified.</p> <p>Utilise the CCS specification and modify to meet the council's requirements.</p>
8	<p>Failure of Suppliers Working in low margin areas such as facilities management, results in strain on suppliers when things go wrong financially.</p>	Low	<p>Tender evaluation methodology will provide reassurance of bidders' financial security. Reducing risk to the council. A MINT credit check will be conducted on the supplier's financial status prior to awarding these contracts.</p>

Key /Non Key decisions

39. This report deals with a key decision.

Policy Implications

40. The theme of "Valuing the environment" and "Value for money" will be increasingly supported through the provision of the new FM service delivery platform and effective strategic management of FM. Supported policies include "Southwark Cleaner Safer" and the "Sustainable Community Strategy".

Procurement Project Plan (Key Decisions)

41. The period between the approval of the Gateway 1 decision and issuing the tender documents will be used to; set up the programme board, liaise with internal stakeholders, commence early supplier engagement, undertake enabling works (such as asset register and audits) and assemble the tender documents including the specification.

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	25/05/2018
DCRB Review Gateway 1	29/10/2018
CCRB Review Gateway 1	01/11/2018
Brief relevant cabinet member (over £100k)	08/11/2018
Notification of forthcoming decision - Cabinet	03/12/2018
Approval of Gateway 1: Procurement strategy report	11/12/2018
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	19/12/2018
Completion of tender documentation	01/06/2019
Invitation to tender	03/06/2019
Closing date for return of tenders	02/08/2019
Completion of any clarification meetings/presentations/evaluation interviews	20/09/2019
Completion of evaluation of tenders	30/09/2019
Forward Plan (if Strategic Procurement) – Gateway 2	01/10/2019
DCRB Review Gateway 2	28/10/2019
CCRB Review Gateway 2	07/11/2019
Notification of forthcoming decision – despatch of Cabinet agenda papers	02/12/2019
Approval of Gateway 2: Contract Award Report	10/12/2019
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	18/12/2019
Debrief Notice and Standstill Period (if applicable)	19/12/2019
Contract award	31/01/2020
Add to Contract Register	31/01/2020
TUPE consultation period start (if applicable)	31/01/2020
Place award notice in Official Journal of European (OJEU)	31/01/2020
Place award notice on Contracts Finder	31/01/2020
Contract start	01/06/2020
Initial contract completion date	31/05/2025
Contract completion date – (if extension(s) exercised)	31/05/2027

TUPE/Pensions implications

42. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) are likely to apply to this proposed procurement exercise. The appointment of a new supplier for, or in the insourcing of, the existing services could amount to a Service Provision Change under TUPE.

43. The proposal to bring in-house the council's soft FM services listed in paragraph 35 presents TUPE and pensions implications for the council as an employer as any supplier employees engaged in the delivery of these services may transfer to the council.
44. TUPE may also apply in relation to any incumbent and new supplier of one of the other hard and soft FM services listed in paragraphs 36 and 37, if that is the outcome of the tender, and in which case may result in the transfer of staff from one supplier to the other and/or their sub-contractors. There may also be pensions implications for the council if there is a transfer to a new supplier from any incumbent supplier of any staff who were originally employed by the council to deliver the service/s and who are member of or who may be eligible for membership of the Local Government Pension Scheme (LGPS).
45. Due diligence work will need to be carried out and staffing information sought from the current suppliers. Once this due diligence information is provided the full TUPE and pensions implications can be more closely determined. The due diligence information will, as relevant, also be made available to bidders within the tender documentation pack.
46. The procurement project timetable will need to include sufficient timelines to ensure that the council and any affected supplier are able to comply with legal obligations that could potentially arise in respect of TUPE.

Development of the tender documentation

47. The further competition documents will be a mixture of council standard documents and CCS general tender documents for this framework agreement, and will be written by procurement and FM professionals. In order to conduct the further competition with the framework suppliers, the following areas will be included, but not limited to, in the final suite of documents: (1) specification of requirements; (2) pricing; (3) competition timescales; (4) evaluation criteria and weightings; (5) evaluation process; and (6) additional terms and conditions such as London Living Wage commitment, service levels, key performance indicators, insurances, implementation and exit plans. The CCS eSourcing tool will be used to undertake this procurement process due to all 34 suppliers already having their details uploaded onto this system. The final documents will be unloaded onto the council's e-procurement system (pro-contract) on conclusion of the procurement process.

Advertising the contract

48. There is no need to advertise separately as this was already done when the framework was set up. All suppliers on Lot 1b that provide services within the 'UKI4 - Inner London (East)' region (the region that the council sits within), that can deliver all of the council's mandatory requirements (which will be provided as part of the specification) will be invited to partake in both further competition exercises.

Evaluation

49. The suppliers on Lot 1b will be shortlisted by CSS based on the location they provide their services and also their ability to meet the council's mandatory requirements. The council will then invite the remaining suppliers to further competition and will evaluate the bids based on the information below.

50. The CCS framework agreement allows flexibility in the evaluation criteria, to enable each organisation to tailor to meet their requirements. CFM recommend the evaluation criteria as price (60%) and quality (40%); this is amended slightly from the council's standard 70% / 30% split due to the importance of CFM providing a statutory compliant service for the health, safety and wellbeing of its staff and residents.
51. Pricing (60%) shall be based on value for money for the council and the evaluation will consider the whole life cost of the contracts.
52. Quality (40%) will include (but will not be limited to);
- providing all of the 'mandatory services' required by the council (to be included within the tender documents)
 - providing the above in the required 'geographical location'
 - the use of SME's within the supplier's supply chain
 - added value / innovation
 - social value
 - approach to delivery of the services
 - mobilisation
 - use of supply chain / partners
 - presentations.
53. The evaluation panel that will be formed to evaluate the tender responses will consist of internal stakeholders (within the Council) and specialist external stakeholders as required. Expertise will be ascertained from CFM, Procurement, Legal, Finance and HR during the relevant stages of the procurement process.
54. The suppliers will be invited to tender for both hard FM (including small works projects) and soft FM; however, the suppliers will not be allowed to win both lots (CCS has confirmed that this is permissible under the framework agreement). The methodology for calculating this will be included within the tender documents.

Community impact statement

55. The contracts will have a direct impact on those local residents who visit council premises which are subject to these contracts, and it would be expected that the appointed supplier complies with all relevant council policies and procedures.

Social Value considerations

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

Economic considerations

57. The successful supplier will be encouraged to develop a local supply chain where possible, however a proportion of components are highly specialised and only available from national suppliers.

58. The supplier will be required to provide apprenticeship opportunities for every £1m spent on the contracts. The contract manager will monitor the supplier and report on progress. The key areas that the council believe are key to the success of any apprenticeship are:
- Minimum contract for 12 months
 - Quality training provision
 - Mentoring and support.

Social considerations

59. The successful supplier will be required to demonstrate that they offer their staff and contractors guaranteed hours (and do not employ them on zero hours contracts), they operate an Equal Opportunities Policy, comply with the provisions of the Equalities Legislation and the Employment Relations Act 1999 (Blacklists) Regulations 2010, and make guidance or policy documents concerning how the organisation embeds equality and diversity available to employees / sub-contractors, recognised trade unions or other representative groups of employees.
60. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for these contracts will result in quality improvements for the council. These should include a higher calibre of staff that will contribute to the delivery of services on site and it is therefore considered that best value will be achieved by including this requirement. It is therefore considered appropriate for the payment of LLW to be required. The successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.
61. A full equalities and health impact assessment will be included within the tender documentation.

Environmental/Sustainability considerations

62. Throughout the tender process, the appointed suppliers will be required to agree to / adhere to the following;
- not to use single use plastic and to use recycled paper where practical
 - conform to the council's modernised and agile ways of working (hot desking and better use of technology) whilst working onsite
 - encourage the use of low emission vehicles and the minimisation of journeys needed
 - report on the suppliers energy use, water consumption and CO2 emissions to ensure the industry standards are adhered to
 - ensure the disposal of all electrical equipment being replaced is in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE). All new equipment will be low energy rated to meet current regulations

- ensure that all recyclable packaging will be set aside and disposed of via a recycling centre
- ensure that no hazardous materials will be used.

Plans for the monitoring and management of the contract

63. The council will create a steering board, which will be chaired independently from CFM. Representatives from both Legal and Procurement will be invited to ensure that all relevant council policies and procedures are adhered to.
64. The contracts will be let and managed by CFM.
65. Key performance indicators (KPI's) will be set and challenged to ensure the successful supplier's performance is to the required standard.
66. The CFM contracts team will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
67. Monthly progress meetings, to be attended by officers will be arranged and recorded to review performance and compliance.
68. Annual and six monthly performance reviews will be submitted to departmental contract review board (DCRB) and corporate contract review board (CCRB).

Staffing/procurement implications

69. FM and Procurement resource have been identified to deliver this procurement project, and CCS will provide additional support to shortlist the suppliers in the initial part of this procurement process.
70. The likely insourcing of staff under TUPE will increase CFM staff numbers and internal management requirements as well as increasing wider management overheads in the council. The existing CFM contracts team are already performing the contract management functions but the specification, procurement, TUPE and HR will require additional specialist resource to achieve.

Financial implications

71. The proposal is to award two FM contracts. The first contract will cover planned hard FM services including small works projects. The current estimated annual cost is £3.6m for the hard FM element and £3.5m for the small works. For an initial contract term of 5 years plus provision to extend for a further 2, gives a total contract value of £49.8m excluding inflation. The second contract for Soft FM services if also awarded for 5 years plus option to extend for a further 2 at a current annual cost of £5.2m will have a total contract value of £36.2m excluding inflation.
72. The overall cost of this procurement strategy excluding inflation over 7 years is therefore £86m.
73. In addition to the above the strategy involves bringing some services currently delivered under the existing FM contracts, in house. These include the helpdesk service provided by Kier along with a number of administrative / procedural support services.

74. While it is anticipated that for those services brought in house, funding will be released through a reduction in future contracted costs for FM services, this will only be properly evaluated as the process moves towards awarding the contracts.
75. FM services in Tooley Street currently provided in house which include post room, reception, event management and building management are all expected to continue at no additional cost.
76. Other financial considerations will be those associated with TUPE, the context of which is set out earlier in this report.
77. The planned contract arrangements will be funded through resources established within CFM other than those services requested as ad-hoc, where departments have responsibility to ensure they have the necessary funding.
78. This report notes the risk that suppliers are likely to submit higher bids to ensure profitability on the contracts following the widely publicised collapse of Carillion. The financial impact of this will not be known until tenders are assessed. However in the event that additional resources are required to fund either of the contracts, this will be confirmed at the gateway 2 report stage seeking approval to award the contracts and addressed as part of the Council's budget setting process for 2020-21 along with any savings proposals to help fund the cost.
79. Both contracts are likely to be subject to an annual uplift for inflation, details of which will also be confirmed in the Gateway 2 contracts approval report.
80. While this procurement process will be supported by current in house resources, it is recognised that additional expertise and support is also required to ensure that the right outcome is achieved. Plans are in place to help fund the cost of this support.

Investment implications

81. None.

Legal implications

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

Consultation

83. Internal consultation will be undertaken throughout the procurement process.

Other implications or issues

84. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC18/021)

85. This report seeks cabinet approval to the procurement strategy for a Hard FM service contract including small works projects and Soft FM services to take effect

as the current contracts for these services co-terminate in June 2020 and the financial implications are contained within the body of the report.

86. The services to be procured together with those to be brought back in house are currently fully funded. However the full cost of the strategy will not be determined until the outcome of the tender evaluations are known. The gateway two report seeking approval to award the contracts will specify the full cost and in the event that there is a funding shortfall this will need to be addressed as part of the budget setting process for 2020-21.
87. The proposal for small works projects where suitable to be delivered via the Hard FM contractor is noted. A number of these projects are likely to be funded within departmental capital programmes with CFM ensuring that value for money has been achieved.

Head of Procurement

88. This report seeks the approval of cabinet for the procurement strategy for the Corporate Facilities Management services from June 2020. The procurement strategy covers bring those outlined services outlined in paragraph 36 in-house, with an estimated annual cost of £1m. For Hard and Soft FM Services, two suppliers will be chosen from Lot 1b of the Crown Commercial Service's (RM3830) Facilities Management Marketplace Framework Agreement, who will each be appointed for a period of five years with the option to be extended for up to two further years from June 2020. For Soft FM services, this should be an estimated annual cost of £5.2m, making an estimated total contract value of £36.2m, with an estimated start date of June 2020. For Hard FM Services, this should be an estimated annual cost of £3.6m for hard FM but it will also include up to £3.5m for the small works and capital investment projects, making an estimated maximum total contract value of £49.8m.
89. Cabinet should note that there will be no additional gateway reports for small works and capital projects within the scope of the hard FM contract up to £500k in value. However, works would only be awarded to the main contractor where this is not specialist, the main contract is being at least adequately performed and where a pre-tender estimate can be benchmarked as offering the council value for money. If any of these conditions are not met, then contractors from the council's approved list will be invited to tender for the requirement.
90. Each of the external contracts will pay London Living Wage (LLW) and hard and soft FM contracts will be invited from the same framework but will have two separate providers from the 35 suppliers on this lot of the Framework Agreement (Lot 1b – Total Contract Value £7m - £50m).
91. The contract will be monitored and managed by the corporate facilities management team as outlined in paragraphs 63 to 68. Social Value requirements including apprenticeships will be included in the tender documents and the achievements included in the Gateway 2 report when seeking to award these contracts.

Director of Law and Democracy

92. This report seeks the approval of the Cabinet to the procurement strategy for corporate facilities management (CFM) contract for the council's operational estate outlined in this report. The report recommends that the CFM services be divided into three areas; in-house services, hard FM and soft FM.

93. The council's Contract Standing Orders (CSOs) 5.1.2 provides that any procurement involving the establishment of a council-led Framework agreement or the use of a third party's Framework Agreement is subject to the full requirements of these CSOs, including a Gateway 1 and Gateway 2 report. This report therefore seeks approval to the use of the CCS framework contract for the hard FM and the soft FM. As the agreement has already been tendered in accordance with the EU regulations, the council is not required to undertake a separate EU tendering exercise. The procurement strategy proposes the carrying out of a mini-tendering exercise between suppliers who are parties to the CCS framework agreement, as is set out in the report, and which should enable a best value solution to be agreed with a preferred provider.
94. The TUPE/pensions implications in respect of bringing the services back in-house and the outsourcing of the hard and soft FM are set out in paragraphs 42-46 of this report as well as paragraph 70.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 - FM contract for the council's operational estate	160 Tooley Street, SE1 2QH.	Paul Symington 020 7525 0225
Link (please copy and paste into your browser): http://modern.gov.southwark.gov.uk/documents/s73460/Report%20Gateway%20%20Facilities%20Management%20Contract%20for%20the%20Councils%20Operational%20Estate.pdf		

APPENDICES

No	Title
Appendix 1	Suppliers on RM3830 Facilities Management Marketplace (Lot 1b)
Appendix 2	Proposed CFM Services
Appendix 3	Framework Agreement Evaluation (Option 3)

AUDIT TRAIL

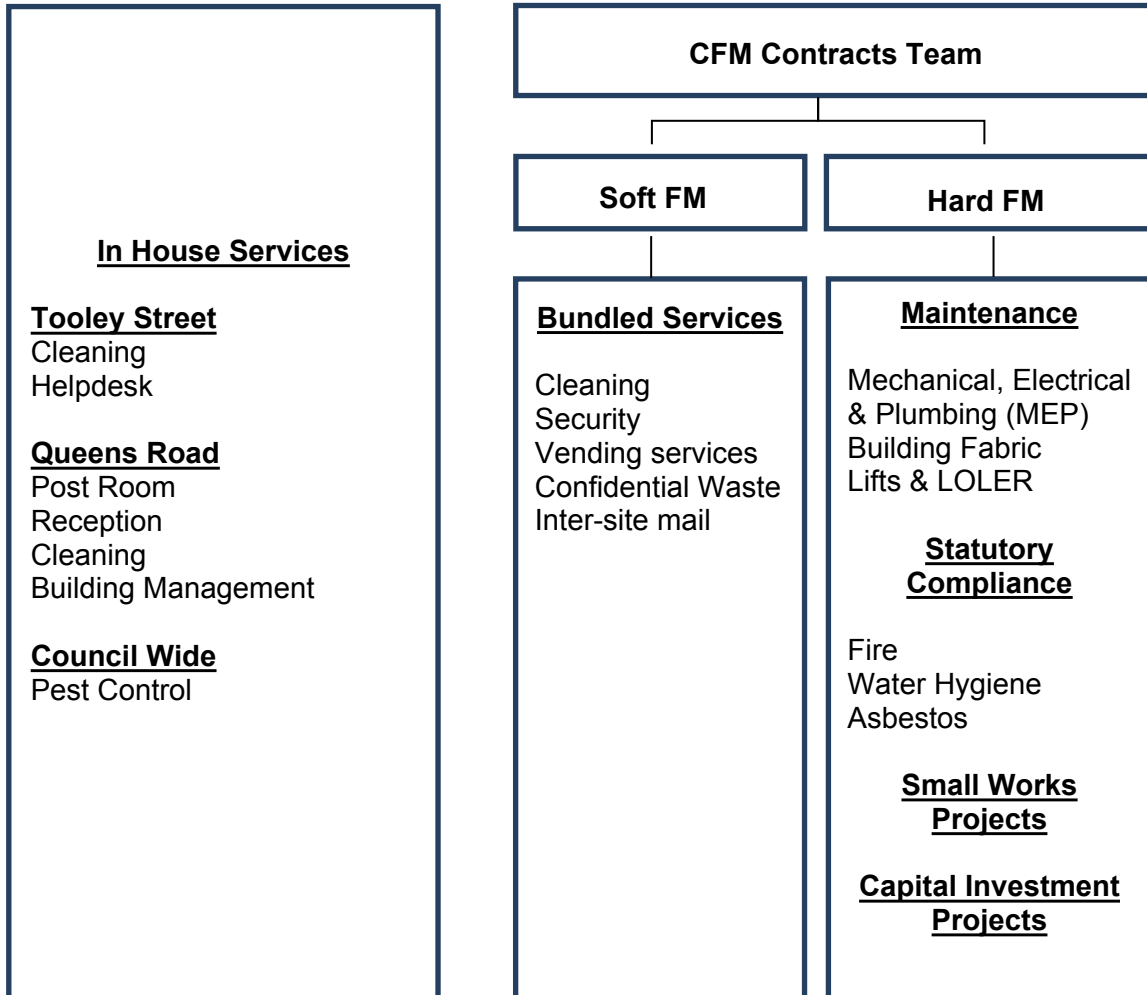
Cabinet Member	Councillor Stephanie Cryan, Housing Management and Modernisation	
Lead Officer	Paul Symington, Head of Corporate Facilities	
Report Author	Kelly Sanders, Head of Corporate Contracts	
Version	Final	
Dated	5 November 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / 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		30 November 2018

APPENDIX 1

Suppliers on RM3830 Facilities Management Marketplace (Lot 1b)

No	Supplier
1	Amey Community Ltd
2	BAM FM Ltd
3	Bellrock Facilities Management
4	Bouygues E&S FM UK Ltd
5	CBRE
6	Compass Contract Services (Operating as ESS)
7	Ecolog International
8	EMCOR
9	Emtec Facilities Services
10	ENGIE
11	Engie FM
12	G4S Facilities Management Ltd
13	Graham Asset Management
14	Integral UK Limited
15	Interserve (Facilities Management) Ltd
16	ISS Facilities Services Limited
17	ISS Mediclean Limited
18	Mace Macro
19	MEARS
20	Mitie Facilities Services Ltd
21	Mountjoy
22	NG Bailey Facilities Services
23	Noonan
24	OCS Group UK Ltd
25	Pareto Facilities Management Limited
26	Robertson Facilities Management Limited
27	Salisbury Workplace Services Ltd
28	Serco Limited
29	Servest Arthur McKay
30	Servest Group Ltd
31	SES (Engineering Services Ltd) Wates Smartspace FM
32	Skanska Construction UK Limited
33	Sodexo
34	VINCI Construction UK Ltd

APPENDIX 2

Proposed CFM Services

APPENDIX 3

Framework Agreement Evaluation (Option 3)

The council undertook research to ensure the most appropriate framework agreement was used to procure the hard and soft FM services. A summary of the organisations / framework agreements identified are summarised below.

Option 3.1

Organisation	Crown Commercial Service
Framework Reference	RM3830
Framework Title	Facilities Management Marketplace
Framework Lot	Lot 1b (£7m - £50m)
Framework Summary	<p>UK-wide facilities management (FM) services organised regionally and available to all public sector entities. Includes maintenance, cleaning, security, helpdesk etc.</p> <p>Full description: This agreement gives you access to facilities management services across the UK. Suppliers' geographical coverage is classified by NUTS 2 regions (40 regions of the UK as defined by the Nomenclature of Territorial Statistics) to provide you with regional competition and national coverage.</p> <p>There may also be limited opportunities for suppliers to provide international coverage for buyers procuring UK services.</p> <p>Services covered:</p> <ul style="list-style-type: none"> • Contract management • Contract mobilisation • Maintenance services • Horticultural services • Statutory obligations • Catering services • Cleaning services • Workplace FM services • Reception services • Security services • Waste services • Miscellaneous FM services • Computer-aided facilities management (CAFM) • Helpdesk services • Management of billable works. <p>All suppliers can offer mandatory services within each of the above. Suppliers can also provide a number of non-mandatory FM.</p> <p>To ensure buyers have access to the right suppliers, the agreement has 1 Lot which is split into 3 sub-categorised</p>

	lots. Each sub-lot is determined by total contract value: Lot 1a - Up to £7m.....27 suppliers Lot 1b - £7m - £50m.....34 suppliers Lot 1c - Over £50m.....20 suppliers
Start Date	10/07/2018
Expiry Date	09/07/2020 (with the potential to be extended for 2 years)
Suppliers	See Appendix 1
Recommended Option	Yes

Option 3.2

Organisation	ESPO – Eastern Shires Purchasing Organisation
Framework Reference	676
Framework Title	Total Facilities Management Solutions
Framework Lot	Lot 1 - Total Facilities Management Lot 2 - Soft Facilities Management <ul style="list-style-type: none"> • Sub-Lot 2A - Soft Facilities Management (annual requirements over 50 000 GBP) • Sub-Lot 2B - Soft Facilities Management (annual requirements under 50 000 GBP) Lot 3 - Hard Facilities Management <ul style="list-style-type: none"> • Sub-Lot 3A - Hard Facilities Management (annual requirements over 50 000 GBP) • Sub-Lot 3B - Hard Facilities Management (annual requirements under 50 000 GBP)
Framework Summary	This framework provides a complete suite of Facilities Management services for national use by all public body sectors.
Start Date	04/05/2016
Expiry Date	03/05/2019 (Extension Up to 03/05/2020)
Suppliers	<ul style="list-style-type: none"> • Arthur McKay & Co Ltd, • Bouygues Energies & Services FM UK Ltd, • Churchill Contract Services Ltd, • Derwent FM, • Engie, • Eric Wright FM Ltd, • Galliford Try, • Hi-spec Facilities Services, • ISS Facility Services, • Kershaw Mechanical Services Ltd, • Kier Facilities Services Ltd, • Leicestershire County Council, • Lindum Group Ltd, • Mears Facilities Management, • Norse Commercial Services, • Servest Group Limited, • Sodexo Ltd, • Solary FM Service Ltd, • Stadium Facilities Management Ltd, • Sure Maintenance Ltd,

	<ul style="list-style-type: none"> • Water Hygiene Centre Ltd
Recommended Option	No – the services provided under these framework agreements do not fully cover the council's requirements.

Option 3.3

Organisation	Fusion 21
Framework Reference	OJEU Notice - 2017/S 068-127841
Framework Title	Compliance and Facilities Management
Framework Lot	Lot 15 – Soft FM Services Lot 16 – Hard FM Services (M&E)
Framework Summary	The Compliance and Facilities Management framework is run by technical specialists and only features pre-qualified, accredited supply partners.
Start Date	03/04/2017
Expiry Date	02/04/2021
Suppliers	<p>Lot 15 – Soft FM Services</p> <ul style="list-style-type: none"> • BAM FM Limited • Bellrock Property & Facilities Management Ltd • Kier Facilities Services Ltd • MSS Group Ltd <p>Lot 16 – Hard FM Services (M&E)</p> <ul style="list-style-type: none"> • BAM FM Limited • Bellrock Property & Facilities Management Ltd • Crystal Electronics Ltd • Galliford Try Building Limited T/A Galliford Try Facilities Management • Kier Facilities Services Ltd • NPS Property Consultants Limited
Recommended Option	No – the services provided under these framework agreements do not fully cover the council's requirements.

Option 3.4

Organisation	NHS SBS (NHS Shared Business Services)
Framework Reference	1. SBS/14/HB/MX/8551 2. SBS/17/MN/PZJ/8874 3. NHS/14/HB/MX/8551
Framework Title	1. Security Services (Soft FM) 2. Hard Facilities Management 3. Facilities Management (Soft FM)
Framework Lot	<p>1. Security Services (Soft FM)</p> <ul style="list-style-type: none"> • LOT 1 - Manned Guarding (Incl Static and mobile patrols) • LOT 2 - Key Holding and Alarm Response • LOT 3 - Install of Intruder and Hold-up Alarms • LOT 4 - Alarm Receiving Centres and Remote Video Receiving Centres • LOT 5 - Install of CCTV Cameras and systems • LOT 6 - CCTV Monitoring and Management • LOT 7 - Access Control Systems • LOT 8 - Fire Alarms, Servicing, Testing

	<ul style="list-style-type: none"> • LOT 9 - Emergency Light Testing • LOT 10 - Lone Working Devices- Staff Call Systems • LOT 11 - Sniffer Dogs • LOT 12 - Total Integrated Security <p>2. Hard Facilities Management</p> <p>3. Facilities Management (Soft FM)</p>
Framework Summary	<p>1. Security Services (Soft FM)</p> <p>To provide Estate, Facilities and Capital teams a compliant route to market for the provision of a full range of Security Services from a wide range of specialisms. Utilising both SME and national supplier's, to enable delivery of a Totally Integrated service, a single service; a bundled service or to provide a one-stop shop for a wide range of services.</p> <p>2. Hard Facilities Management</p> <ul style="list-style-type: none"> • Fully Managed Service • Measured Terms Contracts (MTC) on Painting and Decorating, Mechanical, Electrical, Building • Building Management Services (BMS) • Computer-Aided Facilities Management (CAFM) • Electrical Sundries • Fire Safety Equipment • Removal Services • Rating Support • Roofing and Guttering • Plumbing • Ventilation and Air Conditioning • Building Management Services (BMS) <p>3. Facilities Management (Soft FM)</p> <ul style="list-style-type: none"> • Security Services • Asbestos Management/Removal • General Cleaning and Cleaning Consumables • Grounds and Gardens • Laundry • Lift Maintenance • Legionella/Water Treatment • Porterage • Window Cleaning Internal/External • PAT Testing • Health and Safety • Corporate/General Catering • Fully Managed Service • Pest Control
Start Date	<p>1. 01/08/2015</p> <p>2. 25/08/2017</p> <p>3. 01/09/2015</p>
Expiry Date	<p>1. 31/08/2019</p>

	2. 24/08/2021 3. 31/08/2019
Suppliers	Various
Recommended Option	No – the services provided under these framework agreements do not fully cover the council's requirements.

Option 3.5

Organisation	Scape Group
Framework Reference	Various
Framework Title	Built Environment Consultancy Services
Framework Lot	Various
Framework Summary	Our services: <ul style="list-style-type: none"> • Project Management • Quantity Surveying • Building Surveying • Commercial Surveying • Architecture and Design Services • Civil and Structural Engineering • Electrical and Mechanical Engineering • Health and Safety • Highways Consultancy and Engineering Services • Strategic Asset Management
Start Date	Various
Expiry Date	Various
Suppliers	Various
Recommended Option	No – the services do not meet the council's requirements.

Item No. 14.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Establishment of the Positive Futures Fund	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Evelyn Akoto, Community Safety and Public Health	

FOREWORD - COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR COMMUNITY SAFETY AND PUBLIC HEALTH

This cabinet report sets in motion our manifesto commitment to work with our communities to find local solutions that help young people stay away from crime and in particular knives by launching a £500,000 Positive Futures Fund to support community groups that provide innovative opportunities for young people across the borough.

Youth violence and in particular knife crime are both complex and long standing and continue to be a significant problem in Southwark and across London. Every young life lost is a tragedy and alongside our partners the council is committed to doing all that we can to end knife crime and youth violence in the borough.

No one agency has the answers but every part of the council is working with communities, the police, and other partners to tackle youth violence and other issues that are so harmful to our communities.

We recognise that our young people are full of passion and potential, but sadly we have all seen and heard about young lives lost because of knife crime. This fund is about inspiring opportunities for young people that make the most of this potential and passion.

Taking time to understand and accept the reality of life for young people as they see it, giving young people a voice in the work we are doing in tackling knife crime is vital to the work that we do. That is why we want the Fund to have the active involvement of young people in developing programmes that divert young people from a life of crime

There is no one way to tackle knife crime, the work that goes on day after day to prevent violence and divert people away from carrying knives generally goes unnoticed. Prevention takes time, dedication and understanding. The Positive Futures Fund aims to support work by community groups that aims to prevent violence.

Once again despite cuts from central government, Southwark Council continues to provide financial support to community groups, voluntary organisations and faith groups so that they add value to our borough, and make Southwark a place with strong and resilient communities which we can all be proud of. With this fund we are making another investment in our communities and in young people's futures.

RECOMMENDATIONS

1. To approve the establishment of the Positive Futures Fund that aims to support community organisations to provide inspiring opportunities for young people that divert them away from crime.
2. To instruct officers to develop the detailed criteria and funding processes for the scheme with the intention that the implementation of funded projects commences from April 2019.

BACKGROUND INFORMATION

3. Knife crime had been declining in London over the last few years, but 2016-2017 marked an increase. For the last five years Southwark has had higher level of knife crime than the London average. The number of offences of knife crime with injury and knife possession has also been above the capital's average. In the last rolling 12 month period ending September 2018 Southwark has seen a decrease of over 15% in knife crime but the volumes still remain too high and the public remain rightly concerned about knife crime and carrying in the borough.
4. Serious youth violence is defined by the Metropolitan Police Service as any offence of most serious violence or weapon enabled crime, where the victim is aged 1-19' i.e. murder, manslaughter, rape, wounding with intent and causing grievous bodily harm. 'Youth violence' is defined in the same way, but also includes assault with injury offences.
5. Knife carrying by young people (10 to 24 years) is now more prevalent. Whilst not all knife crime is gang related or committed by young people, they remain disproportionately affected by knife crime.
6. Southwark Council recognises that youth violence and knife crime is a concern for many in our community and tackling it is the responsibility of everyone in society.
7. Southwark Council is currently implementing a knife crime and serious violence action plan. This multi-agency action plan was developed using the following themes and included consultation with a broad range of stakeholders:
 - a. Governance – robust governance of the partnership and ensuring a system wide approach to the issues involving all key agencies.
 - b. Engagement, consultation and needs assessment – increasing understanding of violence and how to tackle these issues alongside communities. Targeting lawbreakers – enforcement and criminal justice response to knife crime.
 - c. Keeping deadly weapons off our streets – addressing the accessibility and availability of knives.
 - d. Protecting and educating young people – recognising the importance of prevention and working alongside schools. Standing with communities, neighbourhoods and families against knife crime. Supporting victims of knife crime - ensuring that improving support to victims is at the heart of a holistic response.

- e. Offering ways out of crime - recognising that young people should be offered interventions which help them move away from criminality.

KEY ISSUES FOR CONSIDERATION

8. A new Council Plan for 2018-2022 was agreed by cabinet in June 2018. It includes a Safer Community as a key commitment. The plan highlights that everyone has the right to feel safe and be safe.
9. The plan also recognises that while Southwark is a welcoming and inclusive borough and we are proud that so many people want to make it their home we need to empower people, particularly young people, with the opportunities that they need to make positive choices and to stay away from crime and violence. The plan commits the council to investing in our young people and finding new and innovative ways to support their futures, providing opportunities and investing in the groups that give young people inspiration and improved life chances.
10. In particular the Plan commits the council to launch a new Positive Futures Fund to support groups which provide inspiring opportunities for young people and divert them away from crime. This investment is additional to the council's existing investment in Youth Services, grants to voluntary sector youth providers and the Youth Fund that was established by the council in 2011. It will complement these existing programmes but be targeted at those young people most likely to become involved in crime.
11. Governance of the work that the council does in this area in partnership with other agencies is the responsibility of the Southwark Safeguarding Adults Board that includes the role of the statutory crime and disorder partnership. This ensures that the approach that is taken to tackling issues like knife crime and youth violence is a joined-up multiagency one involving the council, Police, Health, Education, Probation, Voluntary & Community Sector and other partners. The work of the partnership brings together the work on enforcement, the longer term public health approach and a range of targeted and effective interventions that address the immediate issue.
12. While enforcement and a focus on criminality is an integral part of the approach it is essential that the partnership also address issues around why more and more young people are carrying and using weapons. Youth violence is complex, with a range of deep rooted and difficult challenges in tackling it that require all partners to work together longer term to understand and address the underlying issues that result in youth violence.
13. The intention is that the Positive Futures Fund creates innovative work with partners to support a more direct community response to not only engaging directly with our most vulnerable and hard to reach young people, but also developing local solutions and responses to youth violence and knife crime.
14. The Positive Futures Fund aims to support voluntary and community sector organisations and groups working with disadvantaged young people within Southwark. It can contribute to up scaling existing projects or the creation of new ones. Young people will be given the opportunity to frame the desired outcomes from the fund, and funding recommendations will be the responsibility of a board – with at least half of the board being young people aged between 16-24. This board

will be actively supported by officers to ensure it has access to the best possible information on good practice in this area of work, does not duplicate existing work but links to and complements existing work across the partnership.

15. The board will be recruited via the existing established Southwark youth links such as the Youth Council, Southwark Young Advisors and Peer Navigators.
16. The intention of the fund is that all projects that are supported should be co-designed by the young people that they aim to support and evidence active engagement and participation by young people to ensure that they are recognising and tackling the most pressing problems felt by these groups.
17. The Southwark Voluntary and Community Sector (VCS) Strategy 2017/2022 'Common Purpose Common Cause' was launched by the local VCS, the council and Southwark Clinical Commissioning Group (CCG) in November 2016.
18. The overall ambition of the strategy is to support a sustainable, confident and resourceful VCS that can work alongside the public and private sector to deliver the best outcomes for Southwark residents.
19. The action plan for delivering the strategy was designed to deliver outcomes in four key areas:
 - Creating better partnership working to improve outcomes for residents.
 - Improved commissioning and grant-giving to focus on outcomes.
 - Making better use of community assets to revitalise communities and create preventative places.
 - Enable and support more resilient communities that are connected and more resourceful.
20. In October 2017 the council agreed a common outcomes framework and new model of commissioning which acts as a single commissioning plan for the council and CCG providing a framework where impact will be measured by the contribution made by the VCS to establish and sustain strong and flourishing communities.
21. With regard to the Positive Futures Fund the aim is that projects supported make a contribution to the following key outcomes from the framework:
 - Residents have an improved understanding of their rights and responsibilities resulting in greater community ownership.
 - Residents feel safer where they live, work or socialise and know where to get support.
 - Children and young people feel safer in their neighbourhoods and in Southwark
 - Residents across communities are more confident in reporting issues when they arise.
 - Residents feel treated with respect and listened to through ongoing engagement and collaboration.
 - Residents feel more able to access services at an early point and in times of crisis.
 - More residents are helped to feel more secure in their homes.
22. It is proposed that the Positive Futures Fund supports projects that meet the following criteria:

- Projects that work in innovative ways to inspire and to keep young people out of the criminal justice system (and those who are potentially at risk of falling into the criminal justice system).
- Projects that aim to create a positive impact in local communities and encourage longer term sustainability of resources to continue the work taking place with disadvantaged young people.
- Projects that focus on prevention and early help or reduction of criminal activity and are clearly targeted at those most vulnerable to being drawn into criminal activity rather than open access services.
- Projects that do not duplicate but can link to activities funded through existing programmes such as the council's youth grants or existing council provision working with this target group.
- Projects that help make communities, and/or young people, feel safer.
- Projects that support young ex-offenders, young people who are Care Leavers and complement the ongoing partnership work on young people's mental health and wellbeing.
- Projects that support young people feeling more able to access services at an early point and in times of crisis.
- Applicants need to show that Young People are and will continue to be actively involved in delivery and be able to evidence clear impact.
- Projects that have in place appropriate systems of control in particular adequate safeguarding policies, procedures and practices.
- Projects that can access funding or resources from other sources to complement the Positive Futures Fund.
- Projects that are designed to leave a lasting legacy including the opportunity to bring young people together with other existing initiatives such as the Southwark Young Advisors, Southwark Youth Council and Southwark Scholars

23. Given that the fund is targeting work with vulnerable young people the council will carry out the necessary due diligence on recipients to ensure their proposed activities take steps to mitigate any safeguarding or other risks to the vulnerable young people that are intended to benefit. This will include:

- Scrutiny of applications received to ensure they address safeguarding issues;
- Assessing the financial competence and capability of applicants;
- Reviewing applicants track record;
- Requiring progress and monitoring reports on projects, including financial monitoring;
- Requiring and assessing a copy of the applicant's safeguarding policy and practices (and monitoring this throughout the life of the project) to ensure that this includes:
 - arrangements for vetting staff and volunteers
 - a clear understanding of what safeguarding means in the context of the organisation's activities, clients, staff and volunteers
 - a commitment to training staff and volunteers in good safeguarding practice
 - effective procedures for reporting abuse and for taking the appropriate action.

24. Those applying must be living and/or working actively within Southwark and their

main objectives should be to work with young people who are on the periphery of crime and/or in disadvantaged communities and be able to demonstrate the ways in which they would inspire young people.

25. Successful projects must also be based in the local community and demonstrate that young people play an active role in the project. We will prioritise small local organisations that are active in Camberwell, Walworth, Peckham and Bermondsey and the fund criteria and process will be sufficiently flexible to minimise the administrative burdens on the successful organisations so that the focus is on delivery while ensuring value for money, accountability and good safeguarding practice. It will be critical that funded groups are linked in to existing provision across the council and its partners so that young people can be signposted to good quality opportunities that retain their engagement beyond the life of the fund.
26. Robust evaluation of outcomes from each project is essential and all successful applicants will be supported to complete and submit an end of grant report which enables Positive Futures not only to see what difference the grant has made and ensure a lasting legacy but establish what impact this funding has had on both the organisation and its beneficiaries.
27. Given that the intention is a high level of active engagement and co-design of successful projects it is proposed that the fund application process takes place in two stages. At stage 1, organisations will be asked to submit a short expression of interest that gathers basic information about the project and organisation that is used to check eligibility for the fund.
28. At this stage those organisations who are successful will request a technical assistance and co-design grant of up to £2,000 to help to develop the project and co-design it with young people. Those invited to proceed will work with council officers and Community Southwark to develop the project and meet the eligibility requirements for stage 2. This will include support through a facilitated workshop hosted by young people and co-design experts. This first stage will be completed within 6 months.
29. At stage 2 organisations will be asked to complete a full application form for funding towards the project delivery of normally up to £50,000, more in the case of exceptionally strong applications. The proposals will be assessed by the Funding Board outlined above with a detailed report from the lead officer who has worked on the development of the bid. Delivery and evaluation of projects will then take place over the financial years 2019-22 with a full evaluation of each project taking place to inform the future direction of the programme.

Policy implications

30. The draft council plan was agreed by cabinet in October 2018, and is due to go for final decision to Council Assembly in November 2018. The Council Plan sets out the council's ambition for a Southwark to be a great place to live with clean, green and safe communities. The council plan commits to "empower people, particularly young people, with the opportunities that they need to make positive choices and to stay away from crime and violence." It commits to "work with communities to find local solutions that help young people stay away from knives."
31. The Positive Futures Fund is part of the council's work towards meeting this commitment and its findings will impact on future policy.

Community impact statement

32. Youth violence and knife crime is an issue of national importance and particularly impactful locally. As a result, it is important that Southwark Council effectively understands the community impact and works with community organisations to develop potential solutions.
33. This fund will focus on and therefore particularly impact young people and the aim is to support proposals that are co-designed with and have the active engagement of young people in Southwark.
34. There is a legal duty on local authorities, in the exercise of their functions, to have due regard to the need to promote equal opportunities, eliminate discrimination and to promote positive community relations. This grants programme will empower and enable hard-to-reach communities and those communities which experience discrimination, to achieve a better quality of life.
35. As part of the application process the council will ask organisations to estimate the percentage of their service users that fall into the protected characteristics of the Equality Act 2010. This information is used to assess the equalities impact of the programme. As part of the application process VCS organisations must demonstrate who will benefit from their organisations' activities and how they support cohesion and community safety initiatives. Organisations must evidence the benefits users gain from their services or activities.
36. Grant funded VCS organisations are required as part of the Conditions of Grant Funding to sign up to the Southwark Diversity Standard. Contained within this is a requirement that all subcontractors and service provider pay workers the London Living Wage as a minimum. The council has recently achieved Friendly Funder accreditation with the Living Wage Foundation. Living Wage Friendly Funders support charities to pay the real Living Wage that meets the cost of living through their grant-making.

Resource implications

37. The total budget available for the Positive Futures Fund will be £500,000 subject to final approval as part of the council's budget setting process.

Legal implications

38. Section 17 of the Crime and Disorder Act 1998 places a duty on local authorities when carrying out its functions to give due regard to the likely effect of its work on and do all that it reasonably can to prevent: crime and disorder, misuse of drugs, alcohol and other substances, and reoffending. This duty extends to the establishment of the Positive Futures Fund.

Consultation

39. The active involvement and engagement of young people will be a key component of successful projects. The intention is that all projects that are supported will be co-designed by young people to ensure that they tackle the most pressing problems felt by these groups.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

40. The Localism Act 2011 gives councils a general power of competence whereby they have power to do anything that individuals generally may do. 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.
41. The director of law and democracy is not aware any restriction.
42. As stated, section 17 of the Crime and Disorder Act 1998 places a duty on local authorities when carrying out its functions to give due regard to the likely effect of its work on and do all that it reasonably can to prevent: crime and disorder, misuse of drugs, alcohol and other substances, and reoffending. This duty extends to the establishment of the Positive Futures Fund.

Strategic Director of Finance and Governance (H&M18/070)

43. The total budget available for the Positive Futures Fund will be subject to final approval as part of the council's budget setting process. The council's contribution to be funded from the one-off additional income received from the London Business Rates Pool (growth generated in 2018-19).
44. The council's costs in governing and administering the initiative will be contained within existing budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Plan 2018-2022	Housing & Modernisation 160 Tooley Street London SE1 2QH	Stephen Douglass 020 7525 0886
Link: http://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Community Safety and Public Health	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Stephen Douglass, Director of Communities	
Version	Final	
Dated	30 November 2018	
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		30 November 2018

Item No. 15.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Southwark Great Estates Programme – Paper 1 Agreeing the Vision and Approach	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	

FOREWORD - COUNCILLOR LEO POLLAK, CABINET MEMBER FOR SOCIAL REGENERATION, GREAT ESTATES AND NEW COUNCIL HOMES

Southwark's new "Great Estates" programme signals a new way of thinking about, talking about and making decisions about our council estates.

Years of welfare cuts, meddling in council rent-setting and borrowing caps constraining investment in council housing have all contributed to often skewered perceptions of inner city estates as a mixed legacy of the post-war settlement, the so-called 'wobbly pillar' of the welfare state. In a context where a took a human tragedy on the scale of Grenfell tower fire to prompt the Government to start thinking positively about the role of social housing in society and of 'overcoming stigma', the time is ripe for a new narrative around our council estates that sets the bar much higher.

At the heart of the Great Estates programme is a clear statement of intent about this council's approach - to celebrate our estates, to affirm them as integral to our long-term vision of the borough, and to begin a long-term process of upholding Southwark estates as properly privileged parts of the city.

To this end, the report states in unambiguous terms our first and last instinct - to *expand and enrich* our council estates. *Expand* the number of council homes on appropriate estate sites in a way that raises the living conditions of residents in new and existing homes. *Enrich* our estates, by working with residents to identify new ways of improving the look feel and lived experience of our estates.

It also restates in one place the terms and circumstances of any redevelopment proposal, with the onus on keeping communities together and in growing the stock of council homes (in line with our generational commitment to building 11,000 council homes) to meet the acute need in our borough.

This follows a context that has changed from 15, 10, even 5 years ago. The financial environment for building new council housing has improved following the Mayor of London's mandate to tackle the housing crisis since 2016 and the Government's long-awaited u-turn on HRA borrowing; our programmed investment since 2010 through our Warm dry safe and Quality homes improvement programmes have seen Decent homes standards jump from barely 50% to over 98% of our stock (and with it resident's satisfaction with their housing and perceptions of their estates); and the council has from a standing start in 2013 grown in confidence as a house-builder.

We also set out the timetable for two following reports due next year. One detailing the approach for developing resident-centred Estate Improvement Plans - wide-ranging wish lists within a transparent time and cost envelope towards improving the communal living environment. Pilots will include estates with new homes development, estates that are adjacent to large-scale private development and blocks and blocks with negative associations associated with gang violence and anti-social behaviour.

The following report will detail our Great Estates Guarantee to ensure all our estates are properly 'safe, clean and cared for'. This will take its cue from a self-contained consultation with residents on how to ensure our day-to-day repairs management and maintenance standards are meeting this basic expectation. We hope that these initiatives will provide a springboard for deepening our long collaboration with tenants and leaseholders.

We are also developing a Great Estates Guide, detailing the wealth of inspiring initiatives our residents and housing officers have worked on across the borough and beyond - from gardening and food-growing initiatives, to lighting painting and cleanliness strategies, to urban farms and public art, and much else. This will serve to not only highlight the art of the possible, but to help us better realise the variety of ad hoc funding and partnership opportunities that help make our estates properly great places to belong and call home.

RECOMMENDATIONS

1. That Cabinet agree the vision and approach for the Great Estates Programme as set out in Appendix 1, including the principal approach to 'expand and enrich' our council estates, while restating the terms and circumstances for any redevelopment proposal.
2. That Cabinet gives approval to undertake consultation with residents to inform the development of the resident-centred estate improvement plans process and the Great Estate guarantee and commitments.
3. That Cabinet agrees to start the process of drawing up terms of reference and establishing a Great Estates programme advisory group, made up of local residents and key stakeholders who have knowledge of estate management and regeneration.
4. That Cabinet agrees to instruct officers to produce further Cabinet reports in 2019 to feedback the results of the consultation; develop and launch the Great Estates guide detailing case studies and opportunities from across the borough of initiatives that improve the shared living environment of Southwark estates and bring estate communities together; agree the estate improvement plan process and pilot schemes; and a further report detailing the Great Estate guarantee and commitments.

BACKGROUND INFORMATION

5. The council's Warm Dry Safe and Quality Homes Improvement programmes have seen the Decent Homes standards rise from a little over 50% in 2010 to over 98.5% of our council stock in 2018. This has created a new set of perceptions and starting points for how we think about and make decisions about the long-term future of our council estates.

6. Following the tragic fire at Grenfell Tower in June 2017, the Government has consulted on a new social housing green paper. This green paper included a section on tackling stigma around social housing. However in our consultation response we stated that we felt this did not go far enough. Our estates should be celebrated, places where residents want to live and are proud to call home.
7. The Council Plan 2018 -2022 includes commitments to launch a 'Great Estates guarantee so that every estate is clean, safe and cared for' and to 'give residents the tools to garden and improve their estate'. Council officers and Members have been holding regular meetings to firm up the proposals for the Great Estates programme.
8. In developing proposals for the emerging Great Estates programme the council has drawn extensively from the feedback from the Southwark Conversation that was completed in early 2018 which provided an excellent starting point for this project.
9. The Great Estates programme will work with residents to identify new ways of improving the look, feel and lived experience of our estates, caring for the physical fabric of our estates with a view to upholding Southwark Council estates as properly privileged parts of the city and great places to live.
10. There is already a lot of great work already underway and/or recently completed on our estates. Council officers have been compiling a list of case studies from around the borough of initiatives that raise the shared living environment of our estates and bring communities together, covering areas such as gardening and food-growing projects, cultural events, new signage and wayfinding, lighting strategies, painting initiatives and so on. There are many excellent examples of how residents and staff have come together to make improvements to their estates. And there are plenty of examples of great estates to draw upon.

KEY ISSUES FOR CONSIDERATION

11. This Cabinet paper seeks agreements from Cabinet to agree the vision and approach for the Great Estates programme. This is included in full in appendix 1. In summary, we want to expand and enrich our estates, and make every estate a great estate.
12. Our vision is to:
 - Celebrate our council estates – We will celebrate our estates and be ambitious about their future. We will always be honest about the challenges, and challenge ourselves to make Southwark estates the best they can be.
 - Encourage integration – Our estates are part of the bedrock of Southwark. Mixed communities playing their part in the borough's economy and life are integral to the future of the borough. We want to expand and enrich our estates, with redevelopment always a last resort.
 - Respect where we live – Working with residents every estate should be clean, safe and cared for. Communities should have ownership over their estate and a shared stake in its future. High standards of repair and maintenance will mean Southwark's estates are great places to live.

13. The Great Estates programme will make clear that our first instinct will always be to expand and enrich our existing estates. We will:
- Expand the numbers of council homes through our new homes programme identifying suitable infill plots to rehouse local people on our housing register.
 - Enrich the shared living environment of our estates, working closely with residents to engender a sense of pride of place through day-to-day repairs and maintenance decision as well through more wide-ranging estate improvement plans.

Consultation

14. In developing the Great Estates Programme the council is not starting from a blank canvass. There is already a wealth of information contained in previous council consultations such as the work of the Independent Housing Commission and the subsequent community conversation, and the more recent Southwark Conversation in early 2018.
15. The council is wary of consultation fatigue but also strongly believes residents need to be at the heart of agreeing the Great Estates guarantee. Therefore this paper seeks approval from Cabinet to undertake a self-contained conversation with residents to inform the development of the Great Estate guarantee and commitments, and to also comment on the estate improvement plan process. This engagement will aim to establish what residents feel are they key ingredients required on their estates to raise standards and make estates feel clean, safe and cared for. It will also gather suggestions for case studies for the Great Estates guide.
16. Cabinet is also requested to give approval to start the process of setting up a Great Estates advisory group, made up of local residents and key stakeholders who have knowledge of estate management and regeneration. This group would have advisory powers only. If agreed by Cabinet, officers will draw up a terms of reference for the group to be agreed in the next Cabinet Paper.

Next steps

17. Cabinet is also asked to agree to instruct officers to develop further Cabinet Reports in 2019 to feedback the results of the consultation and to agree the Great Estates Improvement Plan process and the Great Estate Guarantee and Commitments as set out in Appendix 1.

Policy implications

18. There are no policy implications at this time. There may be policy implications as the Great Estates Guarantee and commitments are developed, these will be detailed in subsequent Cabinet reports.

Community impact statement

19. There are no community impact implications at this time.

Resource implications

20. There will be some resource implications for running a self-contained resident engagement on the Great Estates guarantee. This will be minimised by use of online consultation methods and utilising existing resident engagement structures. This will be met within existing budgets.

Legal implications

21. There are no legal implications at this time.

Financial implications

22. There are no financial implications at this time.

Consultation

23. The development of a Great Estates Guarantee was included in the Southwark Local Plan 2018 to 2022, following a manifesto commitment.
24. This paper seeks agreement from Cabinet for consultation on the Great Estates Guarantee and Commitments as set out in paragraph 14.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

25. The report recommends that cabinet give approval to undertake consultation. To meet legal requirements consultation must; be undertaken when proposals are still at a formative stage; include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken. The report confirms that the results of consultation will be set out in a further report for cabinet to consider.
26. The public sector Equality Duty, in section 149 of the Equality Act 2010, requires the council to consider all individuals when carrying out their functions. 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 council functions. Officers will need to actively consider the duty during the consultation process and when formulating recommendations to cabinet for final decision making; members must have due regard to the duty when the matter is referred back to cabinet following consultation.
27. The report recommends the establishment of a Programme Advisory Group. Council decisions may only be taken by members or officers in accordance with the law and the provisions of the council's constitution therefore, as noted in the report, the Advisory Group will only be able to act in an advisory capacity.
28. As the project develops any legal and governance issues arising should be identified and addressed in consultation with the Director of Law and Democracy and her staff.

Strategic Director of Finance and Governance - FC18/026/SR

29. The Strategic Director of Finance and Governance notes that any initial expenditure will be met from existing resources. As the project takes shape, then officers will report back on any consequent remodelling of the financial support necessary.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Council Plan 2018-2022	Chief Executives Office 160 Tooley Street London SE1 2QH	Stephen Gaskell 0207 525 500
Link: http://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan		

APPENDICES

No.	Title
Appendix 1	Great Estates Vision and Approach

AUDIT TRAIL

Cabinet Member	Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	
Lead Officer	Paul Langford, Director of Resident Services	
Report Author	Robert Weallans, Housing Strategy Manager	
Version	Final	
Dated	13 November 2018	
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		30 November 2018

APPENDIX 1

Southwark Great Estates Programme - Vision and Approach

Southwark wants everyone to have a place that they are proud to call home. Whether you own your own home, rent privately or are a social tenant, everyone should have somewhere to live that's safe, clean and cared for. That is why the council has made quality housing a top priority - investing in council homes, raising standards in the private rented sector and building more homes of every kind including the country's biggest and most ambitious new council home building programme.

Southwark is London's largest council landlord – but we want to be the best landlord too. In the last eight years this means that we have started the work to transform our estates, investing in quality kitchens and bathrooms, making every council home warm, dry and safe, investing in more security doors and doing deep estate cleaning.

Eight years ago, tenants were not guaranteed a home that met the decent homes standard. We had to get the basics right, and now a decent home is the standard – with almost every one of our 55,000 council homes achieving the decent homes standard.

We now want to go further – making a decent home the beginning not the end of our vision for Southwark's estates. It is now time for a new ambition for every estate to be a Great Estate – places where community thrives, places where genuinely mixed communities can live work and play, places upheld as properly privileged parts of the city.

The Great Estates programme presents a new way of talking about, thinking about and making decisions about our council estates, as part of a new contract where the council and estate communities can come together and work together to make sure all Southwark estates are great estates.

Our estates include council tenants, council homeowners and private tenants. Together we know what it takes to make estates great places to live but also the challenges that we face together. The Great Estates programme will work with residents to identify new ways of improving the look, feel and lived experience of our estates and caring for the physical fabric of our estates. This programme will provide a long-term vision for upholding Southwark council estates as great places to live and properly privileged parts of the city.

We want to expand and enrich our estates, and make every estate a great estate. Our vision is:

- Celebrate our council estates – We will celebrate our estates and be ambitious about their future. We will always be honest about the challenges, and challenge ourselves to make Southwark estates the best they can be.
- Encourage integration – Our estates are part of the bedrock of Southwark. Mixed communities playing their part in the borough's economy and life are integral to

the future of the borough. We want to expand and enrich our estates, with redevelopment always a last resort.

- Respect where we live – Working with residents every estate should be clean, safe and cared for. Communities should have ownership over their estate and a shared stake in its future. High standards of repair and maintenance will mean Southwark’s estates are great places to live.

We will set high standards for our existing stock and our new housing. Our approach will be to:

- Be responsive, transparent and accountable.
- Work closely with residents to improve the look, feel and lived experience of our estates.
- Create a new set of standards to improve the management and maintenance of our estates, which have people’s wellbeing at its heart.

The Great Estates Programme will include the following components:

1. The “Expand and Enrich” approach

The council’s commitment to world class regeneration is often mistaken for a lack of commitment to existing estates. This is wrong. We believe that both are needed to ensure our residents have the homes they need at the quality they deserve.

The Great Estates programme will make clear that – our first instinct will always be to expand and enrich our existing estates. We will:

- *Expand* the numbers of council homes through our new homes programme identifying suitable infill plots to rehouse local people on our housing register.
- *Enrich* the shared living environment of our estates, working closely with residents to engender a sense of pride of place through day-to-day repairs and maintenance decision as well through more wide-ranging estate improvement plans.

The circumstances around ‘estate regeneration’ have changed from 10, 15 or 20 years ago. The circumstances of redevelopment have changed too, in terms of health and safety standards for housing stock, finance for investment in council homes, and higher density requirements for a growing population with increasingly levels of housing need.

We want to restate our approach to any redevelopment proposal, restating the terms and circumstances of any redevelopment proposal, through the following five tests/terms:

- i) a net increase in social rent homes alongside increased density, to meet the acute need of families on our waiting list;
- ii) a right to remain for all rehoused tenants and leaseholders, for keeping communities together;

- iii) intensive co-design of redevelopment proposal, to become co-authors of a new estate plan;
- iv) a positive ballot on any new estate regeneration (as per the commitment in the Council Plan 2018-2022).
- v) a clear rationale for any redevelopment proposal, including an explanation of how this would increase housing supply (based on comprehensive density modelling) and/or a transparent stock condition survey.

2. Great Estates Guarantee and Commitments

We will work with our tenants to develop a new set of standards and guarantees for day-to-day management and maintenance of housing services. This will place new priorities at its heart including: pride of place; a focus on the mental and physical health and wellbeing of residents; and projecting the council (and its representatives) as a caring and conscientious landlord.

The basis of this commitment is that our estates are clean, safe and cared for:

Clean With regular cleaning and prompt clearance of rubbish, graffiti, fly tipping, flyposting, and pests.

Safe With very high standards of fire safety, where any anti social behaviour is tackled, where estates are well lit, and where arising health and safety issues are dealt with promptly.

Cared for Where residents have a strong sense of ownership over their estates, with high levels of respect for one another, where the blocks are well decorated, where repairs are completed promptly within our promised target timescales, and with attractive gardens and landscaping.

3. Estate Improvement Plans and the Great Estates Guide

We will embark on a wide-ranging series of resident centred Estate Improvement plans. This will include identifying new opportunities for improving the living environment of our estates. These opportunities will be enabled either through voluntary initiatives from estates residents; partnerships with neighbouring or donor institutions; formal relationships with neighbouring developers; or with resident designers/enablers working intensively with the community over a period of time.

This approach will start with a series of pilots. We will then work estate by estate, block by block, to develop a long term plan for improving the look feel and lived experience of our estates. This will include proactively identifying new opportunities to build new council homes as part of commitment to “expand and enrich”.

The estate improvements will follow on from closer engagement with residents. These could identify an ideal wish list that might include new landscaping, bin stores, pram sheds, lighting, painting, estate signage, gardening and food-growing opportunities and so on.

The Council will also produce a live Great Estates guide to showcase what other estates are doing and to highlight what is possible. This will include case studies of the kinds of initiatives that go beyond day-to-day and cyclical repairs and maintenance to help bring our estates communities together, as well as generate a feeling of an estate that's properly safe clean and cared for. While many of the examples that will be in the guide were created from bespoke or ad hoc funding sources and partnerships, they will be used to demonstrate the art of the possible, and highlight the opportunities which could be explored elsewhere in the borough.

Desired outcomes

- That people living on estates, feel proud to call their estate home and be confident that the council is on their side, managing the estate in partnership with them to make sure their estate is a great place to live.
- To identify opportunities for broader resident involvement and developing the social stewardship of each estates.
- To ensure residents are in control of their own space - capturing long-term aspirations, with a transparently costed and programmed resident-led 'wish list schedule' for estates.
- To ensure that the great estates programme contributes to improving the mental and physical health and wellbeing of residents.
- That "Pride of Place" principles are firmly established and embedded. Every intervention on the built fabric of an estate should enhance and dignify the estate.
- To ensure Great Estates in the city - Where major regeneration and development is taking place adjacent to a Southwark council estate, there will be a focus on ensuring planning gain and development/design expertise is utilised to ensure an accompanying improvement in the look, feel and lived experience of our estates, to ensure a tenure blind approach.

Item No. 16.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Annual Workforce Report	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Housing Management and Modernisation	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION

In 2016 cabinet agreed a new workforce strategy to help staff in the way they work so that we can be the best employer that we can, and so that our workforce is equipped to deliver the council's priorities for the people of the borough.

Each year, we produce an annual workforce report which provides progress, statistical information on staff and employment activity and gender pay gap reporting. The annual workforce report shows that our workforce is broadly reflective of the local community. It also provides a strong indication of the success of our apprenticeship and management programmes and that our workforce is developing the skills and knowledge that will enable us to deliver innovative and high quality services for all our residents in the future.

Equality and diversity continues to remain a strong focus within our workforce and the report highlights progress is slowly being made but that we need to continue to set further priorities for equalities and that we need to ensure that we support the aspirations of our staff.

We maintain a productive and motivated workforce and I am delighted to announce that we have once again achieved the Investors In People Gold award with three areas rated platinum. This award recognises the dedication and commitment of our workforce and the council as an employer and I want to thank everyone who has helped make this achievement possible despite ongoing and unprecedented cuts to budgets from central government.

This report shows we are committed to not just making Southwark a great place to live, but a great place to work too and to delivering on our fairer future commitments.

RECOMMENDATIONS

That the cabinet:

Notes the workforce report attached as appendix one and that this report:

1. Demonstrates that the council continues to reflect the diversity of the borough in the makeup of its workforce and the levels of change that have taken place have not impacted negatively on the diversity of the workforce despite the level of savings that have been made due to reductions in central government funding;

2. Suggests a picture of a productive and well motivated staff with low levels of sickness, low levels of staff complaints and good rates of staff retention.
3. Suggests that the council is an attractive employer given the high numbers of applications that the council receives;
4. Reinforces our intention to refresh our workforce strategy to take account of our new Investors in People Gold status and highlights areas for us to focus our workforce equality plan on, with certain areas benefiting from new commitments and associated targets, for example career development and in-work progression with a particular focus on under-represented groups.

BACKGROUND INFORMATION

5. In November 2016 cabinet agreed a suite of strategies to help staff in the way they work and support the delivery of the council's priority outcomes. The Workforce Strategy helps us make sure that our people achieve their potential in order to be best equipped to deliver the council plan and it is now being refreshed to incorporate new council commitments.
6. The Equality Duty 2010 is supported by specific duties which require public bodies to publish relevant, proportionate information annually demonstrating compliance. Information must be published in a way which makes it easy for people to access it and, for public bodies with 150 or more employees, to consider how their activities as employers affect people who share different protected characteristics. The span of information to be published is not specified within the duty, but it is suggested that the following could be included:
 - composition of the workforce;
 - pay equality issues; in Southwark this is shown by profile at different grades and includes reporting requirements to publish gender pay gap data.
 - recruitment and retention rates;
 - learning and development opportunities;
 - grievances and disciplinary issues for staff with different protected characteristics.
7. Published information can also include plans to address equality concerns within the workforce, and information from staff surveys.
8. To meet our obligations, the council produces an annual workforce report which includes a range of Human Resources (HR) related data and is published on the council's website. This report highlights key findings and example initiatives from the workforce programme. The 2017-18 report is attached at Appendix 1.
9. Southwark's trade unions have been briefed on the workforce data and we will continue to work constructively with them on the development of the workforce equality plan.

KEY ISSUES FOR CONSIDERATION

10. The workforce strategy set out nine key employment related areas to support delivery of the council's fairer future promises:
 - New ways of working

- Recruitment and retention
- Management and leadership
- Learning and development
- HR and management policies
- Pay and reward
- Equality and diversity
- Job design and organisational structure
- Wellbeing and engagement

11. The sections below highlight some of the recent and forthcoming activity across the nine areas, illustrated with example data from the workforce report.

New ways of working

12. New technology is assisting us to modernise the way we work and we are piloting remote working, better digital skills and flexible working spaces in adult services, modernise and children's services to enhance collaborative working.
13. In January 2018, to further demonstrate our commitment to staff development, a new learning management system (LMS) was implemented to improve the learner experience, make accessing our learning offer easier and to better evaluate and report on our learning and development activities.
14. A digital skills framework and self-assessment tool has been developed to support digital literacy, particularly amongst the 30% who are not totally comfortable using new software and technology.

Recruitment and retention

15. Our strategy sets out the work we are doing to develop our employer brand so that we can continue to attract and retain high calibre staff, supported by effective recruitment and retention policies. Despite reductions in our workforce, it is as important as ever to improve our approach to workforce planning so that as the council and our services evolve we have the right staff with the right skills doing the right jobs.
16. The workforce has reduced from 4,150 at year end 2016-17 to 4,110 at year end 2017-18. Southwark has a similar sized workforce to boroughs such as Islington, Camden and Hackney who have similarly retained key services in-house rather than outsourcing. Despite having to make significant savings in 2017-18, the council has protected frontline staff from cuts where possible; in total, there was less than a 1% reduction in the core workforce.
17. Competition for posts is vital to ensure the council is able to appoint the best quality candidates; in 2017-18, the council received almost 4,700 applications, averaging over 15 applications for each opening, although there are significant variations with 21 jobs attracting more than 50 applications and 96 fewer than 5. Overall, it demonstrates that the council continues to be seen as an attractive employer, in spite of the recent cuts to local government.
18. The council prides itself on ensuring that all applications are treated equally. In terms of gender and disability, the percentage of hired candidates remains proportionate to the percentages of people who applied. We have made a lot of progress in making our job adverts more available to prospective disabled

applicants by having targeted advertising on platforms for disabled people and have successfully increased the percentage of hired disabled employees from 6% to 10% in the last year.

19. 44% of those successful in recruitment campaigns (either internally or externally) were from a black or minority ethnic (BME) background. However, there were a high number of recruits without a declared ethnicity (11%) making it difficult to determine the percentage ultimately hired from BME communities. This will be followed up with hired individuals as analysis relies on datasets across recruitment and payroll systems. Of new starters to Southwark, the slightly higher percentage of BME candidates (52%) mirrors our existing establishment.
20. 485 people started employment with the council during the year 2017-18. This number is much higher than the previous year when there were 269 new starters. Those starting work during 2017-18 have not made any noticeable changes to the profile of our workforce in terms of gender, age or ethnic origin. 54% of staff hired during the year were female, 52% were from BME communities and 6% classified themselves as having a disability.
21. Southwark has a council plan target to have 3% of the workforce as apprentices or first entry trainees. The total over 2017/18 was 111 apprentices and 35 trainees which equates to 3.6% of the workforce. This is a 0.4% increase from 2016-17. More than 93% of our apprentices complete their qualifications (against a national average of 40% completion rate) and 90% moved on to other roles within the council. 3.5% of our workforce are aged 16 to 24 years of age which is higher than the London average.
22. We have introduced a revised onboarding and induction approach, with access to a tailored website from the point of appointment and an improved induction checklist and guidance for managers. This will develop further in 2018-19.
23. Although agency workers are not employees of the council, they are an important part of our resourcing arrangement. There has been a decrease in the number of workers on assignment compared to last year. The 'snapshot' across 2017-18 shows that at the end of March 2018, 430 individuals (7.74% of the workforce) were agency staff.

Management and leadership

24. Our success as a good employer that delivers on promises to residents depends on the support, energy and professionalism of our managers and leaders. We need to ensure that managers and leaders have the knowledge, confidence and tools to support and develop staff and make fair decisions. We launched our Southwark Manager toolkit and learning programme this year to provide a consistent approach to being a manager at Southwark and a new manager induction is in development.
25. Our Leadership and Management Development programme offers managers at different levels the opportunity to enhance their skills and knowledge to progress their careers. The programme is endorsed by the Institute of Leadership and Management (ILM). Since it commenced in 2014, 375 managers have completed it and we have launched a new provision consisting of executive coaching and mentoring and strategic leadership and management.
26. We continue to take steps to support career progression into more senior roles, particularly for women and those from BME backgrounds who are

underrepresented at our more senior levels. We will be introducing a new approach to coaching and mentoring over the coming year and continue to work closely with groups such as the Women's Network who run a series of successful events and training focusing on e.g. career boosting. The Women's Network has run two phases of internal mentoring for women to promote development.

27. A cross-council working group designed the member induction for delivery from May to July 2018, taking into account feedback from members about their requirements.

Learning and development:

28. Southwark is very committed to supporting the development of its workforce in line with the Fairer Future principles. In learning and development, this means a strong emphasis on providing a variety of flexible and accessible learning opportunities for all of our staff to enable better performance and progression; we will shortly be introducing our new career development portal to support in-work progression.
29. Investors in People (IiP) awarded Southwark Gold status in August 2015, as recognition of our investment in staff development. In October 2018, we were reassessed for IiP against a new and more demanding standard, which requires input from staff across the council and tests our organisational performance alongside our people development and management practices. 57% of our staff responded to a council wide survey and 135 staff were interviewed. While we are waiting for the full report to be released, it has been confirmed that we have again achieved Gold status. Initial indications are that we have improved as an organisation against a number of indicators. Our assessor reflected that there was a strong 'one council' ethos and clear evidence of working across team, divisional and departmental boundaries to deliver outcomes for our residents.
30. There has been provision of a comprehensive set of learning programmes with a total of 494 training sessions delivered and 2,740 members of staff attending these sessions across the workforce in 2017-18. Southwark is one of the last boroughs to continue its investment in a professional qualification scheme to support staff progression, and has a council-wide programme which is monitored to ensure that a representative proportion of our workforce are accessing development opportunities.
31. The proportion of those attending the recorded learning courses is broadly in line with the profile of our workforce in terms of ethnicity although fewer male staff attended training compared to female staff. The numbers of staff with disabilities taking up these courses is lower than expected, although data is not held on disability type to allow more sophisticated analysis. Lower attendance by certain groups will be addressed through a number of mechanisms e.g. learning plans, targeted awareness raising and development of strategies that encourage learning and development take-up.

HR and management policies

32. We want to ensure that our HR and management policies and procedures add value and improve our management practices. Management and trade unions are working together to review and modernise our suite of employee relations policies.

33. The workforce report shows a relatively low number of disciplinary investigations and actions across the workforce and there are low numbers of staff complaints. The number of staff subject to disciplinary or capability actions are few and equate to less than 1% of the workforce although they can be time consuming to manage. We focus in particular on hotspots although the relatively low numbers overall may be considered as an indicator that the council has robust and compliant processes in place and that the vast majority of staff have engaged positively with these.
34. Cases are regularly reviewed to identify themes and patterns which may inform improvements to our practice and policies.

Pay and reward

35. Our most valued resource is our staff and we want ensure that the rewards of working for Southwark are attractive, modern, and relevant to the aspirations of our workforce. Organisational values are clear and in our last survey, 89% of staff said they understand how their work contributes to the success of the organisation.
36. The London Living Wage is in place and maintained across the entire workforce. Staff benefits including season ticket loans, bike scheme, free gym and swim and support for childcare continue to be available. 85% of staff are in the pension scheme.
37. Our performance appraisal scheme allows incremental progression for those staff achieving against their performance plan (until they reach the maximum point of their grade). This is expected to be more challenging for employees as they progress through the grade as the scheme does not allow higher payment year after year for substantially the same outcomes, instead encouraging managers and employees to work together so that continual improvement can be achieved.
38. In 2018, 68% of the workforce was eligible for an increment. 54% of employees received an increment which is lower than the previous year but similar to the previous two years.
39. Our workforce strategy identified a need for greater behavioural based performance management, which was also endorsed by our 2015 liP inspection. 500 staff contributed to the development of a Southwark Ways of Working behaviours framework which articulates our fairer future values; we started to introduce the framework this year and are working with trade union colleagues to further develop and embed it, including support and training for managers on unconscious bias.
40. This is the second year of publishing gender pay gap data, which continues to show that the average pay for female staff is above the average pay for male staff. This is predominantly driven by the fact that we have a large in-house street cleaning service where roles are at the lower grades in our structure. The majority of that staff group is male.

Equality and diversity

41. We have developed a Workforce Equality Plan to help us meet our public sector equality duties with regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people. Our plan covers the protected characteristics set out in legislation as well as other

potential barriers such as educational attainment, literacy and numeracy and digital literacy. It sets out universal initiatives, i.e. frameworks, policies and guidance that are intended to support all staff, for example our approach to career development. These then provide a foundation for more targeted interventions which will be aimed specifically at staff from particular backgrounds (protected characteristics or target groups) with a view to meeting specific needs, minimising disadvantage and encouraging participation.

42. To complement this, we support and encourage self supporting staff groups. The Women's Network and spectrum autism staff groups are well established. The EMpower (BAME) network launched in September 2018 and the LGBTQ+ staff group is in the process of launching, with sponsors at chief officer level.
43. Our Top 100 managers have attended specialised training around the public sector equality duty to support them in managing their staff and designing and delivering services to our residents.
44. We continue to enhance our reputation for being a welcoming place for women and families. We have recently received the 'Employer with a Heart charter' from charity The Smallest Things for our introduction of a new premature birth policy to support women and families during this difficult time and we are also developing a package of support for parents returning to the workplace and women experiencing menopause.
45. Southwark is hugely proud of our diverse and vibrant local community and we want to reflect these at all levels within the council. It is important that the council reflects the diversity of Southwark. In terms of sex, ethnicity, age and disability, the council reflects the borough. For example, 50.5% of Southwark is female and 51% of the council's staff are female. 45.8% of Southwark's residents belong to a Black and Minority Ethnic (BME) group and slightly more of our staff do at 49%.
46. There are greater differences in the sex breakdown when looking at a departmental level, for example Environment has a high percentage of male staff compared to the rest of the council in areas such as waste and cleansing and building services and our resourcing plan includes initiatives to attract and recruit more women, e.g. in cohorts.
47. The number of BME and female staff at JNC level (grade 14 and above) at year end 2017-18 has increased this year from 15.4% to 16.5% for staff from BME backgrounds and from 48.2% to 48.4% for female staff. These increases are positive, but we will look to introduce more initiatives for increasing the representation at senior levels in the organisation amongst staff from BME backgrounds in particular.
48. The number of staff declaring a disability (4.5%) has increased. Southwark has been a disability confident employer for the last nine years, recognising our commitment to employing and retaining staff with disabilities. In our recent staff survey, 10% declared a disability indicating that not all disabled staff have formally declared their disability.
49. The broad ethnic origin of staff leaving the council is balanced with 46% BME staff and 53% white staff leaving and broadly similar to the workforce.
50. Although the average age of our workforce is slightly lower than the London average at 45.7, around a quarter of our staff are over the age of 55, which is the

age at which staff are first able to access their pension, although there is no default retirement age. We are improving our support for staff preparing for retirement, including financial and pension planning as well as looking at succession planning.

Job design and organisational structure

51. We produce quarterly management information reports for managers to ensure a focus on staff demographics and workforce planning, including use of contingent workers, e.g. agency resources.
52. Our approach to designing structures incorporates a 'growing our own' model and has some tangible successes. It is well established within children's services, where the director, assistant director and heads of service were internal promotions; the new structure sets out clear career progression pathways from newly qualified social worker up and allows us to improve on succession planning.

Wellbeing and engagement

53. We want our staff to enjoy coming to work and to do a brilliant job. It is important to us to provide a working environment that is welcoming, supportive, empowering, professional and safe.
54. Southwark's staff have excellent engagement levels. Our 2017 staff survey notes that 71% of the Southwark workforce is defined as engaged, with 27% classified as partially engaged. Just 3% are disengaged. Our independent research company, BMG Research, tell us that Southwark Council staff are considerably more engaged than the public sector norm.
55. Results showed that there were no material differences in responses amongst different staff groups based on protected characteristics. The only discernable impact was that of building location.
56. The survey initially had low return rates from staff who completed paper copies and as a result, was re-run with a significantly improved completion rate. An action plan has been co-designed with those services to act on the findings.
57. A council-wide employee engagement approach has been implemented with a regular network for the Top 100 managers and monthly Fit for the Future briefing.
58. Sickness absence rates remained stable with an average of 6.47 days per employee. This continues to be lower than the average sickness rates across London boroughs, currently 7.96 days per employee. Of note, 56% of the workforce had no sickness absence during the year 2017-18. Changes have been made to our systems to improve data capture on the reasons for sickness absence and allow us to better target health interventions.
59. The council formally holds the achievement level of the London Healthy Workplace Charter having provided detailed evidence against criteria on leadership, health and safety, attendance management, smoking, healthy eating, physical activity, mental health and wellbeing and alcohol and substance misuse. This work continues through the health and wellbeing steering group.
60. Occupational health data shows that in line with national trends, mental health conditions are the main reason for referral. Southwark has achieved accreditation allowing us to sign the Time to Change pledge, an ambitious campaign to end the

stigma and discrimination faced by people who experience mental health problems.

Policy implications

61. Some action points may require amendments to existing HR policy as part of the development of the workforce strategy and will be subject to the appropriate approval process.

Community equality impact statement

62. Analysis and ongoing evaluation of the equality impact is fundamental to the workforce strategy. Our workforce reporting provides information demonstrating compliance with the equality duty and considers how the strategy affects people who share different protected characteristics. The workforce report informs the strategy and assesses the impact upon:

- composition of the workforce
- pay equality issues; reporting on profile at different grades;
- recruitment and retention rates;
- learning and development opportunities;
- grievances and disciplinary issues for staff with different protected characteristics.

63. This analysis of the reporting information informs our workforce equality action plan which sets out our proposals to address equality concerns within the workforce.

64. Any policy changes will be subject to impact assessments.

Resource implications

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

66. The report asks cabinet to note the contents of the appended Annual Workforce Report.

67. Cabinet are reminded of the general PSED Duty under section 149 of the Equality Act 2010 to have due regard to the need to:

- a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
- b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
- c. Foster good relations between person who share a relevant protected characteristic and those who do not share it.

68. 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.
69. Cabinet are also reminded of the requirement, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, for public authorities to publish specified information relating to the gender pay gap in their organisation in addition to the existing requirements under the duty to annually publish proportionate equality information in respect of their workforce (Specific PSED Duty), to demonstrate their compliance with the general PSED Duty
70. In producing and publishing the annual workforce report as appended to this Report the council is meeting that Specific PSED Duty.
71. The PSED General Duty is a continuing one; the annual workforce report and the new workforce strategy referred to in paragraph 4 of the report will assist the council in complying with that general duty.

Strategic Director of Finance and Governance

72. The strategic director of finance and governance notes the recommendations in this report. Where the updates to the council's workforce strategy have financial implications, these will be managed within the existing agreed budgets for the council's general fund and housing revenue account.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Workforce Report 2017-18 (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Housing Management and Modernisation	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Julie Foy, Head of Human Resources	
Version	Final	
Dated	29 November 2018	
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	30 November 2018	

Item No. 17.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Introducing a Gold Standard to the Private Rented Sector	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Victoria Mills, Finance, Performance and Brexit	

FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

Everybody deserves a warm, dry, safe and affordable place to call home. At Southwark Council this means not only investing in our own council housing but also committing to driving up the quality of private sector housing in our borough. We believe the creation of a ‘Gold Standard’ for landlords to aspire to will play a vital role in realising this ambition.

Set out in this report are the things we think are important to private sector tenants. However, to make sure this scheme delivers tangible improvements in the quality of accommodation, we really need to know the views of those this scheme is designed to benefit.

We also need to hear from landlords to understand if our ambitions are not just challenging but realistic and deliverable and if we have inadvertently created any barriers that stop them providing better accommodation and tenancy agreements.

I therefore urge tenants and landlords to engage in this consultation as we really need your views to help us formulate the most robust and effective ‘Gold Standard’.

RECOMMENDATIONS

1. That cabinet instructs officers to consult on the adoption of a Gold Standard and pilot an associated award scheme for the private rented sector.
2. That cabinet agrees the criteria to be consulted on in order for a dwelling to meet the Gold Standard as shown in Appendix 1.
3. That cabinet notes the importance of monitoring and managing the scheme and instructs officers to work closely with tenants during the period of consultation in setting up and supporting a Southwark Renters Union that will play an important part in doing this.

BACKGROUND INFORMATION

4. The private rented sector (PRS) now constitutes a quarter of the housing in Southwark, and plays an important role in meeting the housing requirements of residents. Growth in the PRS in Southwark has been significant; in 2001 it represented almost 9% of the stock and by 2011 had grown to over 25%. Latest estimates indicate that the sector comprises in excess of 30,000 properties.

5. There are different types of landlord operating within this market: rogue and criminal landlords; inexperienced, reluctant or accidental landlords; and professional, responsible landlords. All these types of landlord require a different approach by the council.
6. The council's focus is on enforcing against rogue landlords with steps also taken to educate the inexperienced and provide support to the professional. The creation of a Gold Standard that landlords could sign up to is an opportunity to recognise landlords who already provide a better service than the one required by law, encourage other landlords to achieve a higher standard, and give tenants a better idea of the standard of accommodation that they should be offered.

KEY ISSUES FOR CONSIDERATION

7. The council can only legally enforce a basic standard which does not necessarily address all of the issues that are of concern to tenants. For example, the basic standard can only address problems that are existing and cannot require measures which would prevent problems occurring in the future. Delays to boiler repairs cannot be pre-empted by requesting a service and repair contract. Tenants are often concerned about the standard of décor and cleanliness at the start of a tenancy. This is not something that the council or the tenant has a power to address.
8. In order to meet this gap, it is proposed to introduce Southwark Gold and Silver Standards, which would be voluntary. These will be used to help tenants demand a higher, more aspirational, standard in the Borough. The scheme needs to ensure there are benefits to tenants whilst appreciating that most tenants do not have much choice in a sector where there is high demand. The scheme should be able to give tenants additional information about the standard of letting they should expect and help them to choose a decent landlord and property.
9. This report is seeking cabinet's approval to put the proposed scheme out for consultation. The council will be consulting on;
 - a) the content of the Gold and Silver Standard,
 - b) the award scheme process and how awards are publicised,
 - c) and the benefits given for achieving the award.
10. The consultation will be open to residents and business owners in the borough but particularly aimed at:
 - private tenants,
 - landlords and landlord representative groups,
 - tenants' representative groups,
 - Charities and further education establishments, and
 - Managing and letting agents.
11. Proposed questions for the consultation are outlined in Appendix 1
12. The consultation will be carried out for 12 weeks between 21 January 2019 to 15 March 2019.
13. The consultation is intended to be a way for the council to find out what people and particularly private tenants think about its proposals. It is not a referendum or a voting

process and the intention is not just to gauge support or opposition to a particular proposal.

14. The council is keen to hear what people think of its proposals, what changes they would like to see in the proposals and if there are any better solutions to the problem officers are seeking to address.
15. After consultation the council will analyse and consider the responses and a consultation report will be drafted. From this, officers will recommend what to include in the standard and how the award scheme will be administered. The paper will explain what is recommended and why. Officers will report back to cabinet on the outcome of consultation and a proposed Gold Standard award scheme.
16. The Gold Standard would consist of three elements; a standard for the landlord, a standard for the physical condition of the property, and a standard for the tenancies offered. Appendix 1 contains the draft proposed standard and award scheme.
17. As well as the Gold Standard, an interim 'Silver Standard' is proposed to encourage landlords to gradually improve their properties and tenancies allowing them to progress from basic standard, through silver and ultimately to the gold standard. Both standards sit above existing legal responsibilities and include:
 - the decent homes standard (the standard devised in 2004 to improve the social housing sector),
 - good practice established by social housing landlords and the very best private landlords operating in the UK and,
 - Improvements to properties and tenancy agreements based on research from various sources, including the media and Shelter, discussing 'what tenants want'.
18. As enforcement of the standard is not an option, incentives will need to be included to encourage landlords to meet the Gold and Silver standards. These incentives would be benefits to the landlords, such as discounted services
19. A dedicated page on the Southwark website would list Gold and Silver Standard landlords and properties alongside links to where information on the services the council provide to the PRS can be found.
20. To establish, and ensure the success of, the Gold Standard, it is also proposed that the scheme will be piloted for nine months following any changes made after the consultation and subsequent cabinet approval of the scheme. During the pilot officers would approach the largest portfolio landlords and accredited landlords operating within the borough and their tenants. They will assess whether their dwellings already comply with the Silver or Gold Standard. They will also determine what areas of the standard they do not meet. By working with the tenants and tenant representative groups, landlord accreditation schemes and landlord organisations, officers would be able to identify the landlords most likely to comply or be very close to compliance. Following the pilot officers would be able to assess whether there are parts of the standards that are difficult to achieve or not commonly achieved/complied with and look at ways to change.
21. Once the final Gold and Silver Standards have been approved and Southwark's Renters Union is established, it is hoped that the union will manage and monitor the scheme, and campaign for more landlords to meet the standard helping to increase

the success of the scheme. It is proposed that officers work to set up and support a Renters Union so that it is capable of taking on this role.

Policy implications

Southwark's Housing Strategy to 2043

22. The new long-term housing strategy for the Borough was agreed by cabinet on 27 January 2015. It contains a vision for the future of housing in the Borough, which consists of four principles:
- Principle 1: We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark;
 - Principle 2: We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership;
 - Principle 3: We will support and encourage all residents to take pride and responsibility in their homes and local area;
 - Principle 4: We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
23. Principle 2 of the strategy makes specific reference to demanding the highest standard of quality and the Gold Standard will show that the council expects more from the private rented sector and its landlords than just complying with basic legislation. Consultation on the proposed standard and award scheme will help the council ensure that it achieves the best standard and award scheme for residents.
24. Principle 3 of the strategy makes specific reference to supporting and encouraging residents to take pride and responsibility in their homes and this consultation will help to empower residents giving their voice to a scheme aimed at improving the private rented sector.
25. Principle 4 of the strategy makes specific reference to help vulnerable individuals and families to meet their housing needs and live as independently as possible. The Gold Standard is intended to address needs above those required for average residents. The consultation will help give residents a voice to highlight issues in the private rented sector that affect them directly.

Community impact statement in relation to the consultation

26. The consultation will set out the council's expectations for the private rented sector and proposal to drive up standards via the Gold Standard. This standard will have a positive impact on the wider community, as it is recognised that an increase in decent homes is linked to improved communities, reducing crime, educational attainment and health. The consultation will allow residents and landlords to highlight issues that affect them and how the Gold Standard can help to address those issues.

Equality analysis in relation to the consultation

27. Poor housing has been identified as a health inequality, which adversely impacts on the health of vulnerable groups, and it is accepted that the ability to live in decent housing is key to all aspects of wellbeing. The proposed Gold Standard seeks to improve the quality of accommodation for occupiers in the private rented sector, reduce the impact on the wider community and make our expectations for the sector clear and transparent. The consultation will help the council to consider all issues that concern the sector and the wider community and enable us to ensure the scheme is accessible and has an impact on all communities.
28. The equalities impact assessment is provided in Appendix 3.

Resource Implications in relation to the consultation

29. The consultation proposed will make full use of existing IT facilities, existing contacts and connections and, existing community groups. There will be a need for additional officer time which will be contained within existing divisional budgets.

Legal Implications in relation to the consultation

30. There are no foreseeable legal implications to the consultation on the Gold Standard.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

31. The report recommends that cabinet instruct officers to consult on the adoption of a gold standard award scheme for private landlords. In so far as the proposed scheme sets out standards above those required by the law, as confirmed in the report these would be voluntary and not enforceable. The purpose of the scheme is to encourage landlords to provide a high standard of rented accommodation.
32. There is no statutory requirement to consult on a scheme of this nature, however consultation will assist achieving the stated aims of scheme, help the council to give due regard to the public sector equality duty and ensure fairness and transparency.
33. Cabinet members should note that where consultation is conducted, the law requires that it must be undertaken when proposals are still at a formative stage, must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposals and formulate a response, must allow adequate time for interested parties to consider the proposals and formulate their response, and, the outcome of the consultation must be conscientiously taken into account when the ultimate decision is taken. These are the central requirements for fair and proper consultation and should be applied at all stages of the consultation process. Cabinet members are referred to the consultation proposal appended to this report.
34. The consultation plan should be kept under regular review to ensure that all interested parties are included, that they are provided with clear and accurate information that contains sufficient detail of the proposals, the reasons for them and, where appropriate, refer to alternatives, including those disregarded and the reasons for disregarding them.

35. Due regard must also be had to the public sector equality duty (PSED) in section 149 of the Equality Act 2010. This duty requires the council to consider all individuals when carrying out its functions. Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. An EIA is appended to this report. The the equality assessment should be reviewed, updated and considered regularly throughout the consultation and when finalising recommendations for the gold standard.

Strategic Director of Finance and Governance (SC18/010)

36. The strategic director of finance and governance notes the recommendations in this report that cabinet instruct officers to consult on the adoption of a gold standard award scheme for private landlords. The purpose of the scheme is to encourage landlords to provide a high standard of rented accommodation.
37. The strategic director of finance and governance notes the resource implications in the report and that any additional costs arising will be contained within existing divisional revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Draft Gold Standard Document
Appendix 2	Draft consultation process and questions
Appendix 3	Equalities Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Finance, Performance and Brexit	
Lead Officer	Deborah Collins, Strategic Director Environment and Leisure	
Report Author	Emma Trott, Private Sector Housing Enforcement and Licensing Manager, Regulatory Services	
Version	Final	
Dated	30 November 2018	
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	20 November 2018	

The Gold Standard

Draft Standard and Award Scheme

Introduction

1. To be eligible to be considered as a Gold or Silver Standard property the landlord must meet all of the legal requirements for private sector landlords AND additional requirements listed below.

The Standard Itself

2. There are three elements to the standard: the landlord themselves; the standard of the property itself and the tenancies they offer. Landlords will need to comply with all of the items in the Silver Standard column below to achieve the Silver standard and comply with items in both columns to achieve the Gold Standard.

Silver Standard	Gold Standard
<p>The Property</p> <ol style="list-style-type: none"> 1. Thoroughly and deeply cleaned at the beginning of any tenancy, including carpets and flooring, bathrooms and kitchens 2. All furnishings to be deep cleaned before each new tenancy in furnished properties 3. Provide white goods - Appliances provided in a good state of repair and clean. 4. Wall, floor, ceilings and fixtures in a good state of repair, clean and in reasonable decorative order 5. Fire Safety Risk Assessments carried out 6. Have a carbon monoxide detector in each room where there is a gas appliance or solid fuel appliance 7. Have an Energy Performance Certificate of D and above (requirement is E) 8. Have a gas service and repair contract (when there are gas appliances in the property) 	<p>The Property</p> <ol style="list-style-type: none"> 1. Outdoor spaces to be clean and safe with adequate fencing and paved areas. 2. Double glazed windows. 3. Draft proofing to external doors 4. Fixed central heating system 5. Fixed TV Ariel point 6. Working landline phone and access to the internet for an initial period of time from the 'move in' date. 7. Appliances provided are not more than 8 years old. 8. New toilet seat to be fitted at the start of each tenancy 9. Gas and electricity supplies to be live at start of tenancy (landlord to notify service suppliers of the new tenants) 10. Walls, and where necessary ceilings, to be freshly painted at the start of a new tenancy

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| <ul style="list-style-type: none"> 9. Kitchens no more than <u>20</u> years old and include adequate cooking, food storage and preparation surfaces adequate for the number of users. 10. Bathrooms must be no more than <u>20</u> years old and in good repair and easy to keep clean with no porous or damaged surfaces and adequate splash-backs 11. Have adequate security measures installed i.e. sound and secure windows, frames and glazing with locks. External doors must be sound and secure with adequate locks to comply with BS 3621 12. Walkthrough before moving in date showing the tenant: <ul style="list-style-type: none"> a. where the meters are b. location of gas and water valves for emergency purposes and details of emergency contacts | <ul style="list-style-type: none"> 11. Copies of the latest fire risk assessment available either online, on the landlords or agents website, or given to the tenants directly 12. Walkthrough before moving in date with tenant to: <ul style="list-style-type: none"> a. Agree meter readings for them to use when the bills are transferred to them. b. Advise of any local parking restrictions c. Show them where local amenities are |
|---|--|

The Tenancy

1. Offer continuous occupation of up to 3 years to tenants. Agreed period of occupation with any tenant must be in writing and include any dates on which the rent may be reviewed confirming that any rent increases will be no more than the Retail Price Index or Consumer Price Index at that time. Tenancies can be AST's or periodic with break clauses at agreed intervals.
2. A written rental agreement: this must always be provided before the resident occupies the property and will include the following:
 - a. The rent and key terms.
 - b. Frequency of payment.
 - c. The period of tenancy
 - d. Information regarding the deposit and how the deposit is protected.
 - e. A clear description of which party is responsible for paying; council tax, utility bills, phone, broadband, satellite TV or other media services and any other regular charges known to affect the letting.
 - f. The period of notice required and how the letting will be terminated.
3. Reasonable notice of access: except in case of an emergency, landlords should give the tenant at least 24 hours notice, in writing or by the residents preferred means and stating reasons when access to the property is required by the landlord, contractor or agent.

The Tenancy

1. Agreement for the tenant to redecorate without seeking permission (can put clauses in the agreement with restrictions i.e. not painting rooms black)
2. Agreement for tenant to hang pictures and add shelving without prior consent (can add clauses with restrictions so that it does only allow shelving or pictures and not more extensive DIY projects)
3. Agreement for the tenant to use own furnishings in a furnished property
4. Agreements for tenants to utilize any outdoor spaces and plant existing borders with plants and vegetables without seeking permission.
5. Allow tenants to use storage areas such as attics, lofts, cellars and sheds where safe to do so.
6. Have a 'pets considered' clause. Where you can allow a tenant to have a pet on a case by case basis but stipulate and advertise as accepting certain pets with conditions.
7. Offer continuous occupation of up to 7 years to tenants. Agreed period of occupation with any tenant must be in writing and include any dates on which the rent may be reviewed confirming that any rent increases will be no more than the Retail Price Index or Consumer Price Index at that time. Tenancies can be AST's or periodic with break clauses at agreed intervals.
8. Agreement to not use Section 21 (no reason eviction proceedings) but only seek eviction for breach of tenancy contract
9. Agreement to enter into council supported mediation before taking action to terminate tenancy where there are issues with the tenant's behaviour

4. A tenants pack that includes the following:
 - a. A copy of the How to rent: the checklist for renting in England (available from <https://www.gov.uk/government/publications/how-to-rent>)
 - b. A schedule of conditions and/or inventory appropriate to the property concerned signed by both parties
5. Information on council services available to the tenant. This would include:
 - a. information on how to report a landlord to the council for non-compliance with basic or gold standard requirements,
 - b. mediation and tenancy advice
 - c. contacts and advice on the council's private renter's union
 - d. timetables for waste collections from the property.
 - e. bulk waste vouchers and how to arrange for bulk waste removal
6. Contact details for the landlord/agent/manager given to tenants with a written procedure for reporting disrepairs with timescales for responses from the agent/landlord depending on severity of the problem (i.e. urgent issues such as leaks or items that could be considered to be dangerous, to be dealt with within 24 hours or 3 working days depending on the severity of the problem. These include the failure of core facilities in the property heating, hot water, windows and doors, electrical problems are examples. Other issues should be dealt with within 30 days).
10. A schedule of conditions and/or inventory appropriate to the property which includes photos signed by both parties
11. Provide references for tenants wishing to terminate, or not renew, their tenancy

The Landlord

1. A member of a landlords association (or have a housing related professional qualification)
2. Accredited and have a NALS accredited letting and managing agent (where necessary)
3. In possession of a landlords insurance

The Landlord

1. Willing to accept tenants in receipt of benefits (with fast track access to the benefits team if there are issues with payments etc.)
2. Accept tenants referred by the council with current homelessness status

The Gold Standard Award Scheme

Awards would be given to landlords, the tenancies they offer and/or the individual properties

4. There will be a dedicated page on the Southwark website where tenants can see if their landlord or property has an award, download the checklists (as mentioned above) and nominate their landlord/property/tenancy to receive an award.

Help to move towards the Gold Standard

3. The Council can help landlords achieve Gold Standard status by offering the following (if they have already achieved the other requirements in the standard):
 - a) Discounted service and repair contracts for their gas boiler and/or electrical appliances (possibility of SBS offering this service).

Benefits to achieving the Gold or Silver Standard

4. These are examples of the benefits that could be offered to encourage landlords to achieve the Gold Standard and reward the landlords that already provide a higher standard of service within the PRS. It also summarises the benefits to tenants renting from Gold and Silver landlords. These benefits will be subject to the consultation.

Silver Standard	Gold Standard
<p>Benefits to the tenant</p> <ol style="list-style-type: none"> 1. Guaranteed a pack from the landlord including all relevant documents and information on council and local services, where to go for help and advice 2. Limited number of bulk waste vouchers for free bulk waste collections. 3. Discount vouchers from local businesses. 4. A safe clean secure home with a responsible landlord. 5. A single point of contact in Housing Enforcement team regarding concerns about their property or landlord. 6. Freedom from fuel poverty 	<p>Benefits to the tenant</p> <ol style="list-style-type: none"> 1. Guaranteed a clean and freshly decorated property 2. Guaranteed decent white goods 3. Immediate availability of services including internet access and have their TV working from move in date 4. A property that allows the tenants to live a normal life from the moment they move in and not have to wait for services or decoration etc. after they have started paying rent. 5. Mediation supported by the council to help resolve issues between the landlords and tenant to help prevent eviction 6. Tenants don't have to give up their much loved pets just to have a roof over their own heads.
<p>Benefits to the landlord</p> <ol style="list-style-type: none"> 1. A 40% discount on future licensing fees. 2. Limited number of bulk waste vouchers for free bulk waste collections. 3. A Silver Standard pack to give to their tenants, which they should add their documents to. 4. Rental income for at least 3 years saving on costs of cleaning and advertising the property for rent and periods of no rental income. 5. Discounted service and repair contracts for their gas boiler and/or electrical appliances 	<p>Benefits to the landlord</p> <ol style="list-style-type: none"> 1. A 60% discount on future licensing fees. 2. Limited number of bulk waste vouchers for free bulk waste collections. 3. A Gold Standard pack to give to their tenants, which they should add their documents to. 4. A place on a forum for consultation on future PRS policy and invitations to our landlords' events (which count towards their CPD hours for accreditation).

5. Access to tenancy/legal advice from the council if they are having issues with a tenant
6. Fast track help for housing benefit or licensing issues.
7. Rental income for at least 7 years saving on costs of cleaning and advertising the property for rent and periods of no rental income.
8. Discounted service and repair contracts for their gas boiler and/or electrical appliances
9. Discounts on Landlords insurance
10. Mediation supported by the council to help resolve issues between the landlords and tenant to help landlords avoid costly court proceedings for eviction.

Notes

HMO definition

The legal definition of a House in Multiple Occupation (HMO) is extensive, but a brief definition is a dwelling that's occupied by three or more people in two or more households (families), who share at least one basic amenity (kitchen, bathroom or toilet).

Some buildings converted into self contained flats can also be HMO's if they were converted without complying with the 1991 Building Regulations. This is defined in section 257 of the Housing Act 2004.

The Gold Standard

Draft Standard and Award Scheme Proposed Consultation

Questions for the consultation

The following is a draft proposal for questions to be asked during the consultation.

These questions will be put to residents and business owners in the borough but are particularly aimed at:

- private tenants,
- landlords and landlord representative groups,
- tenants' representative groups,
- Charities and further education establishments, and
- Managing and letting agents.

To try and focus the consultation and make it easier to analyse the results across the different forums we have set some standard questions. These are:

1. The content of the Gold and Silver Standards,
 - a. Do you think the standard should be split into two levels i.e. Gold and Silver?
 - b. Are there any items on the Gold Standard that you think should not be included, and why? (items in the standard to be listed to chose from)
 - c. Are there any items on the Silver Standard that you think should not be included, and why? (items in the standard to be listed to chose from)
 - d. Are there any issues that aren't included in the Gold or Silver Standard that you would like to see added, and why?
2. The award scheme
 - a. To landlords - Would you be interested in having a Gold or Silver Standard award on your properties?

- b. To tenants – Would you be more likely to move into a property with a Gold or Silver Standard award than one without?
 - c. Would you be interested in participating in a Renter's Union in Southwark, including campaigning for landlords to meet the Gold or Silver standards?
3. How awards are publicised
- a. How do you think the Council should publicise Gold Standard award properties?
 - i. Website
 - ii. Notice in the property
 - iii. Local magazines e.g. Southwark Life
 - iv. Public places e.g. libraries, council offices etc.
 - v. Other, please specify
 - b. The benefits given for achieving the award.
 - i. Are there any benefits to achieving a Gold Standard award that you think should not be included, and why?
 - ii. Are there any benefits to achieving a Gold Standard award that you would like to see added, and why?
4. Negative effects of the scheme
- a. Do you think there are there any negative effects if Southwark introduces a Gold and Silver Standard and award scheme?
 - i. Increased rents?
 - ii. Increased evictions?
 - iii. More pressure on the private rented housing sector availability?
 - b. Please explain why you think the negative effect will happen
 - c. Can you think of anyway Southwark can introduce the standards without the negative effect you are concerned about?
5. Positive effects of the scheme
- a. What do you think would be a positive effect from the introduction of Gold and Silver Standard and award scheme?
 - i. Better quality of accommodation?
 - ii. Less evictions and harassment?
 - iii. Easier for families to have a happy and healthy family life?
 - b. Please explain why you think the positive effect will happen
 - c. Can you think of anything Southwark could do to increase the positive effects from introducing a Gold and Silver Standard and award scheme?



Gold Standard for the Private Rented Sector: Equality analysis

November 2018

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	Gold Standard for the Private Rented Sector		
Equality analysis author	Emma Trott, Private Sector Housing Enforcement & Licensing Unit Manager		
Strategic Director:	Deborah Collins		
Department	Environment & Social Regeneration	Division	Regulatory Services
Period analysis undertaken	June – July 2018		

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

The Council has powers to deal with poor living conditions within the private rented sector (PRS) however, the standard that is enforceable under these provisions is relatively basic and does not reflect the council's aspirations for the Borough.

The Council plans to consult on the introduction of a Gold Standard for the private rented sector. The standard encompasses not only the basic legal requirements, but a higher standard to improve the quality of accommodation and conditions for tenants and bring it into line with the standards found in the social rented sector.

The decision maker is the Cabinet Member for Finance, Performance and Brexit.

Section 3: Overview of service users and key stakeholders to be consulted

2. Service users and stakeholders

Key users of the department or service

The PRS provides accommodation for roughly one quarter of the residents of Southwark. Over 30,000 residents live in privately rented dwellings.

The types of tenants who occupy properties in the private rented sector can range from the poorest and most vulnerable in our society to students, young professionals and families.

It is estimated that there are over 5,000 private sector landlords operating in Southwark. These are important recipients of our services. There is a willingness on the parts of most landlords to comply with basic health and safety requirements. However, lack of incentive, knowledge and so many resources to refer to often means that they are unaware of their responsibilities and do not know what constitutes decent accommodation, good practice or how to achieve a higher standard of accommodation.

Monitoring data collated indicates there are a number of key characteristics of clients using the services.

Approximately 72 per cent are from black and minority ethnic (BME) communities. This is significantly higher than the proportion of Southwark residents from these communities, which is closer to 50 per cent according to 2011 Census data. This level of take-up by BME communities is clearly a key factor when considering how best to commission services able to meet their needs.

In terms of service users 3,569 out of a total of 27,696 within a one year period reported having a disability. This indicates a

	significant level of need relating to ill-health and disability.
Key stakeholders were/are involved in this policy/decision/business plan	<p>Consultation regarding the Gold Standard is due to take place between 5 November and 31 December 2018. The purpose of this will be to consult with a broad range of stakeholders before finalising the content and award process for the Gold Standard. Stakeholders will consist of representatives from:</p> <ul style="list-style-type: none"> • Landlords groups • Tenants groups • Internally with other council teams that work with the PRS (e.g. Tenancy Relations, Trading Standards) <p>The broad scope of the consultation will be to establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.</p>

Section 4: Pre-implementation equality analysis

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).
Potential impacts (positive and negative) of proposed policy/decision/business plan
The private sector houses the full range of age groups. Families with small children and older people who reside in private rented accommodation can have very low incomes and other disadvantages, for example education and language barriers so their ability to mitigate problems is more limited. The conditions in this market in Southwark stretch from the exclusive accommodation provided in the north of the borough to the very lowest end of the rental market.
Equality information on which above analysis is based
Census data, DCLG Reports, British Housing Condition Survey Data, Housing Act 2004 HHSRS data
Mitigating actions to be taken

Introducing a Gold Standard will mean that tenants and landlords alike will understand the Council's expectations and aspirations for the sector regardless of who it is rented to. This will empower tenants so that they have a standard to point to when choosing a home and confidence in approaching their landlord for improvements to their existing home.

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Possible impacts (positive and negative) of proposed policy/decision/business plan

Tenants with disabilities or medical conditions are usually more vulnerable to certain hazards, even those that present at a low enough level to not be a hazard under the HHSRS. Heating and hot water is essential especially for many people with disabilities or medical conditions. Facilities such as adequate hot water and heating are essential and can cause serious issues if not available for just a short period of time. Whilst legislation allows us to require a landlord to repair boilers and heating systems if they are not working, we cannot legally require the landlord to put measures in place to prevent the issues occurring. Encouraging landlords to have boiler service and repair contracts, for example, will mean that a tenant can arrange for repairs quickly and conveniently reducing the likelihood of a malfunction and reducing the potential impact should their boiler fail in some way. Similarly, as long as a bathroom or kitchen functions legislation does not allow for its replacement. The Gold Standard will require kitchens and bathrooms to be 'modern' - being no older than 20 years. More modern facilities often provide better ergonomics for use and easier to clean surfaces and appliances.

Equality information on which above analysis is based

Census data, DCLG Reports, British Housing Condition Survey Data, Housing Act 2004 HHSRS data (vulnerable groups), Decent Homes Standard 2006

Mitigating actions to be taken

Introducing a Gold Standard will mean that tenants and landlords alike will understand the Council's expectations and aspirations for the sector regardless of who it is rented to. This will empower tenants so that they have a standard to point to when choosing a home or, confidence in approaching their landlord for improvements to their existing

home.

A higher standard of remedy and prevention will be encouraged to mitigate hazards that particularly affect vulnerable persons. i.e. boiler service and repair contracts reducing the likelihood of a break in the supply of heating or hot water and a reduced waiting time for repairs if the boiler should break down.

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Gender reassignment - The process of transitioning from one gender to another.

Possible impacts (positive and negative) of proposed policy/decision/business plan

No specific impacts have been identified or raised in relation to this.

Equality information on which above analysis is based.

N/a

Mitigating actions to be taken

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Marriage and Civil Partnership - In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. **(Only to be considered in respect to the need to eliminate discrimination).**

Possible impacts (positive and negative) of proposed policy/decision/business plan

No specific impacts have been identified or raised in relation to this.

Equality information on which above analysis is based
N/a
Mitigating actions to be taken
The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
Possible impacts (positive and negative) of proposed policy/decision/business plan
In general more people are raising their families in the PRS as the supply of social housing is restricted and property ownership becomes less affordable. Therefore more children are being affected by PRS issues. Pregnant women, new mothers and their babies are more vulnerable to certain hazards and require a higher level of self care and cleanliness in the home. Facilities such as adequate hot water and heating are essential and can cause serious issues if not available for just a short period of time. Whilst legislation allows us to require a landlord to repair boilers and heating systems if they are not working, we cannot legally require the landlord to put measures in place to prevent the issues occurring. Encouraging landlords to have boiler service and repair contracts, for example, will mean that a tenant can arrange for repairs quickly and conveniently reducing the likelihood of a malfunction and reducing the potential impact should their boiler fail in some way. Similarly, as long as a bathroom or kitchen functions legislation does not allow for its replacement.
Equality information on which above analysis is based
Census Data, DCLG data, Anecdotal evidence
Mitigating actions to be taken
A higher standard of remedy and prevention will be required in the Gold Standard to mitigate hazards that particularly affect vulnerable persons. The Gold Standard will require boiler service and repair contracts and kitchens and bathrooms to be 'modern',

being no older than 20 years. Boilers will be less likely to malfunction and more likely to be repaired quickly if they do. More modern facilities, such as bathrooms and kitchens often provide better ergonomics for use and easier to clean surfaces and appliances.

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Possible impacts (positive and negative) of proposed policy/decision/business plan

There are reported problems with ethnicity and access to PRS lettings. It is also the case that new communities form in Southwark over time. These communities are often exposed to the poorest accommodation as they seek to gain a foothold in the wider community.

Equality information on which above analysis is based

Census Data, DCLG data, Anecdotal evidence

Mitigating actions to be taken

The Gold Standard is designed to encourage landlords to not only comply with legal requirements but to raise the standards in their properties to improve the health and wellbeing of their tenants.

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Possible impacts (positive and negative) of proposed policy/decision/business plan

There is no available evidence of disadvantage arising from religion and belief in HMO's in the PRS.

Equality information on which above analysis is based
N/a
Mitigating actions to be taken
<p>The Gold Standard is designed to encourage landlords to not only comply with legal requirements but to raise the standards in their properties to improve the health and wellbeing of their tenants.</p> <p>The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.</p>

Sex - A man or a woman.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no available evidence of disadvantage arising from a persons sex in HMO's in the PRS.
Equality information on which above analysis is based
<p>Organisations' equality & diversity policies</p> <p>Monitoring data collected</p> <p>Monitoring information from other programmes e.g. Community Capacity programme</p> <p>Feedback from stakeholders</p> <p>Analysis of impacts of Welfare Reform (Southwark Council, Corporate Strategy unit)</p>
Mitigating actions to be taken
<p>The Gold Standard is designed to encourage landlords to not only comply with legal requirements but to raise the standards in their properties to improve the health and wellbeing of their tenants.</p> <p>The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.</p>

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
Possible impacts (positive and negative) of proposed policy/decision/business plan

There is no available evidence of disadvantage arising from sexual orientation in HMO's in the PRS.

Equality information on which above analysis is based

N/a

Mitigating actions to be taken

The Gold Standard is designed to encourage landlords to not only comply with legal requirements but to raise the standards in their properties to improve the health and wellbeing of their tenants.

The consultation will establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour , Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

The proposed Gold Standard will support the Human Rights of members of the Community of Southwark at a number of levels. Improved property conditions support improved public health, reduction in fear, harassment and uncertainty in the domestic environment.

Our focus on improved facilities, safety, security, privacy and improving management and maintenance all contribute to the resident of a PRS property realising the intended benefits of an improved private rented sector and in particular the right to life.

Information on which above analysis is based

The Human Rights Act, Housing Act 2004 HHSRS

Mitigating actions to be taken

The Gold Standard is designed to encourage landlords to not only comply with legal requirements but to raise the standards in their properties to improve the health and wellbeing of their tenants.

The consultation will establish whether the content of the Gold Standard is inclusive,

appropriate, accessible and beneficial.

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
1	Establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.	Carry out consultation as planned in Appendix 2 of the main cabinet report	12 weeks between 21 January 2019 to 15 March 2019
2	Establish whether the content of the Gold Standard is inclusive, appropriate, accessible and beneficial.	Analyse results of consultation and draft consultation report Make appropriate changes to the contents of the Gold Standard and award scheme	March – April 2019
3	Ensuring that the standard has an effect across the broad range of PRS in the Borough	Undertake a pilot and review the effectiveness of the Gold Standard and it's associated award scheme	May – January 2020
4	Launch full scheme with input and administration from proposed Renter's Union	Set up full scheme with campaigning and administration	February - March 2020

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			2019/20	2020/21
Monitoring equality outcomes from the Gold Standard consultation	Emma Trott	None	April 2019	NA
Monitoring equality outcomes from the full scheme	Emma Trott	None	March 2020	March 2021

Item No. 18.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		New Depot	
Ward(s) or groups affected:		Old Kent Road	
Cabinet Members:		Councillor Victoria Mills, Finance, Performance and Brexit, and Councillor Richard Livingstone, Environment, Transport Management and Air Quality	

FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT, AND COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT MANAGEMENT AND AIR QUALITY.

We are incredibly proud of the work done by our front line staff and have a commitment to bring more services under the direct control of the council where this is the right thing to do. We are also aware that our existing depots are poorly designed, cramped and not really fit for purpose. This situation worsened recently when we brought the housing repairs service for the whole borough in-house.

We have an aspiration to bring even more services in-house in the future and to be in a position to sell our services to others as this will generate new income streams and help us avoid the need for further budget reductions.

After two years of searching, we believe we have a viable site for a new centralised depot. This report seeks funding to build the depot and agreement on the location. It also makes clear that the creation of a new depot will actually result in a financial benefit to the council as we will be able to sell the current depot sites as they are vacated.

In summary, we will be able to provide good accommodation for our front line staff, the site will allow services to expand in future years and the council will gain financially as the sale of vacated depots will more than off-set the cost of providing a new site.

RECOMMENDATIONS

Recommendations for the Cabinet

1. That the Cabinet note the preparatory work done to date on providing a new depot for the council's in house services and approve in principle the proposal to develop this as set out in paragraphs 14, and 16-20 of this report.
2. That the Cabinet note the estimated cost and timing of the proposal and approve the inclusion of this sum in the capital programme as set out in paragraph 24 of this report.
3. That the Cabinet instruct officers to report back to Cabinet for approval of the project once the legal and financial terms have been negotiated and before the planning application is submitted.

Recommendation for the Leader of the Council

4. That the Leader delegate to the cabinet member for finance, performance and brexit, in consultation with the cabinet member for environment, transport management and air quality, the approval of the revised business case and a detailed project initiation document setting out the governance, workstreams and timing of this project.

BACKGROUND INFORMATION

5. The council's traded services division and the head quarters of its cleaning and grounds maintenance teams operate out of three separate depots at Sandgate St, Frensham St and Copeland Rd. It also uses a site at Latona Road to store grit to support the winter services.
6. These depots contain office accommodation, stores, workshops and parking for the council's operational fleet, and very limited staff welfare facilities. The depots are all old, with poor staff facilities and old fashioned office space that does not meet the council's standards for the rest of the workforce, and in the case of Sandgate St, is now extremely crowded. The buildings are not energy efficient.
7. In November 2016 a report entitled 'Implementation of the Modernisation Programme' was taken to Cabinet. The report noted that there are still a number of ageing buildings across the borough housing front facing services that can no longer be accommodated within our existing model. The report made reference to the new depot when outlining the workplace strategy and stated that in order 'to meet the challenges ahead, modernise the way that we work and streamline with the workforce and IT strategies across our whole estate, a review of our office accommodation model is necessary. Initially shaping and trialing the model at the new site we will look to reflect developments back in Tooley Street and the existing Queens Road sites. We will also review consolidating our depots into one 'super depot'....'
8. The Cabinet decided in March 2018 to bring the repairs service provided by Mears in the south of the borough back in house from October 2018. Space has been made at Frensham St for the additional office space needed for the staff to provide this service, but both this and the council's ambitions to continue to provide services in house and to expand those where possible to generate income will continue to provide further stress on the capacity and quality of the existing depots.
9. In addition, the services mentioned have in the past operated within silos, in different management structures and with different brands, uniforms, processes and practices. In order to reduce costs, improve quality and enable the services to deliver a strong brand that enables them to compete for external business, it is recommended that the council improves efficiency to reduce duplication and to encourage a one council culture.
10. The operation from three separate sites and the three buildings does not provide a conducive working environment for staff, hampering collaborative working and preventing appropriate co-location with colleagues across services. We have already seen the benefits of cross council working for office-based staff located

in our modern buildings in Tooley Street, the Queens Road 1, 2 and 3 buildings and the Peckham Customer Centre. The development of the new depot provides an opportunity to realise these benefits for more of the council's workforce. Our frontline staff deliver services which have a significant impact on the quality of life of our residents borough-wide, and a modern, well-equipped base for them to operate from can only improve their ability to deliver excellent services.

11. The development of the building is just one part of the change process and staff will be supported to review and improve their ways of working by working more closely together, making sure that management and learning and development opportunities are consistent and access to technology is easier. In addition, opportunities will be maximised to streamline processes to improve the overall quality of service delivery and the experience for residents.
12. The current depots occupy sites which are close to residential housing or form part of the Old Kent Road and Peckham and Nunhead area action plans. In accordance with these plans and the emerging New Southwark Plan, development of the existing sites, should the new depot be provided, would be likely to comprise:
 - Latona Road (current grit store): A mix of uses including workspace, yard area and residential homes.
 - Frensham Street: A mix of uses including residential homes, a non residential use such as workspace or educational use, to be determined, and park space contributing to the new Surrey Canal Park.
 - Sandgate Street: Identified in the draft Old Kent Road AAP for a new secondary school.
 - Land adjacent to Rich Estate, Devon Street: Mixed use scheme comprising light industrial and residential uses.
 - Copeland Road: A mixed use scheme comprising employment space, potentially including re-provision of the bus garage, and new homes.

KEY ISSUES FOR CONSIDERATION

13. In order to address the issues set out above, officers have been looking at whether it is feasible to combine the three depots, possibly with the grit store, in one new depot. In doing this, officers have been mindful of the need for any future land use to fit with the council's aspirations for the borough as set out in the draft New Southwark Plan and the Old Kent Road Area Action Plan, so the search for an appropriate site has concentrated on areas which are and will continue to be zoned for light industrial use.
14. The site proposed for the new depot is the building which currently accommodates the Household Waste Reuse and Recycling Centre (HWRRC) This is more commonly known as the public recycling centre where residents are able to bring waste that does not fit in their normal waste receptacles. and forms part of the council's Integrated Waste Management Facility (IWMF), located off the Old Kent Road. Appendix 1 contains a site plan identifying this location.
15. A number of other potential sites for the new depot, including those listed below, have been examined. However, with the exception of the public recycling centre, none have been of sufficient size and shape to accommodate service needs.
 - Gasworks land owned by the council – the site is constrained by the access

road which runs through it and on-site gas infrastructure. The resulting development plots would not accommodate efficiently shaped depot buildings. The adjacent gasholder land and the access road through the gasworks will be used for the construction of the London Power Tunnels projects which is programmed to complete in 2026.

- Copeland Road - Copeland Road is the largest of Southwark's existing depot sites. However, it would not be large enough to accommodate the new depot.
 - IWMF car parks – the council explored the possibility of developing in the car parks which would avoid the need to relocate the public recycling centre. However, the implications for insurance and the impacts of the proposal on the operations of the IWMF were considered unacceptable by Veolia (see paragraphs 19 to 20 below).
 - Cantium Retail Park – the new depot would not be compatible with the development of a high density mixed used development, which includes a public park, in an emerging town centre location.
16. The existing public recycling centre building is a very large three storey steel framed industrial building. The height of this building and the volume of space within, is significantly underused and there is an opportunity to use this asset more effectively. A feasibility study has been prepared by Hale Architects which shows that it would be possible to accommodate the new depot over three storeys within this space.
 17. This can be achieved by relocating the public recycling facility to an alternative site (see paragraph 23) and would provide the ability to construct a double height workshop with yard access, external covered storage, covered parking for some vehicles, internal deck for smaller vans and trailers, internal storage, office spaces and operative welfare facilities. A capacity study has been completed which confirms that the existing space will provide the required area to accommodate the Depot, including some space for expansion.
 18. A detailed Fire Strategy will be designed to ensure that the space complies with the relevant codes of practice including the provision of sprinklers and with fire separation between the council depot and the adjacent IWMF. This will also be required to satisfy any requirements from both the council's insurers and Veolia's insurers, as outlined in paragraphs 30 and 31 of this report.
 19. Prior to this option, an alternative was considered, that consisted of a new three storey depot wrapping around the existing IWMF building, including a steel framed mezzanine deck to be inserted into the public recycling facility and accessed from the existing ramp within the facility. This would provide some parking for operational vehicles and first floor servicing access into the new depot building. This option would not impact on the existing services provided within the waste facility but created a number of risks and dependencies, including significant highway works to accommodate the required vehicle movements, as well as the need to relocate an existing gas main.
 20. Despite these challenges, the option was considered feasible and would provide the required volume of accommodation to provide the new facility. However, this option was not welcomed by Veolia who had concerns regarding the insurance implications of the proposed set up, and therefore would be unwilling to approve this option. Subsequently, the option to utilise the existing public recycling centre for the new depot has been supported by Veolia and it is therefore

recommended that this option is progressed. This option also provides a higher volume of space and is of lower capital cost since it involves making better use of an existing structure.

21. By providing the new depot here, there are a number of benefits:
 - The site would be large enough to bring the services run from the three depots together with enough flexibility to make efficiencies in the way the services use their space but also provide room for potential future growth
 - The current sites would be freed up completely for appropriate development, with capital receipts generated that are predicted to more than cover the cost of the new depot (see business case below)
 - Staff welfare facilities would be improved, not only supporting current staff but helping with recruitment, and further work will be undertaken to see whether this will also assist in upgrading facilities for Veolia staff
 - A new depot will improve the carbon footprint of the depot estate, and the proximity to the Veolia site will enable the council to consider improving the sustainability of the fleet alongside future improvements by Veolia.
 - There is a potential to expand the options for a greener fleet, by increasing the number of electric vehicles the council uses as charging points can be made available and by looking at other options for fuel supply
 - The site is in the middle of the borough, with good links for the operational staff to reach the whole of the borough where they work and future improvements to transport proposed
 - Many of the council's trucks have to visit the site to off load at the end of the day already so basing them there, reduces travel time.
22. The preliminary work done to date shows that the provision of a depot here is feasible and the disposal of the former depot sites will generate sufficient capital to fund the new building.
23. The proposal would displace the public recycling centre. This facility comprises storage bays for a number of waste and recycling streams which are accessed by vehicles from a ramp. Officers are working on options to provide an alternative site for the public close to the existing facility.
24. The cost of the new depot is approximately £25m, including all construction, fit out, highways and associated works, including costs associated with re-providing the public recycling centre. Officers are currently undertaking further feasibility testing to explore the way in which the depot would be constructed, the impact on the Veolia operation and how these can be mitigated. A phasing and logistics plan, which includes a thorough assessment of the required enabling works, is also being prepared to ensure that the costing of the new depot is robust.
25. The detailed business case for the depot is currently being updated. Officers are proposing that the capital cost of the depot is funded through the disposal for redevelopment of the council's existing depot sites.
26. The business case will also need to take into account revenue implications of the new depot. This will include the need to lease the land for the new depot from Veolia and also giving up the existing lease on the Sandgate Street depot on which the council currently pays rent. In addition provision will need to be made for any operational implications from moving the public recycling centre and professional fees relating to the project. It will also cover the costs associated

with the reconfiguration of various parts of the IWMF that are required to allow the depot to be constructed whilst allowing Veolia to continue to operate efficient waste and recycling operations on the site

27. The new depot is proposed on land which is leased to Veolia until 2033 and the council will need to negotiate a commercial lease for the new depot. In addition the council's waste management contract, which included the construction of the integrated waste management facility was procured through a private finance initiative (PFI). The term of the PFI contract also extends to 2033 and utilising the land for a depot will require the consent of the PFI funders which in this case are DEFRA and Veolia.
28. Initial discussions with DEFRA have indicated that securing consent should be achievable, providing the waste capacity and operational integrity of the facility is not reduced or compromised. Preliminary discussions have also taken place with Veolia who have indicated they are open to a proposal to locate the new depot in the existing public recycling centre. It is important to note that agreement with DEFRA and Veolia will be required before construction can commence.

Identified risks

29. The following high level risks have been identified. As part of the detailed project implementation the council will follow its risk management processes to identify and monitor detailed risks which will be reported through the project governance.

RISK	RISK LEVEL	MITIGATION ACTION
Local objections to the project.	Medium	Consultation with relevant stakeholders will take place.
Formal agreement with Veolia and DEFRA not achieved within the proposed project timescales	Medium	Early consultation with Veolia and Defra to date has been positive. Close working will be maintained with both partners. Negotiation process to be managed closely and appropriate allowances to be made in the project budget.
Design presents high level Third Party risk resulting in insurance and cost implications	Medium	Detailed Fire Strategy to be developed in consultation with Veolia, ensuring that the space complies with the relevant codes of practice including the provision of sprinklers and with fire separation between the council depot and the adjacent IWMF. This will also be required to satisfy any requirements from both the council's insurers and Veolia's insurers. Ongoing consultation with the council's insurers required, to ensure that all requirements can be met (see paragraphs 30 and 31 of this report)

Insurance implications

30. Initial consultation with the council's insurers, Zurich Municipal, has indicated that, in principle, they can consider providing cover subject to further discussions and the incorporation of various fire protection measures and risk management precautions. This site would likely attract additional terms reflecting the exposure to the adjoining third party risk. The council will look to incorporate any requirements of the insurers within the project proposals to ensure that the risks can be effectively managed and the best deal sought for the council.
31. Waste facilities are generally considered high risk operations by the insurance market and whilst from a risk management perspective an alternative site might be preferred, as outlined in paragraph 13 of this report, a number of alternative sites that could be available have already been considered and not deemed suitable and would be more expensive for the council to construct. Details of these will be provided to insurers so they can complete their assessment. Further to this, the feasibility designs that have been produced showing the use of the public waste and recycling facility demonstrate that the space can accommodate the required spaces and provides a central location in the borough for providing these services. The new design will need to ensure that the proposed condition in terms of fire safety will not be any less satisfactory than the existing, therefore minimizing additional third party risk.

Policy implications

32. The strategy to provide a new depot facility supports our overall priority to be a council that is fit for the future, as set out in the refreshed council plan 2018-2022. In particular, it will support the commitment to bring our repairs service in-house by providing a good quality and efficient space for our workforce. It will also support the ability for the council to meet its income targets for growing services that are provided from the new depot such as commercial waste. The delivery of the programme is identified in the respective workforce, workplace and IT strategies.

Community impact statement

33. The existing depot buildings (as detailed in this document) are dated, with poor staff facilities, old fashioned office space that do not meet the council's standards for the rest of the workforce, and in the case of Sandgate St, is now extremely crowded. The buildings are not energy efficient. The new building would be designed in discussion with staff and service users to create appropriate, good quality service accommodation, that provide flexible, accessible and modern working and practical spaces. These would be designed through detailed consultation and engagement with both service users and staff.
34. A full equality impact assessment will be produced as part of the project initiation document and monitored throughout the course of the project.

Sustainability Impact

35. Consolidating three inefficient, energy intensive depots, in to one energy efficient site will have a positive impact on the council's carbon reduction target which will also have a financial benefit towards the council's carbon reduction commitment. The new depot will have a positive impact on air quality through less overall emissions, and also have a beneficial impact on the emissions from travel.

36. The new depot's carbon footprint will rely on factoring in sustainability as a core part of the design process. This will need to focus on the building design, heating, lighting, energy, water and waste requirements. The sustainability team will offer guidance throughout this part of the process when required.

Resource implications

37. Paragraphs 9 – 12 and 25 - 27 of this report set out the resource implications of this project. It is worth noting that the proposals will cause the existing portfolio of older buildings to be replaced with a new, modern facility that is better suited to accommodating staff, and modern more efficient ways of working.
38. As outlined in paragraph 27, there would also be likely impacts on the existing PFI Agreement as a result of the changes to the existing contract. Any impact will be assessed as part of the contract negotiations with Veolia.

Consultation

39. The proposals will be subject to the decision making arrangements of the council's planning process, including consultation with the relevant statutory consultees. Consultation will also need to be carried out locally ahead of this, along with engagement with end users during the briefing and design process.

Financial implications - summary

40. The total costs of the proposed new depot is currently estimated at £25m which includes the costs of construction, fit out and associated costs with the re-provision of the public recycling centre.
41. The current three depot sites used by the services are a combination of General Fund (GF) and Housing Revenue Account (HRA) properties (Sandgate –GF, Copeland Rd and Frensham St- HRA). Once vacated, these sites will be available for appropriate development, generating capital receipts for the council which is currently estimated to exceed the capital costs of £25m for the new depot mentioned above.
42. There will be legal, professional and other associated costs in progressing this project and will be included in subsequent report for approval.
43. The proposed site for the depot is currently leased to Veolia until 2033 under the current PFI arrangement with the council and therefore a commercial lease will need to be arranged with Veolia for accommodating the proposed depot on the site.
44. The proposal may require approval from DEFRA and Veolia (the PFI funders) which will be confirmed as part of this project.
45. In addition to the operational cost of the new depot, provision will also need to be made for any additional revenue costs incurred by Veolia due to the relocation of the public recycling centre.
46. The potential impact of this proposal on the current PFI arrangement with Veolia is being negotiated and will be confirmed as part of this project.

47. The proposed consolidation of the current three depots into one depot is expected to generate operational efficiency, streamline processes, promote collaborative working and support the council to deliver excellent services.
48. All of the above will be updated and incorporated within a detailed business case for approval before commencement of the project.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

49. This report asks the Cabinet to note/approve a number of matters in relation to a new depot, as further detailed in paragraphs 1-3, and for the leader to delegate the approval of the business case and PID for the depot to the relevant cabinet members. There are no specific legal implications in relation to the proposed recommendations. Officers from legal services will assist the project team as the project develops, particularly in relation to variations to the PFI agreement and the lease to Veolia, and will advise further when the final terms are brought back to cabinet for approval.

Strategic Director of Finance and Governance (FC18/025)

50. This report is requesting cabinet to note the preparatory work carried out to date in providing a new depot for the council's in house services and approval to develop the proposals as set out in this report.
51. The report is also requesting cabinet to note and approve the estimated cost of £25m for the proposed depot for inclusion in the council's capital programme.
52. The strategic director of finance and governance notes that a number of alternative sites have been examined as part of this project and the proposed site for the new depot within the Integrated Waste Management Facility (IWMMF) is the preferred option after consideration of all factors. Full details are provided within the main body of the report.
53. The strategic director of finance and governance notes that the proposal will vacate the current three depots used by the services for appropriate development which is estimated to generate total capital receipts in excess of £25m for the council.
54. The strategic director of finance and governance notes that there will be revenue implications arising from this proposal upon implementation, and once confirmed, this will need to be incorporated within the council's budget setting process.
55. The capital cost of £25m for the proposed depot will be added to the council's capital programme once approved by cabinet.
56. The strategic director of finance and governance notes that a detailed business case considering all the factors from this proposal will be submitted for cabinet approval before submission of planning application for this project.
57. Staffing and any other costs connected with this report, in progressing the project further, at this stage, will need to be contained within existing departmental revenue budgets.

Head of Procurement

58. This report seeks Cabinet to note the preparatory work in the new depot and to approve the development of the next stage of this for the new depot for the council's in-house services. Whilst there are no direct procurement implications of this report, procurement support and advice will be sought as needed in relation to the current PFI contract and for any potential development that will be the subject of separate gateway reports that come from the development work.

BACKGROUND DOCUMENTS

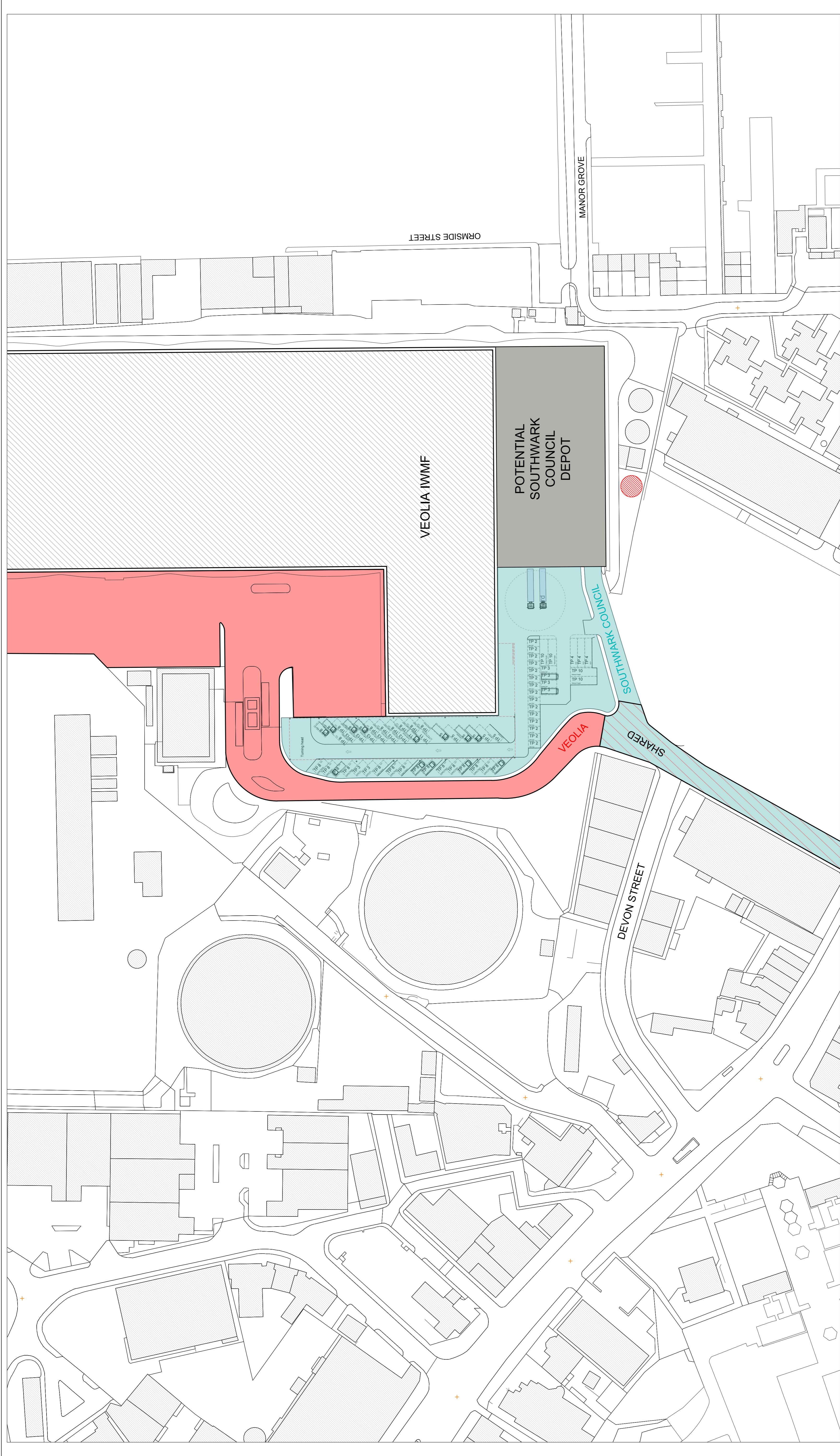
Background Papers	Held At	Contact
None.		

APPENDICES

No.	Title
Appendix 1	Proposed site plan

AUDIT TRAIL

Cabinet Members	Councillor Victoria Mills, Finance, Performance and Brexit, and Councillor Richard Livingstone, Environment, Transport Management and Air Quality	
Lead Officer	Deborah Collins, Strategic Director of Environment and Leisure	
Report Author	Ian Smith, Director of Environment	
Version	Final	
Dated	30 November 2018	
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
Date final report sent to Constitutional Team		30 November 2018



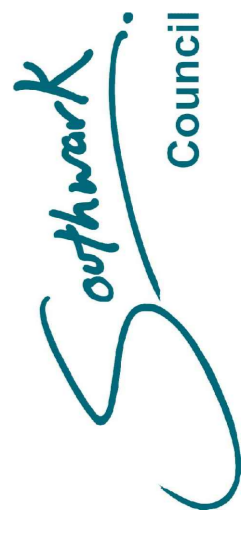
01 Site plan
1:750 @ A1

Disclaimer:
Subject to survey

Notes:

 New sprinkler tank

hale
ARCHITECTURE | DESIGN MANAGEMENT
22c, Leathamarket Street, SE1 3HP
Client:



Project:	Old Kent Road, Devonshire Grove
Drawing Title:	Southwark
Site:	Veolia Bay - Depot Blocking
Traffic routes:	
Project No:	18060
Scale @ A1/A3:	1:750
Drawing No:	SK146
Revision:	

Item No. 19.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval for Southwark Highways Works Contracts	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Richard Livingstone, Environment, Transport Management and Air Quality	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT MANAGEMENT AND AIR QUALITY

In July, cabinet reviewed how it would contract its highways work in the future. It decided to bring back in-house those parts of this service where this would be practical: highway safety inspections, carriageway gully cleaning and some design work. For the remainder of the service, cabinet agreed that we should establish a tendering process to enable new contracts for highway works, which would start on 1 July 2020, and highway professional services, starting 1 January 2021.

This report sets out the strategy for the procurement process for these contracts. For highway works, the contract will be let in two lots: one for on-going maintenance and one for planned renewal and improvement projects. For professional services, the contract would comprise three lots: structure inspection and design; highway design and management; and drainage system design and management.

The approach set out will ensure that Southwark Council can procure high quality services for its highways that also represent good value for money, whilst also bringing back in-house those elements of the service where doing so makes sense.

RECOMMENDATIONS

1. That the Cabinet approves the procurement strategy outlined in this report for two separate contracts:

Works Contract

- Southwark Highways Works Contracts in two lots commencing 1 July 2020 for an initial duration of five years and nine months, with an option for the council to extend for up to two further years.
 - Lot A – Maintenance (for small scale reactive repairs) at an estimated maximum total cost of £15.9m (1 supplier)
 - Lot B – Projects (for planned renewal / improvement projects) at an estimated maximum total cost of £55.4m (1 supplier).

Services Contract

- Southwark Highways Professional Services Contract consisting of three lots, commencing 1 January 2021 for an initial duration of five years and three months, with an option for the council to extend for up to two further years.

- Lot A - Structures Inspections and Design at an estimated maximum total cost of £7.3m
- Lot B - Highway Design and Management at an estimated maximum total cost of £11.6m
- Lot C - Drainage and SUDS (Sustainable Drainage System) Design and Management at an estimated maximum total cost of £3.6m.

BACKGROUND INFORMATION

2. This Gateway 1 Procurement Strategy Report relates to the Gateway 0 Strategic Options Assessment for the 2019+ Highways Services Delivery that was approved at Cabinet on 24 July 2018.
3. That Gateway 0 approved the insourcing of:
 - Highway safety inspections
 - Carriageway gully cleaning
 - Enhancing the design team.
4. That Gateway 0 also required officers to prepare a Gateway 1 report for further Cabinet consideration on the procurement strategy for the out-sourced works and services.
5. These works and services are currently being provided by Conway Aecom Ltd under the Highways and Professional Services (HAPS) Contract. The provision of the services was divided into Lots as detailed below:
 - Lot A – Highways Maintenance
 - Lot B – Project Delivery (Works)
 - Lot C – Professional Services.
6. The lots commenced on 1 April 2013 for a duration of six years taking the contract through to an expiry date of 31 March 2019. The contract allowed for an option for Southwark Council to extend the contract for any duration of up to two years by informing Conway Aecom in writing with a minimum of three months notice. Cabinet approved an extension of this contract for up to two years on 13 March 2018. The decision on the actual duration of the extension has been delegated to the then strategic director for environment and social regeneration (now strategic director for environment and leisure). Southwark Council needs to inform Conway Aecom of the contract extension decision by 31 December 2018.
7. During 2017-18 spend on the reactive maintenance works remained steady at just over £2m per annum which is a full spend of the available budget. Spend on capital works was close to £10.5m per annum and there is a carry over of around £2m on major maintenance schemes (NPR & PR) to 2018-19. Spend on design and professional services was just over £3m per annum.
8. The average annual revenue budget for highways maintenance over the past three years (2015-16 to 2017-18) was £2.5m per annum. The average annual capital budget for work, including external funding, over the past three years (2015-16 to 2017-18) was £7.85m per annum. The average annual capital budget for professional services over the past three years (2015-16 to 2017-18) was £3.1m per annum.

Summary of the business case/justification for the procurement

9. Under the Highways Act 1980 Southwark Council, as Highway Authority for most of the public roads and pavements within the borough of Southwark, have a responsibility to ensure those public highways are maintained to a safe standard. This will cover everything from a standard “pothole” repair to gritting the roads and pavements deemed necessary during freezing conditions and snowfall. In addition to these statutory duties the council also has a responsibility to endeavour to improve the highway network where feasible. This is carried out by capital funding which can be from Southwark’s own budgets or from external partners such as TfL or through developers S106 / CIL funds. The contract arrangements will require flexibility to accommodate uncertainty over future budget levels, particularly where these funds are from external sources.
10. Improvements to the highways network will help the council achieve a number of their Fairer Future Commitments. Improvements to the footways and cycleways will encourage residents and visitors to adopt a more sustainable mode of transport than a motor vehicle, to help provide a greener borough and encourage more active and a healthier life. A number of highway improvement schemes are implemented alongside other initiatives to help create a vibrant Southwark.
11. The services in scope can be summarised as follows:
 - Emergency or urgent reactive repairs
 - Planned maintenance and repairs
 - Carriageway gritting / winter service
 - Carriageway resurfacing
 - Footway renewal
 - Capital project delivery
 - Design and associated professional services.
12. Although there are many challenges and pressures placed upon it, Southwark Council has a highway network to be proud of. In the 2017 National Highways and Transport Surveys Southwark achieved “Best in Country” in nine categories and “Best Improved” in seven categories. In 2018 Southwark Council went one better and were awarded the National Transport Local Authority of the Year. This doesn’t mean Southwark Council are complacent – Southwark Council know they have to continue to improve to provide the best possible highway network for the residents, businesses and visitors to Southwark.

STRATEGIC SERVICE DELIVERY OPTIONS AND ASSESSMENT

13. During the first few months of 2018 a project board was developed to consider the most appropriate method of delivering the highways services once the current HAPS contract expires. A number of meetings and discussions have been held with Southwark officers, suppliers and other Highway Authorities, which have allowed Southwark to review the success and issues of the current contract and consider different options including possible joint working with neighbouring boroughs.
14. As mentioned above under Background Information all three lots of the current contract were awarded to Conway Aecom as the tender assessment concluded this was the most beneficial option. However, the perceived benefits of having an

integrated contract including the maintenance functions, project delivery and professional services delivered under one contract has not materialised. Therefore, a decision was taken to recommend a separate contract for works and a separate contract for professional services.

15. A workshop was held with the project board and other strategic heads of service within the Environment Department to consider the various tasks required of the highway service and review the most effective methods to deliver them. This review considered in-house delivery and external provision for the full range of tasks and functions.
16. For the tasks where it was considered that outsourcing was the most appropriate delivery option these were split into the separate works and professional services packages. These were then further split into the most appropriate lots for each contract.
17. For the works contract these were split into two lots. It was considered to be most appropriate to split these lots into task size and required speed of action. The first lot will be Lot A Maintenance for small scale reactive repairs and the second lot will be Lot B Projects for planned renewal / improvement projects. It was felt that some smaller contracting firms may be tempted to bid for the smaller scale Lot A contract but might not have the management or financial resource for larger scale planned projects. There would be no restrictions on firms bidding for one or the other lot or both lots together.
18. For the professional services it was considered most appropriate to split these into task disciplines. Splitting the professional services contracts in this manner will allow smaller scale, and possibly local, SMEs who may specialise in one discipline to bid for any one of the lots. There would be no restrictions on firms bidding for any one, two or all three lots together.
19. To provide continuity of service it is the intention to extend the current professional services element of the contract for a period of six months longer than the current Highway Maintenance and Project Delivery (Works) elements of the contract. Each of these projects and schemes will have a planning and programming mobilisation period of around three months to request Streetworks permits, issue statutory notifications and request Temporary Traffic Regulation Orders etc. This will ensure that the new contractor for the Lot B Projects contract will have a number of projects and schemes that they can commence as soon as their contract starts.
20. The items below are the considerations made during this assessment.

Market considerations

Benchmarking

21. As highway maintenance is a statutory requirement, and highway improvements are essential for the ever increasing population and to drive regeneration and improve safety every highway authority ensures this function is delivered. All authorities in London rely on outsourced provision for at least some of these services. A small number deliver some of these elements in-house. The highways maintenance, highways improvements and highways professional services market is very competitive throughout the UK. This is even more so in London due to the close proximity of 34 different highway authorities (32 London Boroughs, City of London

and Transport for London) and a number of major development sites that require roads, pavements, cycleways, open spaces etc. There are currently at least eight contractors and eight consultants who provide similar services within the London Boroughs. The works provision across the London Boroughs can be summarised as:

- 5 x Mixture of in house and out source delivery
- 1 x PFI
- 5 x TfL London Highways Alliance Contract (LoHAC) framework (all services)
- 23 x Complete out source.

22. The current HAPS contract was tendered at a time when, according to the Office for National Statistics, the UK was slowly recovering from an economic recession and construction output figures were in steady decline. However, the recent construction output figures from the Office for National Statistics indicate little recovery and some sectors, including public, are still in decline.
23. Therefore, it could be expected that any tenders carried out soon would be as competitive as those carried out some years ago.
24. There are a number of contractors capable of delivering highways maintenance and improvements projects for Southwark Council ranging from fairly small family run businesses to multi-national and multi-disciplined conglomerates.
25. Similarly for the professional services delivery there are a range of professional consultants who operate within the London area who are all capable of delivering the services required.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

Do nothing

26. This is not an option as the council has a responsibility to ensure the highway network is maintained in a safe condition under the Highways Act 1980. Improvements to the network, and in particular the cycle routes and footways, will also help the council to meet some of their Fairer Future Commitments. The current HAPS contract can only be extended for a maximum of two years and must terminate by 31 March 2021. If no action is taken, Southwark Council will be left with no ability to carry out their statutory duty to ensure the highway is maintained in a safe condition. This would leave the highway slowly degrading, resulting in a potentially hazardous network for the public and possible disruption to those travelling on the highway network. This would leave the council in a vulnerable position in relation to insurance claims and possible litigation.

In-Source

27. The Gateway 0 approval was to in-source the highway safety inspections and carriageway gully cleaning operations and enhance the current design team. This report highlighted the reasons for outsourcing the remaining works such as the fluctuation of workflows and the required capital investment in plant, machinery and materials. The report also highlighted that the numbers of the current design team would be enhanced to an optimum level to undertake all standard designs for

highways, structures and drainage project works. An outsource option will be available through the Southwark Highways Professional Services Contract for fluctuations in workflow and specialist design or professional services.

External procurement

28. The nature and value of these works and services means that the full tendering requirements of the Public Contract Regulations 2015 and the Public Sector Directive 2014/24/EU/ would apply.
29. External procurement is required for the remaining works and services that need to be delivered to maintain a highway network that is safe, in good condition and functional for the residents, businesses and visitors of Southwark. Various delivery methods have been considered and these are detailed below:

Private finance initiative

- Normally this type of contract is for those authorities whose networks are in a very poor condition at the start of the contract and needed a dramatic initial investment. Compared to current national road conditions the highways within Southwark are in a relatively good condition. This option would provide an initial boost in improvements into the Southwark highway network. However, the council would be committed to long term investment (normally 25 years) with little return after the first few years. In the October 2018 budget the Chancellor of the Exchequer announced the Government would not enter into any further Private Finance Initiative contracts.

Existing frameworks

- The council's Housing and Modernisation department is currently tendering for a new Professional Services Framework. Where this framework contract provides the required services at economically advantageous rates and service it will be used. However, due to the nature of this contract the opportunity to use it within the specialised industries of highways, structures and drainage will be limited.
- LoHAC was created by TfL to cover the highways maintenance and project delivery service throughout the TfL Road Network. The LoHAC contract is due to expire in March 2021. Discussions have been ongoing between TfL and Southwark Council, particularly through the London Technical Advisers Group, regarding the format of the TfL delivery mechanism to replace these contracts. The current plan for the replacement contracts indicates they would not be efficient for Southwark's delivery method, but could be used as a back up if required.
- Ealing Framework (for Professional Services) – Southwark Council has an Access Agreement with Ealing Council for the London Contracts and Supplies Group for Lot 3 – General Engineering and is using this framework for design and professional services for highway schemes. This framework is not sufficient for all the services that Southwark require. The council could extend their agreement to include other lots including Bridge Inspections, Condition Surveys and Flood Management. This Framework runs until March 2021 and is likely to be extended beyond that time.

Tender

- A competitive tender to select a suitable supplier or suppliers to take over the relevant works and services on expiry of the current HAPS contract would ensure value for money is being achieved and the latest industry standards and guidance is being followed.
- Following a well established decision tool, providing a series of questions to help determine the most appropriate procurement route, considering elements such as the requirements of the market and needs, resulted in a choice of the restricted procedure. This will enable the council to ensure all bidders have suitable experience and knowledge and have the financial standing for such a contract prior to invitations to tender being issued.
- Using the proposed procurement route of a restricted process will ensure the works and services are being undertaken by an experienced and capable contractor or supplier.
- The restricted process is a two stage process.
- For both the Works Contract and Professional Services Contract, the first stage is a Supplier Questionnaire where potential bidders will apply to be shortlisted for an Invitation to Tender. All potential bidders will need to supply company or organisation details along with their experience of providing similar services elsewhere.
- From this Southwark Council will select the top ranked potential bidders as outlined later in this report and invite them to submit a tender. Their bids will be evaluated on both their price and quality of tender submission.
- For the works contract the assessments will be based on an individual assessment of each tender for each lot and for those contractors that have bid for both lots an assessment of their bid for both lots. The most economically advantageous tender to the council will be awarded the contract. This may be a separate contractor for each lot or a single contractor for both lots.
- For the professional services contract the assessments will be based on an individual assessment of each tender for each lot and for those consultants that have bid for two or all three lots an assessment of their bid for two or all three lots. The most economically advantageous tenders to the council will be awarded the contract. This may result in different suppliers being appointed to each of the lots under the contract or having the same supplier for either two, or for each of the three lots.
- This is a robust procedure for selecting the most economically beneficial tender for the council. It will provide the council with the confidence that the selected supplier has the necessary skills, experience and financial stability to undertake the contract.
- This procedure has been market tested on numerous previous tenders within Southwark, the UK and the EU and is shown to provide a fair and comprehensive selection method.

- The different types of contract have been considered and the NEC4 Term Service Contract is the most appropriate for both the works contracts and the professional services contract.
- The impact of the exchange rate of sterling and the changes to the free movement of labour due to the UK's imminent withdrawal from the EU would need to be considered. The UK road maintenance, project delivery and professional services industry is fairly reliant on the free movement of labour from Europe and the free movement of materials, plant and labour from Europe to provide an efficient and free flowing service to the highway authorities.
- It is uncertain how suppliers will view these risks in their pricing strategy or how long it will be until the risks are resolved. It may be that bidders feel they need to increase their prices to cover a "worst case" scenario regarding the final deal of the UK withdrawal from the EU. In this case Southwark may end up paying a higher rate for the works and services. If the bidders do not allow a sufficient contingency to cover this risk the successful contractor(s) may end up having under-priced the contract and may seek ways of redressing their loss.
- To provide some certainty for the bidders and the council it is recommended to issue the first stage of the tender documents for the works contracts – the Supplier Questionnaire – in April 2019 following the deadline for the UK withdrawal from the EU. The tender documents, when the bidders will be pricing for the contracts, will be issued in August 2019, allowing the industry to assess the impact of the withdrawal agreement.
- The tender process for the professional services contract will follow approximately six months later.

Shared service delivery

- Discussions have been held with a number of neighbouring Boroughs. A number of these (City of London, Tower Hamlets, Bromley and Croydon) have recently extended their current contracts or awarded new contracts under long term arrangements. Both Lewisham and Lambeth councils have contracts due to expire between March 2019 and March 2021. Further discussions were held with both boroughs regarding the possibility of a service shared between the three boroughs. The possibility of aligning the contract and tender documents across the boroughs was considered in some depth. It is considered by Southwark officers the benefits of any reduced costs would not outweigh any dis-benefits of additional contractual complexities and contract management. It is therefore not proposed that we enter into a shared procurement and contract but officers will continue to work with Lambeth and Lewisham regarding aligned contract, specification and tender documents to ensure value for money and avoid unnecessary duplication of effort.

Voluntary sector/not for profit

- There are no known voluntary sector or not for profit organisations that provide the required service.

Contract packaging

30. To provide the flexibility needed to deliver capital funded projects it is the intention to split the works and design / professional services into different contracts.
31. The works contract will be known as the Southwark Highways Works Contract (SHWC) and be split into two Lots.
 - Lot A – Maintenance
 - Lot B – Projects
32. The works contracts would need a high level of initial investment from the successful contractor(s). To be able to deliver the service efficiently they would need a compound / depot in or close to Southwark for the duration of the contract. A workforce sufficient to carry out all the tasks required would need to be secured. The contractor(s) would need to procure vehicles, plant, equipment, tools and materials to carry out all the tasks that may be expected of them. There is no guarantee of spend and there will be no exclusivity in the contracts. The market testing via the tender may result in the most economically advantageous contractual arrangement being a single supplier awarded to both lots of the works contract.
33. At the workshop mentioned in the strategic service delivery options and assessment section above each task required to be undertaken by out-sourcing was analysed to determine the most appropriate lot to put it in.
34. Southwark Highways Works Contract Lot A Maintenance will be a single supplier contract and include the routine maintenance, winter service and reactive repairs to the highway. The tasks will include, but not be limited to:
 - Urgent reactive maintenance of footways (2 / 24 hour call outs)
 - Urgent reactive maintenance of carriageways (2 / 24 hour call outs)
 - Urgent reactive maintenance of structures (2 / 24 hour call outs)
 - Planned maintenance of footways (7 / 28 days)
 - Planned maintenance of carriageways (7 / 28 days)
 - Planned maintenance of structures (7 / 28 days)
 - Planned maintenance of drainage (7 / 28 days)
 - Winter stand-by provision (Oct to Apr only)
 - Gritting of carriageways (Oct to Apr only)
 - Site investigations as instructed (trial holes, topographical surveys etc).
35. The intention is to group all routine maintenance and minor repairs into one lot. The repairs would mainly be reactive following safety inspections by the Southwark Highways Safety Inspectors or through investigations by members of the highways team following notification from third parties such as members of the public. This would produce one lot with a fairly high volume of small repairs and maintenance tasks. There would be a fluctuation of workflow from the reactive repairs. The contractor would not need to carry out too much planning or programming / works co-ordination functions. Generally these repairs could be carried out with standard highways maintenance plant and equipment such as flat bed vans, breakers, hot boxes, whacker plates and hand tools. Large or specialist items of plant and equipment would only be rarely needed and these can easily be hired in by the contractor as needed. These tasks have been grouped together in one lot, which will be known as Lot A Maintenance.

36. Southwark Highways Works Contract Lot B Projects will be a single supplier contract and include the works delivery of footway replacement, carriageway resurfacing, improvements and safety schemes. The tasks will include, but not be limited to:
- Non Principal Road footway replacement
 - Non Principal Road carriageway resurfacing
 - Principal Road footway replacement
 - Principal Road carriageway resurfacing
 - Structures works
 - Safety Improvement schemes
 - Quietways and Cycleways
 - Drainage and SUDS.
37. The larger scale capital investment works generally require a greater management input into planning, programming, notifying, co-ordinating and supervision. These projects will normally form part of a longer term programme of renewal or improvements. The contractor will be required to have an input into the projects before they arrive on site to carry out the works. This will include liaison with the designers, designing traffic / pedestrian management, co-ordinating works with the network management team, programming the works, pre-works notification and a higher level of site supervision. These works will often require large items of plant and machinery such as road planers, resurfacing machines and excavators. Quite often specialist equipment would be needed, especially for the structures and SUDS / drainage works. Therefore, these tasks have been grouped together in one lot, which will be known as Lot B Projects.
38. The design and professional services will be known as the Southwark Highways Professional Services (SHPS) and split into three lots:
- Lot A Structures Inspections and Design
 - Lot B Highways Design and Management
 - Lot C Drainage and SUDS Design and Management.
39. The design and professional services contracts would need a lower level of initial investment from the suppliers. With the exception of site visits and meetings with the Council or other key stakeholders these services could be provided remotely in the suppliers own offices. To aid close working relationships with the council the suppliers will be offered the opportunity to work alongside council officers on an ad-hoc basis. In an attempt to attract SMEs and local enterprises the contract has been split into three separate lots based on task disciplines.

Proposed procurement route

Southwark Highways Works Contract

40. The Southwark Highways Contracts will be procured under the EU restricted procedure in two Lots:
- Lot A – Maintenance
 - Lot B – Projects
41. This works contract will be procured so that the start date immediately follows the expiry of the current HAPS Contract Lots A and B. This is to ensure continuous

provision of these essential services. It is anticipated the contract will be tendered in Summer / Autumn 2019 with a contract start date of July 2020. The contract will have an initial duration of five years and nine months with an option for the council to extend for up to two further years.

42. The estimated total value of Lot A over the full five years and nine months initial duration plus two year extension is £15.9m. The estimated total value of Lot B over the full five years and nine months initial duration plus two year extension is £55.4m. The details of the budgets are shown in the table below:

Table 1 – Estimated values of Southwark Highways Works Contracts

Year	£000's					
	Lot A		Lot B			
	Revenue	Structures Capital	LBS Highway Capital	TfL LIP (m'ance) 3 rd party	TfL LIP (schemes) 3 rd party	Dev't 3 rd party
2020/21*	1,500	75	2,250	560	750	560
2021/22	2,000	100	2,000	750	1,000	750
2022/23	2,000	100	3,400	750	2,000	750
2023/24	2,000	100	3,400	750	2,000	750
2024/25	2,000	-	4,000	750	2,500	750
2025/26	2,000	-	4,000	750	2,500	750
2026/27	2,000	-	4,000	750	3,000	750
2027/28	2,000	-	4,000	750	3,000	750
Total	15,500	375	27,050	5,810	16,750	5,810
	£15,875		£55,420			

* 9 months only

Southwark highways professional services

43. The Southwark Highways Professional Services Contract will be procured under the EU restricted procedure in three lots:
- Lot A Structures Inspections and Design
 - Lot B Highway Design and Management
 - Lot C Drainage and SUDS Design and Management
44. This contract will be procured so that the start date immediately follows the expiry of the current HAPS Contract Lot C. This is to ensure continuous provision of these essential services. It is anticipated the contract will be tendered in Spring / Summer 2020 with a contract start date of January 2021. The contract will have an initial duration of five years and three months with an option for the council to extend for up to two further years. This is to align the completion dates of the works and professional services contracts.
45. The estimated total value of the Southwark Highways Professional Services Contract lots are detailed below:

Table 2 – Estimated values of Southwark Highways Professional Services

Year	£000's		
	Lot A	Lot B	Lot C
	Structures Inspections and Design Capital	Highways Design & Management Capital	Drainage and SUDS Capital
2020/21*	250	400	125
2021/22	1,000	1,600	500
2022/23	1,000	1,600	500
2023/24	1,000	1,600	500
2024/25	1,000	1,600	500
2025/26	1,000	1,600	500
2026/27	1,000	1,600	500
2027/28	1,000	1,600	500
Total	£7,250	£11,600	£3,625

* 3 months only

46. There will be no restrictions on the number of works contract lots that any single supplier can tender for or be awarded. Each lot will be a separate contract between the council and successful tenderer with individual specification and terms of delivery. The lots will be managed separately within the Highways Division although it is the intention there will be a shared Service Manager for all the contracts.

Identified risks for the procurement

47. The identified risks are listed below:

No	Risk	Risk rating	Mitigation
1	Challenges to award decision	L	Ensure procurement is carried out in line with EU / UK regulations and guidance. Evaluation methods to be clearly identified within procurement documents and evaluation carried out as stated.
2	Delays to the procurement process	L	It is intended to carry out the procurement process for the works contracts in 2019 and the professional services contracts in early 2020. If this is delayed the current HAPS contract can be further extended to ensure continuity of service.
3	Possible delays in obtaining potential TUPE transfer details and required due diligence	L	At this stage, liabilities are unknown. Early liaison with legal teams regarding TUPE implications has commenced.
4	Contractors and Consultants are not interested in bidding for the work	L	Early engagement with potential bidders. Hold a "Bidders Day" when the SQ is issued.

No	Risk	Risk rating	Mitigation
5	Possible impact on the exchange rate of sterling and free movement of labour when the UK leaves the EU	M	Undertake the tender in mid to late 2019 for works and 2020 for services when a better understanding of the impact should be known.
6	Regulations and guidance may alter when the UK leaves the EU	L	Procurement Team to advise of any alterations and ensure any new regulations or guidance is passed on to the project team.
7	Either Lambeth or Lewisham may request a joint procurement strategy at a later date.	M	Officers have been contacted regarding possible joint procurement routes and negotiations are continuing.
8	A contractor or supplier awarded one or more of the lots ceases trading	L	As part of the Supplier Questionnaire process, each potential bidder will be evaluated for their financial stability. Existing alternative contracts could be used to provide the services until a long term solution is identified.
9	A contractor or supplier submits an abnormally low tender in an attempt to win the contract at any cost	L	The evaluation process will include a review to aim to ensure that no abnormally low tender is included as part of the tender evaluation, in line with Public Contract Regulations (2015).

48. Due to the value and nature of the Southwark Highways Works Contract a Performance Bond is likely to be required. Consideration is being given to the possibility of reducing the value of the Performance Bond as the contract progresses. This will be clearly identified within the tender and contract documents.
49. NEC4 contracts allow the council to require a guarantee from a supplier's ultimate holding company. Where a supplier has an ultimate holding company the council will seek this guarantee. This will apply to the Southwark Highways Works Contract and Southwark Highways Professional Services Contract.

Key / Non-key decisions

50. This is a key decision.

Policy implications

51. Having an effective highways service is an important component of delivering the councils plan and fairer future commitments. In particular theme 3 – a greener borough, theme 5 – a healthier life and theme 8 – a vibrant Southwark will benefit from this service.

Procurement project plan (key decisions)

Activity – Gateway Approval	Complete by:
Enter Gateway 1 decision on the Forward Plan	20/09/2018
DCRB Review Gateway 1	06/11/2018
CCRB Review Gateway 1	15/11/2018
Brief relevant cabinet member (over £100k)	22/11/2018
Notification of forthcoming decision - Cabinet	03/12/2018
Approval of Gateway 1: Procurement strategy report	11/12/2018
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	02/01/2019

Activity – Southwark Highways Works Contract	Complete by:
Completion of tender documentation	18/04/2019
Publication of OJEU Notice	29/04/2019
Publication of Opportunity on Contracts Finder	30/04/2019
Closing date for receipt of expressions of interest	14/06/2019
Completion of short-listing of applicants	26/07/2019
Invitation to tender	05/08/2019
Closing date for return of tenders	11/10/2019
Completion of any clarification meetings / evaluation interviews	09/12/2019
Completion of evaluation of tenders	20/12/2019
Forward Plan Gateway 2	15/11/2019
DCRB Review Gateway 2	07/01/2020
CCRB Review Gateway 2	23/01/2020
Notification of forthcoming decision – despatch of Cabinet agenda papers	12/02/2020
Approval of Gateway 2: Contract Award Report	20/02/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	28/02/2020
Contract award	02/03/2020
Add to Contract Register	12/03/2020
TUPE Consultation period	31/03/2020
Place award notice in Official Journal of European (OJEU)	01/04/2020
Place award notice on Contracts Finder	09/04/2020

Activity – Southwark Highways Works Contract	Complete by:
Contract start	01/07/2020
Initial contract completion date	31/03/2026
Contract completion date – (if extension(s) exercised)	31/03/2028

Activity – Southwark Highways Professional Services	Complete by:
Completion of tender documentation	25/09/2019
Publication of OJEU Notice	05/09/2019
Publication of Opportunity on Contracts Finder	06/09/2019
Closing date for receipt of expressions of interest	25/10/2019
Completion of short-listing of applicants	19/12/2019
Invitation to tender	06/01/2020
Closing date for return of tenders	02/03/2020
Completion of any clarification meetings / evaluation interviews	01/06/2020
Completion of evaluation of tenders	12/06/2020
Forward Plan Gateway 2	16/06/2020
DCRB Review Gateway 2	07/07/2020
CCRB Review Gateway 2	23/07/2020
Notification of forthcoming decision – despatch of Cabinet agenda papers	07/09/2020
Approval of Gateway 2: Contract Award Report	15/09/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	23/09/2020
Contract award	25/09/2020
Add to Contract Register	28/09/2020
TUPE Consultation period	30/09/2020
Place award notice in Official Journal of European (OJEU)	30/09/2020
Place award notice on Contracts Finder	01/10/2020
Contract start	04/01/2021
Initial contract completion date	31/03/2026
Contract completion date – (if extension(s) exercised)	31/03/2028

TUPE/Pensions implications

52. A change in the provider of existing services is likely to amount to a Service Provision Change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However whether TUPE will apply and the extent to which it may result in the transfer of employees will depend on a number of factors,

in particular whether there is change in identity from an incumbent provider to a new provider and, if so, how the existing provider organises its workforce to deliver the services under its current contract or sub-contract.

53. Due diligence needs to be undertaken with the current provider to obtain a clearer picture of the TUPE implications for the contract stage and legal advice is being sought in light of the result of that due diligence.

Development of the tender documentation

54. The existing project board will be responsible for ensuring all documentation that is required has been produced and for approving the final tender packs to be issued. Fortnightly meetings have been held between officers from the highways, legal and procurement teams. The documents have been reviewed at these meetings and a gap analysis carried out to ensure the package of documents due to be issued at SQ, ITT and award stage are complete.
55. A consultant has been procured to produce an up to date technical specification suitable for the highway network in conjunction with Lambeth and Lewisham councils. The Highways cost consultant has been commissioned to produce the necessary commercial documents and data.
56. The council will be using a NEC4 Term Service form of contract, which has been specifically written for term contracts of this nature. The NEC4 was published in June 2017 to replace the NEC3 Term Service contract. Sharpe Pritchard have been appointed as legal advisers to produce the contract clauses and contract documents. They will also review the procurement documents and provide legal advice on the contract requirements and procurement process.
57. Members of the Highways Team are producing the supplier questionnaires and tender documents. These documents are comprehensively reviewed by the project board, the legal team and the procurement team.

Advertising the contract

58. The contracts will be advertised by way of an official notice that will be published in the Official Journal of the European Union (or the UK equivalent as this will be after the UK withdrawal from the European Union). After publication of this notice, the council will also publish a contract notice on the Contracts Finder website.

Evaluation of Southwark Highways Works Contracts

SHWC Supplier Questionnaires

59. All submitted Supplier Questionnaires (SQ) will be subject to a three stage evaluation.
- Stage 1 – compliance checks. All submissions will be checked to ensure they were submitted in accordance with the SQ instructions. They will then be checked to ensure there are no grounds for exclusion for the contracts in accordance with the Standard Supplier Questionnaire. The grounds for excluding a company include, but are not limited to criminal activities, corruption, fraud, terrorist offences, money laundering and child labour or human trafficking.

- Stage 2 – financial evaluation. All submissions that are considered compliant following stage 1 will be checked to ensure the applicants are in a sound financial position to participate in a procurement of this size and nature in accordance with regulation 58 of the Public Contracts Regulations 2015.
- Stage 3 – technical evaluation. The technical evaluation at SQ stage will assess each potential suppliers' previous experience in this type of work. It will cover their technical competence including their existing health and safety, social value and supply chain management experience. All submissions that pass Stages 1 and 2 will have their technical responses independently assessed by members of an evaluation panel. Each section will be scored independently by each member of the evaluation panel from 0 to 5. There will then be a consensus meeting to agree an consensus score for each question for each submission to produce an overall technical score.

60. The top five bidders will be invited to submit a tender. If any other bidder is within 5% of the fifth highest bidder, at the council's discretion they will also be invited to tender.

SHWC tender

61. The Southwark Highways Works Contracts tender submissions will be subject to evaluation on price and quality.
62. As the Lot A Maintenance contract concerns a high number of minor reactive repair works this Lot will be assessed in accordance with the Southwark standard of 70% price and 30% quality ratio.
63. The Lot B Projects contract concerns larger scale planned renewal and improvement schemes which are designed to last a number of years. These projects will require a significant planning and management input from the successful contractor to ensure they are carried out with minimal disruption to the residents, businesses and visitors to Southwark. The works themselves will have a significant impact on the council's highway network and it is imperative the works are carried out to a high standard to protect the council's most valuable asset. Therefore it is intended this lot will be assessed using a 60% price and 40% quality ratio.
64. Each lot will be evaluated separately.
65. Price evaluation will be carried out separately from the quality evaluation.
66. Price evaluation will be carried out by representatives from the Highways Division. It is proposed to use a price model that ensures that only tenders that are deemed sustainable are considered for selection. Bids significantly below the market price will be reviewed and checked that they are sustainable rather than abnormally low, before the evaluation process continues.
67. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack with suppliers completing a schedule of rates according to the specification of the lot, with a basket of these goods (weighted according to frequency of usage) used to calculate the basis of the price evaluation. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation in each of the lots.

68. As tenderers will have the opportunity to bid for both works contract lots and submit a referential discount to their prices for each lot if they were to win both lots, suppliers will be awarded price scores based on individual prices for lots A and B and then prices reviewed across lots A and B, that will be awarded the best tender price, based on the cheapest overall cost of the council across both contracts.
69. A set of quality questions will be issued for each lot. Although these will be similar for the two lots they will be tailored to suit the working methodology of the specific lots. The questions will revolve around how the tenderer intends to deliver the works and the answers submitted by the winning tenderer will become contractually binding. It is expected the questions will be based around:
- Proposed management structure
 - Contractors proposed method statements for carrying out the works
 - Quality management and quality control of workmanship and materials
 - Social value and benefits to local community
 - Compliance with traffic management and permit requirements
 - Equality and Diversity
 - Innovations to improve the highway network / service
70. Quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the evaluation panel from 0 to 5. Once each question is scored the appropriate weighting, as identified within the tender documents, will be applied to each score.
71. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
72. The price score and the quality score will then be added together to produce an overall score for each tender for each lot. This will be repeated for both lots for those tenderers who have bid for both lots and offered a discount for the award of both lots.
73. The tenderer(s) providing the most economically advantageous tenders evaluated across the quality and pricing to deliver both contracts for the contract will be awarded the contracts.

Evaluation of Southwark Highways Professional Services

SHPS Supplier Questionnaires

74. All submitted Supplier Questionnaires (SQ) will be subject to a three stage evaluation.
- Stage 1 – compliance checks. All submissions will be checked to ensure they were submitted in accordance with the SQ instructions. They will then be checked to ensure there are no grounds for exclusion for the contracts in accordance with the Standard Supplier Questionnaire. The grounds for excluding a company include, but are not limited to criminal activities,

corruption, fraud, terrorist offences, money laundering and child labour or human trafficking.

- Stage 2 – financial evaluation. All submissions that are considered compliant following stage 1 will be checked to ensure the applicants are in a sound financial position to participate in a procurement of this size and nature in accordance with regulation 58 of the Public Contracts Regulations 2015.
- Stage 3 – technical evaluation. The technical evaluation at SQ stage will assess each potential suppliers' previous experience in this type of work. It will cover their technical competence including their existing health and safety, social value and supply chain management experience. All submissions that pass Stages 1 and 2 will have their technical responses independently assessed by members of an evaluation panel. Each section will be scored independently by each member of the evaluation panel from 0 to 5. There will then be a meeting to agree a consensus score for each question for each submission to produce an overall technical score.

75. The top five bidders will be invited to submit a tender. If any other bidder is within 5% of the fifth highest bidder, at the council's discretion they will also be invited to tender.

SHPS tender

76. The Southwark Highways Professional Services tender submissions will be subject to evaluation on price and quality.

77. This professional services will have a considerable impact on the council's highways asset. The consultants will be using their considerable expertise and experience to produce high quality and comprehensive designs to improve structures, drainage systems and the highway infrastructure. There are generally two ways in which consultants will get paid for this work. If the council has a very clear understanding of the work that is required then a brief can be written and the consultant can calculate a lump sum to fulfil the requirements of the brief. However, any additional work required will be at the council's expense. It is often the case that at the very beginning of a project the council will not have an absolute clear understanding of the requirements. This will generally be due to outside influences such as the location of third party apparatus such as utility services and property basements, requirements of key stakeholders such as TfL buses etc and analysis of traffic flow and accident data to produce an optimum design solution. When this is the case, it is industry standard practice to issue these works to a consultant on a time charge hourly basis. As rates of pay for different grades of staff are similar across the industry it would be difficult to provide a meaningful assessment based on hourly rates. Therefore, it is the intention that the Southwark Highways Professional Services Contract lots will be assessed in a 50% price and 50% quality ratio.

78. Each lot will be evaluated separately.

79. Price evaluation will be carried out separately from the quality evaluation.

80. Price evaluation will be carried out by representatives from the Highways Division. It is proposed to use a price model that ensures that only tenders that are deemed sustainable are considered for selection. Bids significantly below the market price

will be reviewed and challenged to ensure it is sustainable and not abnormally low, before the selection process continues.

81. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack. Prices will detail include a schedule of rates that includes hourly rates by staffing levels for the services to be carried out with each lot. A basket of goods from these prices, according to the estimated usage will be calculated and used as the tender evaluation price. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation in each of the lots.
82. As tenderers will have the opportunity to bid for any single lot up to and including all three of framework lots, those bidding for multiple lots will be asked to submit a referential discount to their prices for each lot if they were to win multiple lots. Suppliers will be awarded price scores based on individual prices for each lots, and then an analysis of the overall prices reviewed across all three lots that include discounted rates. These will be awarded the best tender price, based on the cheapest overall cost of the council across all contracts lots.
83. A set of quality questions will be issued for each lot. Although these will be similar for each lot they will be tailored to suit the specific disciplines of each lot. The questions will revolve around how the tenderer intends to deliver the services and the answers submitted by the winning tenderers will become contractually binding. It is expected the questions will be based around:
 - Proposed management structure
 - Provision of the required skill set to deliver the services
 - Delivery methodology including liaison with the council, all stakeholders, and contractor
 - Quality management and document control
 - Social value and benefits to local community
 - Equality and Diversity
 - Innovations to improve the highway network / service.
84. Quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the evaluation panel from 0 to 5. Once each question is scored the appropriate weighting, as identified within the tender documents, will be applied to each score.
85. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
86. The price score and the quality score will then be added together to produce an overall score for each tender for each lot. This will be repeated for each lot for those tenderers who have bid for two or three lots and offered a discount for the award of more than one lot.
87. The tenderers providing the most economically advantageous tenders evaluated across the quality and pricing to deliver all contracts will be awarded the contracts.

Community impact statement

88. People in all areas of the borough are affected by the quality of the public highway and its assets.
89. The very young, the disabled and the elderly would benefit the most by having a footway network which is well maintained and safe to use.
90. The award of new contracts or delivering some of the services directly is not considered to have any detrimental impact on local people and communities.
91. All service elements contained in the contracts are a borough-wide service. The updated technical specification addresses planning and delivery of planned and responsive works and seeks to improve quality of the service and product and customer satisfaction.
92. The impact of the service will affect all communities / groups, residents, businesses, visitors and those that pass through the borough and will in turn improve the quality of life to all. Direct benefits are a well maintained infrastructure which makes an important contribution to the safety of all. Continued emphasis on maintenance will especially benefit the most vulnerable members of the community i.e. the elderly, the disabled and young children.

Social value considerations

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

Economic considerations

94. As the council explores ways it can continue to deliver value for money, it is essential that it make even better use of its resources to meet the needs of residents and businesses in the borough.
95. Under theme 4 – a full employment borough of the Fairer Future Commitments, Southwark pledge to help create 2,500 new apprenticeships. There will be a requirement for the successful southwark highways works contract contractors to provide some of these opportunities based on their projected annual income from the contract.

Social considerations

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

- “Owned Up”: clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities
 - “Cleaned Up”: taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct, and
 - “Paid Up”: paid or undertaken to pay compensation in respect of any damage caused.
97. The council will include a request for the necessary information from tenderers (using the council’s standard documentation in relation to blacklisting). The council’s contract conditions will include an express condition requiring compliance with the blacklisting regulations and include a provision to allow the contract to be terminated for breach of these requirements.
98. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful suppliers on these contracts will result in quality improvements for the council. These should include a high calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful suppliers will be expected to meet the LLW requirements and call-off contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the call-off contract review process.
99. Bidders will also be required to demonstrate that they acknowledge and meet the legal requirements around an individual’s rights to be members of trade unions.
100. Suppliers will be evaluated at tender stage on how they intend to attract and support more women and BME residents who are underrepresented in the professional technical services industry into these opportunities.

Environmental/Sustainability considerations

101. The new contracts and service provision will adhere to industry best practice on sustainability and arisings from highways maintenance will be recycled and re-used in the borough whenever possible.
102. The contract specifications will set out the need for the completion of specific project / works related environmental assessments including impact on fauna, flora, soil and water and installation of required control measures where necessary.
103. The contract specifications will demand the latest Euro standard engines on new fleet in this contract, and encourage more sustainable forms of transport where this is feasible.
104. The use of dust suppression techniques for all construction activities will be a contractual requirement. Road planers will be fitted with systems using computer controls to manage suppression whilst minimising water consumption.

Plans for the monitoring and management of the contracts

105. The works and services contracts will be managed by officers from the Highways Division. KPIs will be used to measure the contractor's performance.
106. The works contracts will include performance payments and low service damages as appropriate. There will be defined steps to be taken in the event of a supplier failing to provide the works or services as specified.
107. On the professional services contracts the financial spend of each supplier will also be recorded to ensure:
 - That no supplier is overburdened with projects
 - A detailed record of expenditure is maintained for each lot to ensure compliance with contract standing orders (CSO's).
108. Officers will also produce annual performance reviews in line with the council's contract standing orders.
109. The successful contractors and suppliers on both the Southwark highways works contracts and Southwark highways professional services contracts will be required to update the council's highways asset management database with the relevant information as works progress.

Staffing/procurement implications

110. Due to the separation of the professional services into lots there may be some increased administrative and contract management responsibilities. With the proposed enhancement of the design team this workload will be manageable within the existing Highways structure.

Financial implications

111. The proposed contract does not commit the council to any minimum contract value as the estimated contract values reflected in the report are indicative and will be subject to funding available from revenue and capital budgets.
112. The highways budgets indicated in the table below for future years are indicative only and will require approval through the council's annual budget setting process for both revenue and capital budgets. Similarly TfL / LIP / Dev't funding will also require confirmation from respective authority.
113. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.
114. The current and proposed highways revenue and capital budgets are detailed in the table below.

Table 3 – Highways budgets

Year	£000's					
	Revenue	LBS Capital	Structures capital	TfL LiP (m'ance)	TfL LIP (schemes)	Dev't
2018/19	2,000	4,000	1,400		500	750
2019/20	2,000	3,000	250		500	750
2020/21	2,000	3,000	100	750	1,000	750
2021/22	2,000	2,000	100	750	1,000	750
2022/23	2,000	3,400	100	750	2,000	750
2023/24	2,000	3,400	100	750	2,000	750
2024/25	2,000	4,000	0	750	2,500	750
2025/26	2,000	4,000	0	750	2,500	750
2026/27	2,000	4,000	0	750	3,000	750
2027/28	2,000	4,000	0	750	3,000	750
2028/29	2,000	4,000	0	750	3,000	750
Total	22,000	38,800	2,050	6,750	21,000	8,250

Legal implications

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

Consultation

116. Formal consultation with the incumbent supplier and potential tenderers will be undertaken in accordance with the current contract and procurement regulations and guidance.

117. Individual projects and initiatives will require public consultation.

Other implications or issues

118. N/a

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC18/023)

119. This report is requesting cabinet to approve the procurement strategy for the Southwark highways works contracts and Southwark Highways professional services contract. Full details are provided within the main body of the report.

120. The strategic director of finance and governance notes that there are no additional financial implications from this report as the proposed contracts do not expose the council to any minimum contract value and the work and services commissioned under the proposed contracts will be subject to confirmed budgets.

121. Staffing and any other costs connected with this contract to be contained within existing departmental revenue budgets.

Head of Procurement

122. That the Cabinet approves the procurement strategy outlined in this report for the highway works and professional service contracts.
123. The Southwark highways works contracts is split into two lots and would commence on 1 July 2020 for an initial duration of five years and nine months, with an option for the council to extend for up to two further years. The scope and value of contracts is split into Lot A for Maintenance for small scale reactive repairs at an estimated maximum total cost of £15.9m. Lot B would cover planned renewal / improvement projects at an estimated maximum total cost of £55.4m. Both of these contracts would be awarded to a single supplier, which could be the same organisation for both where this offers best value to the council.
124. For the Southwark highways professional services, the intention is to award a contract across three lots, that would commence on 1 January 2021 for a duration of five years and three months. The details of these lots and estimated maximum values are:
- Lot A - Structures Inspections and Design at an estimated maximum total cost of £7.3m
 - Lot B - Highway Design and Management at an estimated maximum total cost of £11.6m
 - Lot C - Drainage and SUDS (Sustainable Drainage System) Design and Management at an estimated maximum total cost of £3.6m.
125. London Living Wage will apply to all of the contracts above and would be included in the tender documentation as set out in paragraph 98. Additional social value, especially for the works contracts would include looking to secure at least one apprenticeship for each £1m of spend under the contract as is documented in paragraph 95 of the report. Blacklisting information for suppliers would be managed in line with the council's policy as set out in paragraph 96 and 97.
126. The plans to monitor and manage the contracts is set out in paragraphs 105-109 of the contract.

Director of Law and Democracy

127. This report seeks approval of a procurement strategy for the new Southwark highways works and professional services contracts, as summarised in paragraph 1.
128. The procurement of those works and services will assist the council to fulfil its statutory duties as local highway authority.
129. As noted in paragraph 28 the procurement of both the works and services required by the council is subject to the application of the current EU procurement regulations. Paragraph 58 confirms that appropriate notices will be published in the Official Journal of the European Union and Contracts Finder for the purposes of inviting expressions of interest in the contract opportunities.

130. The proposed procurement strategy for all of the proposed contracts is consistent with domestic legislation and with relevant corporate policy and the requirements of the council's Contract Standing Orders ("CSOs").
131. The proposed procurement strategy for both the works and services contracts is in relation to a strategic procurement as defined in CSOs, which means that the decision to approve the report recommendations is one which is expressly reserved to the Cabinet, after consideration of the report by the corporate contract review board.
132. In making procurement decisions cabinet should be mindful of the Public Sector Equality Duty under section 149 of the Equality Act 2010, and to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). Cabinet is specifically referred to the community impact statement at paragraphs 88 to 92, setting out the consideration that has been given to equalities issues, and it is recommended that an equality analysis should be undertaken periodically in order to measure the likely and actual effect and impact of the works and services on individuals and groups within the community, in particular those having a protected characteristic under the Act. Cabinet is also referred to paragraphs 116 and 117 which acknowledge that appropriate consultation will be required with contractors, consultants, tendering firms and the public.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 Strategic Options Assessment for 2019+ Highways Services Delivery Options and Contract Procurement Strategy	Southwark Council Environment and Leisure, Highways Division 160 Tooley St SE1 2QH	Jason White 020 7525 4032
Link (please copy and paste into your browser):		
http://modern.gov.southwark.gov.uk/documents/s76582/Report%20Gateway%20-%20Strategic%20Options%20Assessment%20for%202019%20Highways%20Services%20Delivery%20Options%20and%20C.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Environment, Transport Management and Air Quality	
Lead Officer	Ian Smith, Director of Environment	
Report Author	Jason White, Highways Consultant	
Version	Final	
Dated	29 November 2018	
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		29 November 2018

Item No: 20.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Allocation of Local Community Infrastructure Levy funding	
Ward(s) or groups affected:		All	
Cabinet Member :		Councillor Johnson Situ, Growth, Development and Planning	

FOREWORD – COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR GROWTH, DEVELOPMENT AND PLANNING

The recently adopted Council Plan reaffirmed our commitment to deliver regeneration that works for local people, to reduce health inequality, create jobs and opportunities. The Council plan also detailed our commitment to ensure that as we see some changes in the borough we are ensuring we're working with local communities every step of the way.

This report will be delivering on both those commitments by allocating the local element of CIL as set out by Cabinet in July 2017. However we have listened also to the feedback from community councils and other stakeholders, and also having looked at how a number of other boroughs have collected and distributed local CIL, it is clear that certain revisions to the process should be instigated. So this report is calling on officers to engage with community councils to develop community investment plans.

Also, given the council priorities and the changes to come with the new innovative integration of services in the new Places and Wellbeing Department, it is an ideal opportunity to explore the growth of communities through the delivery of local CIL funded projects to build stronger links between community engagement and ensure that CIL is collected, distributed and monitored more equitably across the borough.

The Community Investment Plans will be developed with the local community and the report also calls for a paper on the CIP to bring back to Cabinet in April 2019.

RECOMMENDATIONS

1. That the Cabinet commit to spending the funds collected to end of financial year 2017-18 (as detailed in paragraph 37) as the 25% neighbourhood portion of the Community Infrastructure Levy within each community council area in which it was collected and that this funding be committed on the basis of the cabinet decision made in March 2015.
2. That Cabinet note the submission from each community council and instruct that officers undertake further consultation with the community councils.
3. That the Cabinet approve funding to be released and allocated to the priority projects put forward by the community councils for projects within the existing Council Capital Programme as listed in Appendix 1.
4. That officers be instructed to develop projects that are currently on the Council Plan but not yet included on the capital programme and report to cabinet in April 2019.

5. That the Cabinet recognise that the current system of Community Infrastructure Project Lists should be improved in order to make it more transparent and that they instruct officers to work with the community councils to develop Community Investment Plans for each area to prioritise the allocation of funding collected 2018-19 and to allocate unspent CIL generated pre-2017-18.
6. That officers report back to cabinet in April 2019 setting out the proposed process for the consultation and implementation of Community Investment Plans.

BACKGROUND INFORMATION

7. The Community Infrastructure Levy (CIL) is a charge the council issues on new developments to pay for infrastructure needed to support growth within the borough of Southwark. 70% of the funds collected are spent on strategic borough-wide projects as detailed on the council's regulation 1,2,3 list. [Note: in practice this currently all goes to the underground improvements to the Northern Line at the Elephant and Castle].
8. Cabinet agreed on 17 March 2015 to commit Southwark spending at least 25% locally, given the need for local communities to benefit from the CIL collected.
9. In the Outturn Capital Monitoring for 2016-17 and Capital Programme Refresh 2017-18 to 2026-27 report debated at cabinet on 18 July 2017, it was agreed that the community councils were to prioritise projects on the Community Infrastructure Project Lists (CIPL) taking account of local need and the council's own capital programme. The final decision on which projects would be funded would be decided by the cabinet.
10. The process currently adopted by the council is that each community council generates a Community Infrastructure Project List. The list is to be generated by the community for "publically accessible physical improvements". The projects are then approved to be included on the list by councillors once a year at the relevant community council. The instructions are on the website at <http://www.southwark.gov.uk/planning-and-building-control/section-106-and-community-infrastructure-levy/community-infrastructure-projects-list-cipl>
11. It was stressed at cabinet that the council has allocated all of its available capital funds and that it is now relying on borrowing to fund capital investment. This obviously has an impact on the revenue budgets and therefore service delivery.

KEY ISSUES FOR CONSIDERATION

Policy implications

12. Southwark's S106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document (SPD) committed the Council to spend 25% of Southwark CIL locally whether there is an adopted neighbourhood plan or not, using the following sequence of areas to identify relevant projects:
 - Areas with an adopted neighbourhood plan
 - Opportunity areas/action areas
 - SPD areas (other than individual sites/buildings)
 - Community council areas (for those areas which are not covered by any of the above).

13. Monies secured under Southwark's CIL have a wide application breaking the link between funding development and mitigation. Southwark CIL funded projects must be for infrastructure that supports growth.
14. The essential features to recognise here are:
 - National Planning Policy Framework
 - Localism 2011 Act
 - Community Infrastructure Regulations 2010, 2011 and 2014 Amendments,
 - Section 106 and CIL SPD (2015) and the Addendum (Jan 2017).
15. In September 2017, the council adopted the Social Regeneration Framework (SRF) which sought to build on the council's commitment to invest in communities across the borough and embed the principle of regeneration for all across the borough. The framework has 3 primary objectives:
 - A borough-wide, partnership approach to improving the wellbeing of all 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.
16. As part of the SRF there is a commitment to produce Social Regeneration Charters (SRC) for every major regeneration area. These SRCs will include Place Action Plans (PAPs) that will include details of the council's and the developer investment in the area and incorporate proposals for governance and delivery mechanisms.
17. It is recognised that within the scope of these charters to use them to deliver additionality; for instance the potential for leveraging third party resources of capital, manpower, in kind contributions etc. in the form of commitments / deliverables that go beyond those secured through the planning process and adopted regulatory framework.
18. In order to update the Social Regeneration Framework the Southwark Conversation was carried out. Occurring between October and December 2017, over 3,000 people took part in the Council's most far-reaching consultation, asking residents how they feel about change in our borough. Core Principles of the emerging framework have been developed in recent months:
 - life opportunities, good health and well-being for all,
 - communities and future generations and
 - reducing inequalities.
19. In September 2018 the Place and Wellbeing department was formed combining Planning Regeneration, Public Health and Public Engagement with a stated aim of ensuring all 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. This will be achieved in a number of ways including:
 - Ensuring regeneration works for everyone by working with communities, developers, and partners within and outside the council to ensure that all communities benefit from changes in the borough, maximising opportunities to

promote wellbeing, improving the public realm, building communities, and creating robust infrastructure;

- Building strong, resilient and cohesive communities by strengthening the way the council connects and interacts with local communities, and work with our partners to promote asset based community development;
- Promoting health and wellbeing by working with health, care, community and other partners to improve health, wellbeing and tackle inequalities for all of Southwark's residents; and
- Creating pride of place for our borough to ensure Southwark is the best place to live, work, play and learn and be economically productive.

20. These objectives could be reinforced by the adoption of Community Investment Plans and would assist in the development of 'Pride in Place'.

Community impact statement

21. The five community councils throughout the borough are an important part of the council's decision making process. They provide an established forum for consultation with local people on various issues, giving residents and community groups the opportunity to influence how services and funding is delivered. The local elected ward councillors at community councils involve the local community in discussions on local issues and they can take decisions on key matters.
22. Given that the community councils are established forums for local discussion and have delegated authority to take decisions about local matters, it is appropriate for Community Investment Plans (CIPs) be developed, discussed and agreed at these meetings.
23. The community investment plans would take due regard to the agreed council priorities and programmes, for instance the great estates guarantee. In determining priorities regard will also be had to the existing council's investment plans (programmes including regeneration capital, the housing modernisation investment, schools expansion, public health, culture etc.) and be based on an evaluation of the needs that are not being met from these mainstream programmes. For instance between 2016-26 the council is investing over £359m in Surrey Docks and Rotherhithe wards.
24. The CIPs would be evidenced based on what is needed and what may be lacking in the existing programmes, forming the basis of further conversation with the community. They are intended to put the proposals collected as part of the CIPL process into a strategic context which is particularly crucial in areas not already covered by SPDs, AAPs or the PAPs. .
25. There are similarities between CIPs and PAPs; the main difference currently is that PAPs are an agreed plan between the council and a developer whereas working with the local communities, CIPs will consolidate the neighbourhood CIL collected from a number of developers and also will cover areas with little development yet still in need in infrastructure. The greatest impact in CIPs is likely to be those areas outside/ between major regeneration areas and therefore not covered by a commitment to produce a Social Regeneration Charter.
26. Criteria for CIPs need to be developed further especially in light of the feedback received regarding the CIPL (see paragraphs 34-35). As a basis for further work the proposals should as a minimum:

- be in the Council Plan
 - relates to a council plan commitment
 - support a Fairer Future commitment
 - be affordable and
 - feasible.
27. Inevitably economic conditions, technology, the policy environment, partners, resources and priorities will change over time. It is essential therefore that the CIPs are flexibly to respond to change and it follows that there will need to be a robust and ongoing community engagement. This is critical as the role of the community council system is currently under review. If they were to be changed significantly the whole approach to what is defined as “local” may need to be further refined.

Resource implications

28. The management of the CIL is covered by the 5% of the total CIL collected that the Council can retain for administration purposes. Currently this funding is being invested in a new software programme (EXACOM – which is the industry standard) that will allow accurate monitoring of both S106 and CIL and will also provide a public facing module to ensure openness and transparency of the collection and expenditure of council resources.
29. The local project lists (CIPL) are also managed from this administration proportion of CIL. However a number of issues have arisen regarding these lists (see paragraph xx below) that has resulted in none of the local CIL collected having been either allocated or spent.
30. It was proposed that once the funding had been allocated, the project delivery mechanism would be identified. It is suggested that in order to avoid duplication of resources the council’s existing project delivery teams in Regeneration, Highways and Cleaner, Greener Safer are used. However additional resource may be required with the teams in order to take on this additional work load. This could be in a similar format to that of the CGS teams where a fee is included in the overall project budget.
31. To develop the Community Investment Plans for each community council area, it is envisaged that additional officer time will be required depending on the methodology adopted to do this.
32. Further work is needed to determine how best to implement CIPs and how they will co-ordinate with both existing and proposed council area plans (see hierarchy of plans in Appendix 2) and capital programmes. There is also the need to determine specific plans for projects and the planned investment; monitoring; incorporation of indicators and outputs; and engagement with local delivery partners and stakeholder groups. It is crucial that aspirations are built on transparency and accountability as part of the criticism levelled at the current CIPL process is that it lacked this.
33. Governance arrangements should emphasise the importance of periodic review and evaluation to meet potentially changing circumstances and allow the flexibly needed to continue to deliver the agreed outcomes.

Consultation

34. From December 2017 to April 2018 officers have been attending community councils in order to agree which projects should go onto the list, which projects should be

removed and to agree priority lists. As a result of this consultation it is clear that there are various approaches to this prioritisation and still some considerable confusion around local CIL.

35. In light of the above, officers were requested to look at best practice elsewhere in London. As a result of this it is proposed that the council adopt local community investment plans. The adoption of these plans will address the following issues:
- There will be agreed set of criteria for projects. Currently we have a rather vague definition in para 6.6 of the SPD which states that the projects "...will need to be publically accessible physical infrastructure improvements in the local area that support growth".
 - There will be a clear definition of what constitutes 'local'. There has been some debate that anywhere in Southwark could be considered to be local for certain infrastructure. Alternatively local could be defined by the community council area or possibly down to ward level. Some local groups have argued that local should be in the immediate vicinity of the development or what they consider to be their local community and that even considering wards is too broad a definition. This confusion will be addressed by a clear geographical area.
 - An assessment on a projects feasibility would need to be undertaken prior to inclusion in the plan. Indicative costs and any ongoing revenue implications would also need to be taken into account. .
 - Different approaches adopted by community councils to determine plans could still apply. For instance Bermondsey & Rotherhithe undertook an on-line questionnaire to determine local strategic priorities (Note: there was a considerable cost both to set this up and in officer time that was not matched across all community councils).
 - Geographical imbalance of CIL which is not entirely due to quantum of development. For instance off-site affordable housing may be built elsewhere in the borough and does not attract CIL. There are also varying rates of CIL across the borough to encourage investment in certain areas.
 - The plan would address the perception from some organisations that being approved to go on the list is de-facto an approval of funding as it would make clear and transparent the priorities of the local area.
36. It is clear from the above that further investment in time and resources is required to set up a more open and transparent system as generally there is confusion with the process; when projects can be submitted; to whom; in what format; what information is required; when and how decisions are made.

Financial implications

37. The amount of local CIL collected by community council area is shown in the table below. None of the money collected is yet committed to any project yet.

	25% Southwark CIL by year:			
Community Councils	2015/16	2016/17	2017/18	TOTAL
Borough, Bankside & Walworth	18,309.50	838,962.01	1,340,034.92	2,197,306.43
Bermondsey &	41,698.50	746,168.54	376,935.12	1,163,939.66

	25% Southwark CIL by year:			
Rotherhithe				
Camberwell	1,556.25	5,875.00	16,376.75	23,808.00
Peckham & Nunhead	70,157.50	15,618.50	174,455.95	260,231.95
Dulwich	2,900.00	47,800.00	119,016.29	169,716.29
Total 25% SCIL Receipt	133,759.25	1,654,424.05	2,026,819.03	3,815,002.33

38. There are no revenue implications due to the implementation of these recommendations.
39. The expenditure of this funding will be managed within existing revenue budgets; specifically the 5% CIL administration charge.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC18/024)

40. The report is requesting the cabinet to approve the release of funding collected to end of financial year 2017/18 as the neighbourhood portion of the Community Infrastructure Levy and approve the allocation of the released funding to the priority projects put forward by the relevant community council as listed and that officers be instructed to develop the projects agreed and confirm to cabinet the actual budgets required.
41. The report is also requesting the cabinet to recognise that the current system of Community Infrastructure Project Lists could be improved in order to make it more transparent with a greater strategic approach and that they approve the proposal for officers to work with the community councils to develop Community Investment Plans for each area to prioritise the allocation of funding collected 2018/19 and to allocate unspent CIL generated pre-2017-18 and that officers report back to cabinet in April 2019.
42. The strategic director of finance and governance notes that there will be no revenue implications due to the implementation of these proposals.
43. It is also noted that the costs associated with implementation of the recommendations can be recovered from the 5% of any CIL income permitted under CIL regulations.
44. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

Director of Law and Democracy

45. This is a report relating to the emerging proposals concerning the allocation of funds received from the collection of the Community Infrastructure Levy. Officers will undertake further consultation with community councils with the intention for an updated report to be presented to cabinet in April 2019. in the meantime, cabinet is

being asked to approve funding for certain priority projects as set out in the Appendix 1 to the report.

46. The Community Infrastructure Levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities as set out in section 216(2) of the Planning Act 2008, and regulation 59, as amended by the 2012 and 2013 CIL Regulations). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives councils the opportunity to choose what infrastructure is needed to deliver their local plan. It should be noted that charging authorities may not use the levy to fund affordable housing.
47. Local authorities must spend the levy on infrastructure needed to support the development of their area. the levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
48. The Government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. It is expected that councils will use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans), and using any networks that ward councillors have.
49. Paragraph 12 of the report refers to the council's Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document which commits to a spend of 25% of Southwark CIL on local projects.
50. The recommendations as set out in this report accordingly fall within the powers of cabinet.

BACKGROUND DOCUMENTS

Background Papers	Held at:	Contact
S106 Planning Obligations and CIL SPD	Planning Department	Simon Bevan 020 7525 5655
Link (please copy and paste into your browser): http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/supplementary-planning-documents-spd/spd-by-planning-topic?chapter=6		

APPENDICES

Number:	Title:
Appendix 1	Projects for funding or further work
Appendix 2	The Hierarchy of plans prepared by the Place and Wellbeing Department

AUDIT TRAIL

Cabinet Member	Councillor Johnson Situ, Growth, Development and Planning	
Lead Officer	Simon Bevan, Director of Planning	
Report Author	Alistair Huggett, Planning Projects manager	
Version	Final	
Dated	30 November 2018	
Key Decision?	Yes	
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	30 November 2018	

APPENDIX 1

Projects for funding or further work**Projects proposed for immediate funding:**

Projects that were put forward by community councils that already were:

- in the Council Plan
- included within the Capital Programme
- support a Fairer Future commitment
- be affordable and
- Feasible.

Project	Community Council	Notes
Harper Road Improvements	BB&W Chaucer*	There are both highways proposals and a shopfront scheme underdevelopment. In addition there are plans for the local park.
Newington Gardens	BB&W Chaucer	Work with Parks to develop proposals
St Mary's Churchyard Path Improvements	BB&W Cathedrals	Work with Parks to develop proposals
Little Dorrit Park Improvements	BB&W Cathedrals	Work with Parks to develop proposals
St Mary Magdalene Churchyard path to Tanner Street Park	B&R Grange	Adjacent developments will part-deliver this scheme. Further funding required to complete the northern section.
Spa Road pedestrian crossing	B&R Grange	Work with Highways to develop a scheme.
New Community facilities on Surrey Docks Farm	B&R Surrey Docks	Part funded with S106
Improvements to Albion Street	B&R Rotherhithe	Project proposals under development by Regeneration North team
Shad Thames Streets projects	B&R Riverside	Highways Dept scheme part funded with S106

*NOTE – wards quoted are those where the funding was original collected

Projects proposed that officers undertake further work

Project	Community Council	Notes
Camberwell Road Pedestrian safety	Camberwell Camberwell Green	Highways are currently working on a scheme
Pedestrian Crossing facilities – Lordship Lane/Dulwich Common	Dulwich College	Discuss with Highways the feasibility
Pedestrian Crossing facilities – Dulwich Wood Park	Dulwich College	Discuss with Highways the feasibility

Note officers to go back to Peckham Community Council as the decision to shortlist projects for funding was deferred to a future meeting.

APPENDIX 2

The Hierarchy of plans prepared by the Place and Wellbeing Department

1. New Southwark Plan

- Borough regeneration strategy
- Visions for each place which set out how the place should look in 15 years time
- Strategic policies and detailed policies that need to be taken into account by all development
- Site allocations with more detail where there are strategic sites or sites where they need to be different to the general policies
- Borough implementation plan for infrastructure and how the plan will be delivered
- A map of the area

2. Area Action Plan

- Area regeneration strategy
- Visions for each place which set out how the place should look in 15 years time
- Strategic policies and detailed policies that need to be taken into account by all development
- Site allocations with more detail where there are strategic sites or sites where they need to be different to the general policies
- Area implementation plan for infrastructure and how the plan will be delivered
- A map of the area

3. Social Regeneration Charter

- 5 page document
- Sets out how the way in which people identify with each place
- Sets out how places will change at a strategic level
- A map of the area

4. Place Action Plans / Community Investment Plans

- Area regeneration strategy
- Area implementation plan for infrastructure and how the NSP, AAP and SRC will be delivered
- A map of the area

All will have an equalities assessment and communications plans with community/stakeholder engagement

Proposal of how these might be created

- Working with local communities and councillors, agree the geographic area
- Within the area identify key landowners
- Also identify key stakeholders and local communities
- Create library of local information to act as a baseline
- Develop a list of all of the social and physical regeneration initiatives currently being delivered in the chosen area
- Set up client project board including local ward members and community representatives.
- Identify likely themes for area which are linked to the council plan and based on the specific area.
- Insert social regeneration indicators into the brief linked to the draft themes.
- Use expert facilitators (in-house where available) to carry out consultation and to work with all stakeholders to prioritise specific themes

Item No. 21.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Southwark Regeneration in Partnership Programme Lot A Sites Appropriation	
Ward(s) or groups affected:		Newington Ward	
Cabinet Members:		Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	

FOREWORD - COUNCILLOR LEO POLLAK, CABINET MEMBER FOR SOCIAL REGENERATION, GREAT ESTATES AND NEW COUNCIL HOMES

At the time of writing more than 10,200 households (comprising over 25,000 people) were recorded on Southwark's housing register in need of rehousing – behind these figures are stories of families living in overcrowded homes, delaying key life decisions due to extortionate housing costs, health problems linked to housing, children's educational attainment and younger people's ability to invest in themselves and their futures thwarted. In this context Southwark is resolved to maximise the overall social rented stock in our borough, including through pursuing an ambitious programme for building new council homes.

We will soon begin construction on two housing developments on sites at Manor Terrace and Braganza St including nineteen new council homes, as part of our long-term commitment to build 11,000 new council homes by 2043. Unlike in previous periods of council house building where large sites lent themselves to comprehensive estate development and (relatively) simpler approaches to land assembly, today most of our development sites involve the repurposing of existing land in already built up areas with a greater risk of historic property rights emerging that may frustrate the process. We owe it to residents on our waiting list and to neighbouring residents who have contributed positively to the design and associated landscaping of these new homes to mitigate any risk to the development, even where the risk is remote. Cabinet is therefore recommended to approve the appropriation of the highlighted land, an administrative process that will enable construction of the approved scheme to proceed with confidence.

RECOMMENDATIONS

That cabinet:

1. Confirms that the area of council-owned land edged red on the plans at Appendix 1 and Appendix 2, and known as 169-179 Manor Place, the former Council Office, Stopford Road, SE17 and Kennington Workshops 42 Braganza Street SE17 are no longer required for the purposes for which they are currently held and approves the appropriation of the land for planning purposes to facilitate the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that once the land is appropriated for planning purposes under the

statutory provisions detailed above, that the completed housing stock should be appropriated to Housing Revenue Account.

BACKGROUND INFORMATION

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

Manor Place

9. The site is shown edged red on the plan attached in Appendix 1. The freehold interest is owned by the council and is held in the corporate property holding account. The site is located on the southern side of Manor Place near to the junction with Braganza Street, between Stopford Road to the north-east and Danson Road to the south-west. The site comprises three different elements: A three-storey Victorian terrace, a single storey office building at the rear and part of the adjoining public highway along Manor Place and Stopford

10. Planning consent was granted on 30 January 2018 (Ref 17/AP/0907) for the demolition of single storey office building and a derelict three-storey row of shops and flats above (with the retention of the original three-storey Victorian facade) and the construction of a six storey building (behind retained façade) comprising 56 flats (20 x social rented, 8 x intermediate and 28 x private) above a health centre/office space (745sqm)(Use Class D1/B1), pharmacy/shop (85sqm)(Use Class A1) and cafe (285sqm)(Use Class A3), with associated landscaping and public realm works. The Manor Place redevelopment is 120 metres from the Braganza Street development described in Paragraph 10 and is linked in terms of wheelchair housing and affordable housing provision.

Braganza Street

11. The site is shown edged red on the plan attached in Appendix 1. The freehold interest is owned by the council and is held in the corporate property holding Account. The site accommodates three buildings set around a central courtyard located behind the street frontage and provides office and workshop space (Class B1), and a conference hall. Planning consent was granted on 30 January 2018 (Ref 17/AP/0964) to redevelop the site to provide 33 residential units in a mixture of flats, maisonettes and houses contained in five blocks of between three- and five storeys (5 x intermediate and 28 x private). A sixth block will provide Class B1 floor space over three-storeys. Four of the five blocks on the main part of the site will be set around a central garden courtyard that will include paving, planting, trees, seating and play equipment, with the vehicle access retained onto Braganza Street, and a new pedestrian entrance proposed onto Doddington Grove. The Braganza Street redevelopment is 120 metres from the Manor Place development described in Paragraph 9 and is linked in terms wheelchair housing and affordable housing provision. It is noted when both habitable room calculations are combined (a total of 40.4% affordable and 59.6% private tenure) both schemes become policy compliant by exceeding the 35% affordable housing provision in terms of number of units and habitable room. In addition the site includes land adjacent to 26 Braganza Street currently used for private parking.
12. Following practical completion the social rent units will be retained by the Council and let at Council rent levels. In addition the commercial units will also be retained by the Council creating a revenue stream to fund corporate objectives. A start on site is scheduled for January 2019 with practical completion by June 2020.

KEY ISSUES FOR CONSIDERATION

13. The approved developments both result in denser development and buildings of greater height than those existing. Daylighting and sunlighting effects on the buildings immediately adjoining the subject sites were considered as part of the planning process in accordance with the methodology and criteria provided by the Building Research Establishments guidance. It showed that where they are currently enjoyed, good levels of daylight, sunlight and sun on ground will remain as a result of the proposed development. Where the general BRE guideline criteria is not met, good levels of daylight and sunlight will generally remain and are considered acceptable and commensurate with the urban location of the proposed development site.
14. Whilst there is a minor infringement to daylight and sunlight identified by the BRE report this was not sufficient to cause a refusal of planning consent.

Notwithstanding this there is still a risk to the project that an adjoining owner could apply to court for an injunction on the basis an infringement to their common law right of light (which is a more stringent test than the daylighting and sun lighting test for planning considerations). In the worst case this could prevent the scheme being delivered, contractual penalties could be incurred and completion could be delayed indefinitely. In the best case a significant delay is likely whilst the courts determine the validity of the claim or claims.

15. All adjoining residents were consulted as part of the planning process, in total 5 responses were received. Of the 5 responses received two were objections that focussed in particularly on the loss of light. For example objection 1 related to the overlooking to nos. 60-62 Braganza Street. In response the side window to block E would be conditioned to be obscured, and it was noted that windows to block D were of sufficient distance to prevent material loss of light. Objection 2 conveyed block A would cause a loss of light and privacy. The planning response was there would not be a noticeable loss of daylight or sunlight to neighbouring properties from this block. As such the existing terrace housing has mutual overlooking from the first floor window arrangement of the proposed block. Screening to the roof terrace would be required by condition.

16. Whilst it is considered that there are no other third party risks e.g. from unregistered rights of way, there is a risk, given the unregistered nature of prescriptive rights for example, that an 'injured' party will only come forward once the scheme is being delivered. They could be entitled to apply to court for an injunction and depending on the legitimacy of their claim could result in significant delays, redesign and contractual penalties.

Appropriations

17. The appropriation of land and buildings refers to the process whereby a council alters the purpose for which it holds land and/or buildings. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation equal to the loss in value of their property caused by losing the right, but cannot seek an injunction to delay or terminate the development. This gives developers of land certainty that having commenced construction works a person with the benefit of an unregistered right over land cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on brownfield sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right equal to the loss to the value of their property. Further justification for the appropriation of these sites is given in Appendix 3.

Policy implications

18. The appropriation of the subject sites will facilitate the construction of the new development consisting of 19 social rent units, 14 Intermediate, 56 private and a commercial space. This will help achieve the Council's commitment to build 11,000 new council homes and to meet the policy objectives to deliver a fairer future for all in Southwark.

Community impact statement

19. The appropriation of the land known as Manor Place, former Council Offices will not unduly negatively impact the community, as its current use and service provision as an office is now closed and it is vacant. The current row of shops is predominately in a state of disrepair. Therefore the impact of the development will positively benefit the wider community by providing much needed new landscaping and commercial space activating the street. In addition 56 new homes will be provided of which 19 will be social rented, 9 intermediate and 28 private will contribute to a mixed and balance community.
20. The appropriation of land known as Braganza Street Workshops will benefit the community providing 33 new homes (5 intermediate and 28 private), public realm and workspace. The existing large warehouse has a number of tenants both long term (with options to return) and short term. Additionally the office accommodation is no longer efficient and is under utilised. As such a new high quality purpose built space with greater occupancy and modern facilities will be favourable to local people wanting to rent work space and will be advantageous to the wider community and revitalise the area.
21. Appropriation of land involves overriding the rights of third parties. However their rights are not extinguished, they are converted into a right to receive compensation for the loss of that right, rather than a right to seek an injunction to stop the interference with that right. Case law suggests that the overriding of a right that would otherwise be actionable at law may be an interference with human rights. In considering whether or not to appropriate land such that rights may be overridden, it is necessary to consider the human rights of the person(s) whose rights are being overridden, and the proportionality of this. In the case of these sites, it is considered that the public interest in building new homes, about 40% of which will be affordable would outweigh any interference with private rights.
22. The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty – PSED) in the exercise of their functions, to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act;
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
 - Foster good relations between people who share a relevant protected characteristic and people who do not share it.
23. For the purposes of the PSED the following are “protected characteristic” considerations:
 - Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation.

24. Through the consultation process we engaged with persons and groups that identified as having protected characteristics to mitigate the impact of both the termination of the workspace tenancies and the consented scheme. For example it is noted there have been some negative impact on, small social enterprises that serve a wider ethnic community. To mitigate any negative impacts the council has given consideration to the organisations affected by the development proposal. A financial relocation package has been agreed and interim accommodation package provided with the option to return post development.
25. Throughout the lifespan of the development the council working with the development partner will collate and monitor the impact of the development on protected groups. The anticipated next steps will involve households and businesses in the locality of the sites being asked to complete a questionnaire, incorporating equality monitoring data at the initial and key stages, repeated periodically this will enable a thorough analysis of the impact post completion and will inform future equality impact assessments and mitigation considerations

Resource implications

26. See financial implications.

Legal implications

27. See concurrent from director of law and democracy

Financial implications

28. The cost of construction is being met by the council's development partner. Subject to approval of this report's recommendations and subject to any claimant being able to prove a diminution in the value of their property as a result of the proposed scheme, any damages payment will need to be paid by the Council. It is confirmed that this can be accommodated within existing resource allocation for the wider project and delivery of the scheme.
29. There are no financial implications arising from the initial appropriation of land for planning purposes. However, on completion of the development, the intention is to appropriate land with the newly built social housing units to the Housing Revenue Account. Where land is appropriated between the General Fund and the Housing Revenue Account, as will be the case here, there is a requirement to transfer debt equivalent to the certified market value of the land being appropriated. As a consequence, the Housing Revenue Account will become responsible for paying the interest due on the amount of debt transferred, and the amount due will be determined on completion of the development.

Consultation

30. The SRPP Lot A sites have been the subject of extensive community and stakeholder consultation especially on the sites where planning permission has been obtained (as with the subject sites), and further consultations will be undertaken when development partners are appointed on the sites which will have to be submitted for planning.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

31. The report recommends the appropriation of council-owned land for planning purposes.
32. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 (“the 1972 Act”) to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
33. The land must already belong to the council. Paragraphs 9 and 11 of the report confirm that the land to be appropriated is in the council’s freehold ownership.
34. The land must be no longer required for the purpose for which it is currently held. The report confirms in paragraphs 9,11,19 and 20 the purposes for which the properties are held. The agreement with the successful bidder provides that the properties are to be transferred with vacant possession. The properties will, when they are appropriated, no longer be required for the purposes for which they were previously held and support developers to override third party rights.
35. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 227 of the Town and Country Planning Act 1990 (“TCPA 1990”) provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
36. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.”
37. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.
38. S203 says:
 - “(1) A person may carry out building or maintenance work to which this subsection applies even if it involves
 - (a) interfering with a relevant right or interest...
 - (2) Subsection (1) applies to building or maintenance work where –
 - (a) there is planning consent for the building or maintenance work,
 - (b) the work is carried out on land that has at any time on or after the day on which this section comes into force
 - (i) become vested in or acquired by a specified authority or
 - (ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

- (c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and
- (d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”
39. What this means is that where land has been appropriated for planning purposes, building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work, and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes.
40. This report confirms that the works being done on the sites will be done in accordance with planning permissions already obtained on Manor Place and Braganza Street as stated in paragraphs 10 and 11 in this report.
41. The Council will continue to have due regard to its obligations under the Equality Act 2010 with regard to the Public Sector Equality Duty

Strategic Director of Finance and Governance (H&M 18/070)

42. The strategic director of finance and governance notes the recommendation to appropriate land as described in order to facilitate regeneration and the building of new homes at the former council offices at 169-179 Manor Place and the former Kennington Workshops at 42 Braganza Street in SE17. Upon completion of the development, debt equivalent to the value of land being appropriated together with associated interest payable will be transferred from the General Fund to the Housing Revenue Account. This scheme forms part of the council’s Southwark Regeneration in Partnership Programme and any associated costs will be contained with the Housing Investment Programme.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 1 – Southwark Regeneration in Partnership Programme Procurement Approval	Council Offices, 160 Tooley Street, SE1 2QH	Prince Kamanda 020 7525 7480
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5379&Ver=4 (item 16)		

APPENDICES

No.	Title
Appendix 1	Map – Manor Place, former council office
Appendix 2	Map – Braganza, Kennington workshops, SE17
Appendix 3	Background to appropriation
Appendix 4	Image – Manor Place shops (former offices)
Appendix 5	Image – Braganza Street workshops

AUDIT TRAIL

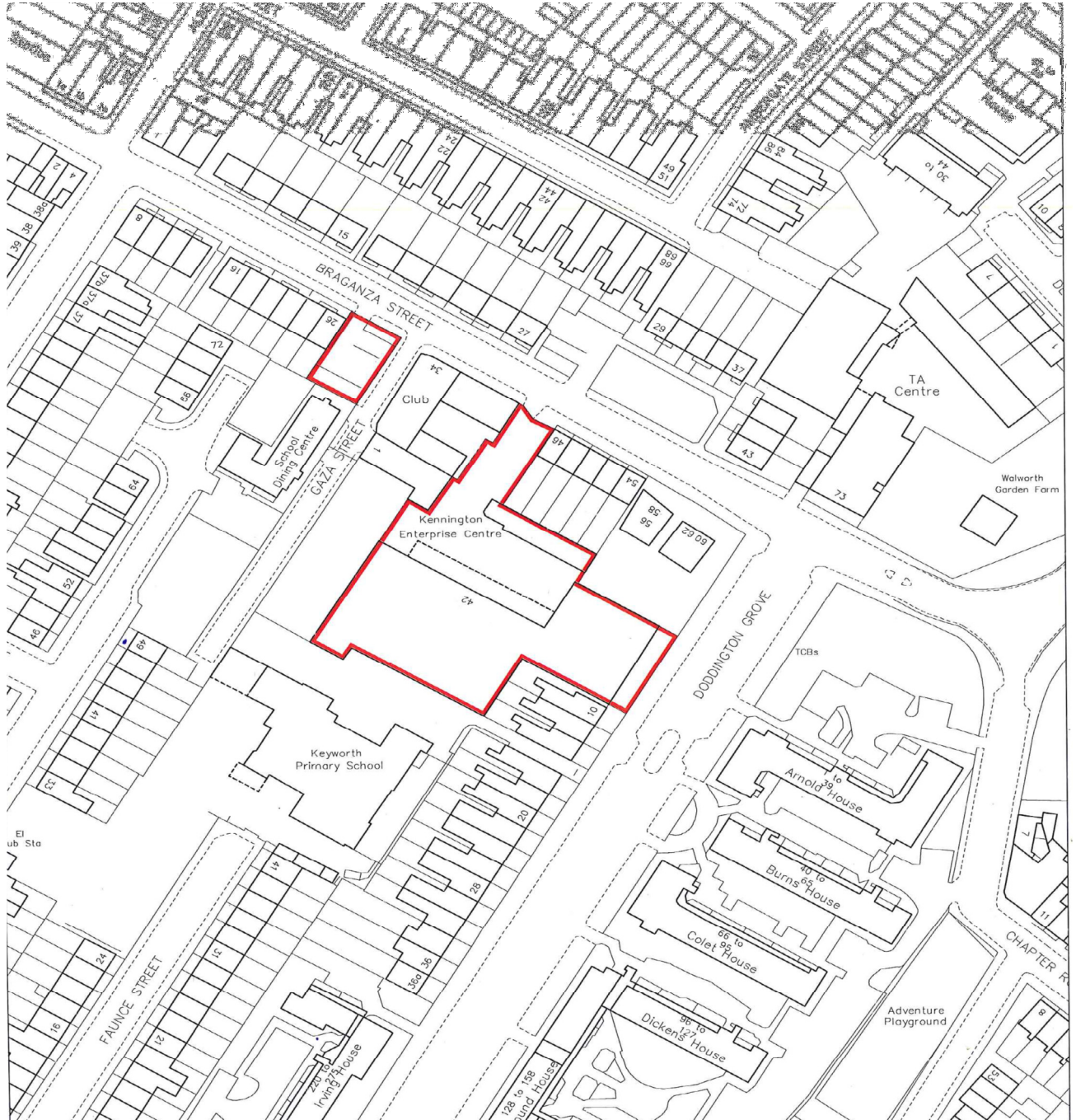
Cabinet Member	Councillor Leo Pollak, Social Regeneration Great Estates and New Homes	
Lead Officer	Michael Scorer, Strategic Director of Housing & Modernisation	
Report Author	Prince Kamanda, Housing Regeneration Manager	
Version	Final	
Dated	3 December 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER 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		3 December 2018

Appendix One Manor Place Shops



Appendix Two

Braganza Street Workshops



APPENDIX 3

LOT A1 – MANOR PLACE SHOPS (FORMER OFFICES) AND BRAGANZA STREET WORKSHOPS

Appropriation of the land (shown edged on the plan) at Appendix 1 and 2 for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985

Background to appropriation

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the redevelopment of the subject sites Manor Place Shops and Braganza Street Workshops. The power in section 226(1) (a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing that form Lot A1 providing people with quality accommodation that may result in better educational attainment and general well being, and employment opportunities from the construction works. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix 1 and Appendix 2 is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Manor Place and Braganza Street Workshops new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for

interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.

4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.
5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council.

Rationale for appropriating the subject site to planning purposes

6. The existing Manor Place Shop (including council office) is vacant and the Braganza Street workshop site is under utilised in land use terms and the need for new housing at affordable rent levels greatly exceeds the existing use need. In pursuance of the adopted Council Plan and to address a need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraphs 10 and 11 of the main report. Although it is extremely unlikely that there will be impact on the rights of light to nearby residents from the consented scheme appropriation will eliminate any risk of one or more of them may applying to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective developers from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land shown edged red at Appendix 1 and Appendix 2 is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

Rationale for appropriating the subject site to back to housing purposes

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

Appendix Four

Manor Place Shops (former Offices)



Appendix Five

Braganza Street Workshops



Item No. 22.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Canada Water Social Regeneration Charter	
Ward(s) or groups affected:		Surrey Docks and Rotherhithe	
Cabinet Member:		Councilor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	

FOREWORD - COUNCILLOR LEO POLLAK, SOCIAL REGENERATION, GREAT ESTATES AND NEW COUNCIL HOMES

Southwark's existing and soon-to-be-updated social regeneration framework is designed to shape change in the borough towards promoting the health wellbeing and employment opportunities of all residents, tackling inequality and creating genuinely integrated communities for current and future generations.

This report details the first of what will be a number of neighbourhood-based Social Regeneration charters in Canada Water, designed to ensure that all key strategic partners are aligned in a common vision and programme for improving the wellbeing of residents in and around the area.

It follows a number of wide-ranging intensive listening exercises from the Southwark Conversation, to British Land's detailed socio-economic study of the area undertaken by Social Life, to regular intensive conversations with TRAs, the Canada Water consultative forum, Rotherhithe area housing forum and ward councillors.

The charter will establish some core themes drawn out from these exercises - among them projects for young people, tackling social isolation, supporting capacity for local traders and skills development, as well as new estate-based programmes - and will set the stage for how s106 and CIL monies will be spent ahead of more detailed place-based community investment plans.

The charter also confirms that the actions that follow will represent *additionality* from the usual community gains drawn from tariff-based developer requirements through s106 and CIL. It also aligns British Land and other strategic partners with the council's other priorities - our employment and apprenticeship targets, community investment plans, local CIL release, community council priorities, the emerging 'Great Estates' programme and so on.

Our hope is that this novel form of alignment and ambition focussing the benefits of regeneration for all parts of the community across Rotherhithe and around the Surrey docks not only builds on the lessons of previous place-making initiatives, but sets a strong precedent for regeneration elsewhere in the borough.

RECOMMENDATIONS

Recommendations for the Cabinet:

1. That Cabinet agrees the Canada Water Social Regeneration Charter [CWSRC] attached as Appendix 1 to this report which includes the following five Canada Water Place Action Plan [CWPAP] emerging priorities:
 - Mental health - outreach and raising awareness
 - Projects for young people – ‘things to do’, tackling social isolation
 - Estate programmes – ensuring the impact of regeneration reaches all
 - Employment and Skills – training, apprenticeships, jobs for local people
 - Supporting enterprise – capacity building for local traders
2. To facilitate the effective update and review of the Canada Water Social Regeneration Charter and Canada Water Place Action Plan Cabinet

Recommendation for the Leader of the Council

3. That Cabinet agrees that the future reviews and update will be delegated to the Cabinet member for Social Regeneration, Great Estates and New Council Homes

BACKGROUND INFORMATION

4. On 13 March 2018, Cabinet agreed that the council enters into the Master Development Agreement [MDA] with British Land for the regeneration of the site identified in the draft Canada Water Social Regeneration Charter (CWSRC) Appendix 1.
5. The scale and duration of the programme of physical regeneration at Canada Water is unique in the context of Southwark. Total investment by the private sector is likely to exceed £3.5 billion over the duration of the project. It is also expected that the public sector will invest significant additional funding to provide the necessary infrastructure to support the anticipated growth in the area.
6. The context genuinely represents a once in a generation opportunity to deliver positive social, economic and health benefits for our residents. The CWSRC is intended to provide a strategic framework to inform future interventions to ensure the masterplan will deliver these outcomes for the local community and Southwark as a whole.
7. To give effect to this ambition Cabinet also endorsed four intertwined social regeneration themes of education, employment, health and community. These four themes are the outcome of local engagement and baseline research to better understand local socio-economic conditions.
 - A place to learn and grow
 - A place to belong
 - A place to work
 - A place to be happy and healthy
8. Subsequently on 10th May the council and BL exchanged the conditional agreement. On the 11 May BL submitted a planning application for the

development of the site comprising a detailed phase 1 scheme and an outline for all remaining phases. BL submitted their own Social Regeneration Charter as one of the documents supporting their planning application although it should be noted this will not be formally approved as part of the regulatory process. The planning application is likely to be determined early in the New Year. Approval will be subject to a s106 agreement which will include a package of employment and training outcomes which will be determined in accordance with the council's employment and training SPD.

9. The March Cabinet MDA decision also required officers to complete work on the CWSRC taking into account the Southwark Conversation and to report back to cabinet before the planning application is determined. The purpose of this report is to comply with this decision in advance of the likely planning Committee which will consider the application early in the New Year.

KEY ISSUES FOR CONSIDERATION

10. A Social Regeneration Charter (SRC) is a high-level area-specific document informed by the Southwark Regeneration Framework. The intention is that there will be a SRC for every major regeneration area in Southwark. The Canada Water Social Regeneration Charter (CWSRC) attached as Appendix 1 to this report sets out the purpose of the charter, policy context, baseline research and priorities for the area. The draft document also includes an emerging Place Action Plan (PAP), which includes details of council and BL investment proposals in the area, proposals for governance and delivery mechanisms.

Charter Principles

11. Officers and BL have agreed a number of key principles which should inform the CW charter and these are summarised below. It is anticipated that other partners will support the charter and the principles on which it is based.

i. Additionality

12. The Council and British Land have agreed that they will work together to use the charter to deliver additionality (e.g. potential for leveraging third party resources (capital, personnel, knowledge, skills, in kind contributions etc.), in the form of commitments/deliverables that go beyond what can be secured through the planning process and adopted policy framework.

ii. Alignment with other council investment programmes

13. The CWSRC will be aligned with the Social Regeneration Framework, and have regard to agreed Council priorities and programmes e.g.: The Great Estates Guarantee, Local CIL release, Community Investment Plans and Bermondsey and Rotherhithe Community Council C&G priorities. In determining priorities regard will also be had to Council investment plans and be based on an evaluation of needs which are not being met from mainstream programmes.

iii. Consultation and Periodic Review

14. The Canada Water masterplan will be delivered over 15-20 years. Inevitably economic conditions, technology, the policy environment, partners, resources

and priorities will change over this period. It is essential therefore that both the Charter and Place Action Plan retain flexibility to respond to these dynamics. It follows that there will need to be robust and ongoing community engagement throughout the life of the programme in order to engage local stakeholders, identify issues early, and facilitate effective responses.

Canada Water Social Regeneration Charter

15. In summary the CWSRC strategic document attached as Appendix 1 comprises the following;
- i. **Purpose and Principles of the Charter**
 - ii. **Charter Development** - how the CWSRC and Place Action Plan sit within the emerging Social Regeneration Framework, and how the CWSRC is informed by the Southwark Conversation 2017 and BL's Canada Water Masterplan Social Regeneration Charter
 - iii. **Canada Water Context** - summary of the adopted Canada Water Area Action Plan 2015 a brief overview of the Canada Water Masterplan and Master Development Agreement
 - iv. **Baseline Research** – sets out local engagement carried out by the Council and British Land as well as baseline evidence from the CWAAP and socio-economic research commissioned by BL.
 - v. **Priorities: investment and initiatives** - an overview of committed and pipeline investment across the council as well as a summary of the Canada Water Masterplan (BL investment)

Canada Water Place Action Plan

16. In looking at the joint work carried out so far - Council and BL baseline research and local engagement, evidence-based priorities of the CWAAP, the Council's own investment programme and the outcomes which will be delivered by British Land through the masterplan, five action areas have been identified as the priorities in the **Canada Water Place Action Plan**. These areas have been informed by both the 8 Council Plan priorities and British Land's 4 priority areas:
- Mental health – outreach and raising awareness
 - Projects for young people – skills, training, 'things to do' and social isolation
 - Estate programmes – ensuring the impact of regeneration reaches all
 - Employment and Skills – training, apprenticeships, jobs for local people
 - Supporting enterprise – capacity building for local traders

NEXT STEPS

17. Further work is needed determine how best to implement the objectives agreed in the CWSRC and CWPAP, i.e. how to determine specific plans for projects and planned investment, monitoring, incorporation of final indicators and engaging with local delivery partners (stakeholder groups). Further decision-making is also required to ascertain timescales, resources and the appropriate delivery mechanisms for individual projects including accountable bod(ies) for funding and delivery.

18. Governance - the general governance aspirations of the CWSRC and CWPAP also require further debate and consultation. Aspirations should be built around transparency & accountability for activities, outcomes and funds, and ongoing dialogue with affected communities/local stakeholders. They should emphasise the importance of periodic review and evaluation to meet changing circumstances and allow programmes to be adjusted to ensure projects continue to deliver outcomes.

Policy implications

19. The NSP states that town and local centres should be the main focus for new developments and identifies Canada Water along with Elephant and Castle including Walworth Road, Old Kent Road and Peckham as having the most potential for growth.
20. Canada Water is a major town centre destination which combines shopping, civic, education, leisure, business and residential uses. Much of the current environment is designed to accommodate trips made by cars. The aspiration is to create high quality streets and spaces that are not dominated by car use or by car parking. Development on these sites will be expected to maximise the amount of employment space and its contribution to the regeneration of the town centre.

Area Vision - AV.14 Rotherhithe Area Vision

21. Detailed development opportunities in Rotherhithe are set out in the Canada Water Area Action Plan (2015). This includes adopted Site Allocations. **The key new and revised development opportunity sites** in the area are:
- NSP79: Rotherhithe Gasometer
 - NSP80: St Olav's Business Park, Lower Road
 - NSP81: Decathlon Site and Mulberry Business Park
 - NSP82: Harmsworth Quays, Surrey Quays Leisure Park, Surrey Quays Shopping Centre and Robert's Close
22. In November 2015 following an extensive programme of consultation the council adopted the Canada Water Area Action Plan (CWAAP) which will guide development in the area in the period up until 2026. The CWAAP identifies that the "focus of development within the AAP will be a core area around Canada Water" and that this area is most suitable for more development and change due to its character, public transport accessibility, and opportunity and capacity for growth.
23. The Rotherhithe peninsula was transformed during the 1980s and 1990s with over 5,500 new homes built during this period along with the shopping centre and the Harmsworth Quays Print Works. Through the CWAAP, a second opportunity to regenerate the area (see Figure 1, Appendix 1) including the substantial amounts of surface car parking, the out-of-town style shopping and entertainment facilities to create a new town centre for Rotherhithe and for Southwark is recognised and supported.

Community impact statement

24. As set out in Appendix 1, consultation and baseline research has taken place by both the Council and BL and this has informed the identification of the five emerging CWPAP priorities set out in recommendation 1. The council has had regard to its Public Sector equalities duty as part of the preparation of the CWAAP in 2015 and the emerging Southwark plan will be the subject of a separate exercise. BL have also submitted an Equalities Statement in support of their planning application.
25. The CWAAP/CWPAP will be an evolving document subject to consultation with stakeholders and periodic review. The PSED duty and implications for groups with protected characteristics will be considered further as the emerging priorities are developed in more detail and at review points and regard will also be had to relevant equalities assessments/databases such as those referenced in paragraph 26.
26. The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty – PSED) in the exercise of their functions, to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act;
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
 - Foster good relations between people who share a relevant protected characteristic and people who do not share it.
27. For the purposes of the PSED the following are “protected characteristic” considerations:
 - Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation

Resource implications

28. There are none specifically arising from this report. The council investment programme which is part of the charter attached as Appendix 1 sets out projects which are already incorporated into the council's capital programme and are not growth items. Any new projects/initiatives that arise through the CWSRC which required additional or reallocation of council funding would need to be considered through the normal budget, monitoring and governance processes.

Consultation

29. BL and the Council have carried out extensive consultation so far as detailed in the CWSRC. This work - Southwark Conversations, CWAAP consultation, Social Life research and BL's own local engagement has informed the CWSRC development and the priorities in the Place Action Plan.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

30. Adoption of the Canada Water Social Regeneration Charter is a requirement of the report to cabinet which recommended entry into the Master Development Agreement (13 March 2018). That report instructed officers to complete ongoing work on the Social Regeneration Charter, which was to sit alongside the MDA and to deal with the social aspects of the regeneration which is the subject of the MDA. It set out the main areas which the charter would cover. This report satisfies the requirements of that earlier report and presents the charter for approval.
31. The CWSRC is intended to sit alongside, and not to replace, any of the obligations to be contained in any s106 agreement.

Strategic Director of Finance and Governance (FC18/020)

32. This report is requesting Cabinet to agree the Canada Water Social Regeneration Charter [CWSRC] as reflected in the report and detailed in Appendix 1.
33. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report as the investments included in the charter are already incorporated within the council's current capital programme and any other investments proposed for the future will be subject to separate reports for formal approval.
34. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
British Land Canada Water Masterplan Social Regeneration Charter	Regeneration North	Jon Abbott 020 7525 4902
Link (please copy and paste into your browser): https://www.canadawatermasterplan.com/wp-content/uploads/2018/05/Masterplan-Social-Regeneration-Charter-May-2018.pdf		

APPENDICES

No.	Title
Appendix 1	Canada Water Social Regeneration Charter
Appendix 2	Map of Canada Water Area and Aerial View of Masterplan
Appendix 3	Cross Departmental Investment – Rotherhithe and Surrey Docks Cross-departmental Investment - Assumptions
Appendix 4	Map of all Council Investment - Surrey Docks and Rotherhithe
Appendix 5	British Land Social Regeneration Tracker
Appendix 6	Hierarchy of Plans prepared by the Place and Wellbeing department

AUDIT TRAIL

Cabinet Member	Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes		
Lead Officer	Kevin Fenton, Strategic Director of Place and Wellbeing		
Report Author	Rumi Bose, Project Officer		
Version	Final		
Dated	3 December 2018		
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	3 December 2018	

Appendix 1 - Canada Water Social Regeneration Charter

Purpose and Principles

1. The Council and British Land will work together to achieve our shared objectives for the Canada Water Masterplan (CWM), the Master Development Agreement (MDA) and the Canada Water Social Regeneration Charter. Over the last two decades, Southwark has seen a variety of regeneration programmes delivered which has enabled us to rise from the 12th most deprived Borough in the UK (out of 326) to the 41st. We want to continue this improvement, and to continue to explore the best possible ways of improving the life chances for our residents.
2. A Social Regeneration Charter (SRC) is a high-level area-specific document informed by the Southwark Regeneration Framework. There is one Charter for every major regeneration area in Southwark. This document, the Canada Water Social Regeneration Charter (CWSRC), sets out the purpose of the charter, its development, policy context, baseline research and investment priorities for the area from both the perspectives of British Land and the Council. The Canada Water Place Action Plan (CWPAP), then details how we will implement and achieve the objectives for the area outlined in the New Southwark Plan, CWAAP and the CWSRC.
3. The CWSRC is jointly owned and managed by the London Borough of Southwark and British Land. It sits outside of the regulatory framework and requires innovative partnership working to successfully deliver the ambitions which could be delivered with capital programmes delivering physical amenities ('hardware') or via social and economic initiatives and programmes ('software').
4. Details of social/economic initiatives and programmes will evolve as the project progresses and depending on resources that can be attracted, will be informed by community input and progress measured against indicators. The charter also provides a framework for other partners to participate in it, such as neighbouring developers in Canada Water and the wider borough.
5. The CWSRC will need to be aligned with the Southwark Social Regeneration Framework, wider Council priorities and programmes, other key Council initiatives e.g.: The Great Estates Programme, Local CIL, Community Investment Plans and Bermondsey and Rotherhithe Community Council directions. Priorities should also have regard to Council investment plans and be based on an evaluation of needs which are not being met from mainstream programmes.

Charter Development

Social Regeneration Framework 2017

6. In September 2017, Southwark Council adopted the Social Regeneration Framework which sought to build on our commitment to invest in communities across the borough and embed the principle of regeneration for all across the council. The framework has 3 primary objectives:
 - A borough wide, partnership approach to improving the wellbeing of all 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.

The Southwark Conversation 2017

7. The Southwark Conversation was carried out between October and December 2017. 3,000 people took part in the Council's most far-reaching consultation, asking residents how they feel about change in our borough. The results of the Southwark Conversation were used to update our Social Regeneration Framework. Core Principles of the emerging framework have been developed in recent months:
- life opportunities, good health and well-being for all
 - communities and future generations
 - reducing inequalities.

Canada Water Masterplan Social Regeneration Charter (British Land)

8. On 13th March 2018, Cabinet endorsed the four interwoven themes set out in British Land's Canada Water Masterplan Social Regeneration Charter. These priority areas focused on education, employment, health and community:
- A place to learn and grow
 - A place to work
 - A place to be healthy and happy
 - A place to belong
9. [The British Land Social Regeneration Charter](#)¹ was submitted as part of the Canada Water Masterplan outline planning application. The document sets out BL's intention to ensure that the physical changes go hand in hand with social, health and economic benefits for those living, working and spending time in and around the Canada Water area. The charter document will not be formally approved as part of the regulatory process but serves to support the planning application. This document has informed the development of the Council's SRC and the two will be further aligned to form a joint, working, charter over the coming months.

Canada Water Context

Canada Water Area Action Plan 2015

10. In November 2015 following an extensive programme of consultation the council adopted the [Canada Water Area Action Plan \(CWAAP\)](#)² which will guide development in the area in the period up until 2026. The CWAAP identifies that the "focus of development within the AAP will be a core area around Canada Water" and that this area is most suitable for more development and change due to its character, public transport accessibility, and opportunity and capacity for growth.
11. The Rotherhithe peninsula was transformed during the 1980s and 1990s with over 5,500 new homes built during this period along with the shopping centre and the Harmsworth Quays Print Works. Through the CWAAP, a second opportunity to

¹ <http://www.canadawatermasterplan.com/wp-content/uploads/2018/05/Masterplan-Social-Regeneration-Charter-May-2018.pdf>

² <https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plans>

regenerate the area (see Appendix 2) including the substantial amounts of surface car parking, the out-of-town style shopping and entertainment facilities to create a new town centre for Rotherhithe and for Southwark is recognised and supported.

Canada Water Masterplan and Master Development Agreement

12. In March 2018, Cabinet agreed to enter into a long-term partnership with British Land, (MDA) to combine existing property interests within this core area to deliver a masterplan which is consistent with the scale and ambition established by the CWAAP. The agreement covers three main sites with the ability include other land in time: the former Print Works, the Surrey Quays Shopping Centre and, the Mast Leisure Centre. All land is owned freehold either by the Council or BL and all of the Council freehold land (other than some small sections of amenity land and highway) is occupied by BL under a number of long leases.
13. Following the exchange of a conditional agreement in May 2018, British Land subsequently submitted an outline and detailed phased application, which subject to planning seeks permission for a maximum total development of up to 656,050 (GEA sqm). This quantum of development is proposed to be allocated across 12 development zones.

Baseline Research

Local engagement - British Land

14. In parallel to the CWAAP being developed, British Land has been engaging with the local community on the masterplan formally and informally, including via the consultation process since 2014, forging stakeholder relationships, commissioning socio-economic research and with their own community investment programme. Through this work which over 5,000 individuals have been engaged with, BL has grown strong links with a range of community organisations, helping to inform their understanding of local priorities and providing an evidence base for the development of the CWSRC.
15. Key themes to emerge have been around ensuring the masterplan creates a place for everyone, respecting and reflecting local heritage and environment and ensuring provision of social infrastructure to support the new and existing population.

Socio-economic research - Social Life (commissioned by British Land)

16. At the end of 2017, British Land commissioned Social Life³ to look at the social and economic conditions in the community around the masterplan area and develop a baseline of research, as requested by the Council in the September 2017 cabinet report.. This research included both secondary and primary data collection, and reinforced several of the themes which arose through the wider, and ongoing consultation, alongside some new. This work complemented the ongoing BL consultation feedback which helped inform the social regeneration priorities for the area.
17. Social Life are a social enterprise specialising in research exploring how people are affected by changes in the built environment.

³ <http://www.social-life.co/>

18. Street surveys and stakeholder interviews were carried out, which explored in-depth perspectives on the area from those who work locally, or participate in local organisations. This was an initial benchmarking exercise to establish a picture of local conditions and set a baseline from which indicators can be used to measure success, monitor progress and understand impacts of the substantial changes to the Canada Water area over time.

A small extract of the findings:

- Strong levels of satisfaction with the local environment, in particular the area's green spaces and waterways, as well as the peace and quiet associated with the peninsula. Southwark Park is highly valued by local residents.
- High levels of childhood obesity, this echoes wider trends in the borough. Rotherhithe ward has slightly higher levels than Surrey Docks ward (Ward Profile, 2016).
- Isolation is considered a key health issue which particularly affects the elderly population. It is said to be exacerbated by poor transport connections around the peninsula, as well as the displacement of younger generations due to rising housing costs. In addition some young professionals with few connections in the area are also said to be at-risk or experiencing isolation.
- High levels of belonging, stronger than in comparable areas. Short-term residents tend to have a slightly lower sense of belonging.
- Complex and multi-layered divisions within the community – the often repeated notion of “us” and “them” refers to many different actors and groups.
- The area's past is very important to some residents with high levels of interest in local history. However, there are different narratives around the area's heritage and meanings of ‘the past’.
- Employment categories differ between the two wards. Surrey Docks ward has a higher proportion of residents in high level occupations and lower proportion of elementary and skilled trades occupations, compared to Southwark and London. Rotherhithe ward is more in line with borough averages. This is also reflected in the levels of educational qualification within the wards.
- Around a quarter of respondents considered themselves to be working locally, however the majority of residents feel there are no local job opportunities, or that opportunities are limited to low-paid sectors such as retail and hospitality. Approximately half of residents who do not already work locally would like to do so.

Extract from Social Life socio-economic baseline key findings January 2018

Local Engagement – Southwark Council

19. The Southwark Conversation was carried out between October and December 2017. 3,000 people took part in the Council's most far-reaching consultation, asking residents how they feel about change in our borough. 564 respondents (20%) were from the Bermondsey & Rotherhithe Community Council Area, whose responses are set out below. An [initial report](#), setting out the key themes was published in March 2018.⁴

⁴ <http://www.southwark.gov.uk/engagement-and-consultations/have-your-say/community-conversations/southwark-conversation>

- **'Housing'** together with **'public realm'** and **'transport'**, were themes most frequently associated with change in the borough and improving people's living experience.
- **'Public realm'**, **'transport'** and **'things to do'** were all mentioned as important in response to what the council can do to support people to live healthier lives.
- **'Education'**, **'services & activities'** and **'employment & training'** were seen as most important in supporting future generations and **'community'** was the biggest factor in making a place a good neighbourhood to live in.
- In Bermondsey and Rotherhithe, 66% of respondents feel wholly or partly positive about change in the borough and 53% feel they have personally benefitted from change
- Nine main themes were identified in the overall analysis of responses but some were mentioned more than others
- Engagement and communication are seen as most important in actively involving local people in change
- People like the approach of the Southwark Conversation

Evidence Base (Canada Water Area Action Plan)

The adopted CWAAP is based on a number of studies and documents used to support the policies and plans set out in the document. These are a combination of area-specific and borough wide studies on design, heritage and character, economy, employment and business, health, housing, infrastructure, transport and viability. These reports can all be found on the Council website.

The following area-specific studies form part of the CWAAP evidence base:

- Canada Water public realm improvements study (2009)
- Canada Water public realm improvements study (2009)
- Canada Water AAP Business and retail background paper
- Canada Water AAP SINC's background paper (2011)
- Canada Water energy study (2009)
- Canada Water housing background paper (2014)
- Housing development capacity assessment (2011) Canada Water
- Housing requirement study (2009) - Bermondsey and Rotherhithe
- Affordable Housing SPD (2008)
- Southwark affordable rent study December 2017
- Canada Water Infrastructure background paper (2014)
- Canada Water utilities infrastructure strategy (2009)
- Rotherhithe multi-modal development impact study (2010)

Priorities – investment and initiatives

Council's Investment Plan

20. The council is investing over £300m in Rotherhithe and Surrey Docks wards. A snapshot of current and planned council investment is shown in Appendix 3. Please note the assumptions made in presenting this current and pipeline cross-departmental investment.
21. The priorities include capital programmes ('hardware') such as housing delivery, school expansion, public health programmes, LIP highways improvement, and grant programmes ('software') such as Cleaner Green Safer and Voluntary and Community Services to deliver community outreach projects in the area. As the masterplan progresses, it is intended that additionality is created through the CWSRC and details of these initiatives and programmes could evolve and be enhanced in terms of investment and outcomes.

Housing & the Great Estates Programme

22. The Housing and Modernisation Investment Planning Team, Housing and Modernisation team have a comprehensive delivery programme for the area spanning up to 2026. This comprises committed investment of £84m for Direct Delivery sites and homes within the Quality Housing Investment Programme (QHIP). £35m of this investment is has either been approved by Planning or is in pre-Planning stages. £49m of this investment is programmed into annual pipeline delivery programmes. The housing estates which make up this programme include:

Estates included in the Quality Housing Investment Programme (Rotherhithe and Surrey Docks wards)	
Rotherhithe ward	
	i. Kirby Estate
ii. Abbeyfield Estate	iii. Millpond Estate
iv. Adams Gardens Estate	v. Neptune Street Estate
vi. Ainsty Estate	vii. Orange Place
viii. Albion Estate	ix. Pedworth Estate
x. Albion Street	xi. Plough Estate
xii. Aylton Estate	xiii. Pynfolds Estate
xiv. Balman House	xv. Renforth Street
xvi. Blick House	xvii. Risdon House
xviii. Bradley House	xix. Silwood Estate
xx. Brunel Estate	xxi. Slippers Place Estate
xxii. Canada Estate	xxiii. Southwark Park Road
xxiv. Cathay House	xxv. St Marys Estate
xxvi. Courthope House	xxvii. Swan Road Estate
xxviii. Frankland Close Estate	xxix. Tissington Court
xxx. Gomm Road	Surrey Docks ward
xxxi. Haddonfield Estate	xxxii. Surrey Downtown Estate
xxxiii. Hawkstone Estate	xxxiv. Osprey Estate
xxxv. Henley Close	xxxvi. Plough Way
xxxvii. Howlands Estate	xxxviii. Rotherhithe Street
xxxix. Irwell Estate	

23. The Great Estates programme presents a new way of talking about, thinking about and making decisions about our council estates, as part of a new contract where the council and estate communities can come together and work together to make sure all Southwark estates are great estates. The Great Estates programme will make clear that – our first instinct will always be to expand and enrich our existing estates. We will:
- Expand the numbers of council homes through our new homes programme identifying suitable infill plots to rehouse local people on our housing register.
 - Enrich the shared living environment of our estates, working closely with residents to engender a sense of pride of place through day-to-day repairs and maintenance decision as well through more wide-ranging estate improvement plans.
24. Under our Great Estates Guarantee we will work with tenants to develop a new set of standards and guarantees for day-to-day management and maintenance of housing services. The basis of this commitment is that our estates are clean, safe and cared for.

Economic Wellbeing

25. The partnership between the Council and British Land to fulfil the Canada Water Masterplan provides a key opportunity to examine and develop localised skills and employment provision. A development of this size, ambition, and strategic value will be held to the employment standards of the Section 106 Planning Obligations and Community Infrastructure Levy (CIL); Supplementary Planning Document (SPD). British Land is well placed to develop a bespoke employment plan to meet these requirements. Details are still sub
26. The delivery and occupation of the masterplan will generate significant employment opportunities in both the construction and end phases of the build over the next 15-20 years. The targets for supporting previously unemployed local residents into sustained employment as set out in the Council's S106 and CIL SPD (2015) are ambitious, and for the illustrative masterplan generate a target of around 3,600 people into sustained work, and around 400 apprentice or NVQ starts. The details of the developments contribution to supporting local employment are being finalised and will be captured in the S106 agreement. These are significant outputs and contributions and are in addition to the employment outcomes that will normally accrue for such a scheme. As such, the Council should continue to apply and enforce its s106 policies across the lifetime of the Masterplan and anchor the principles of economic legacy into specific and quantifiable outcomes.
27. We estimate that approximately a quarter of Southwark residents using Southwark Works and the Southwark Construction Skills Centre are from the Bermondsey and Rotherhithe Community Council area. For the last Council Plan period (2014-18), we can estimate an investment of approximately £1.5m in Southwark Works in direct support of these specific residents.
28. We also estimate that for the lifecycle of the Skills Centre (from June 2016), in partnership with Lendlease, we have invested approximately £250,000 of capital and revenue costs along with governance and oversight from Cabinet members and senior strategic officers, in direct support of these specific residents.

Education

29. Our regular report on school places need in the borough was published in October for Cabinet. This report is based on up to date projections on housing and population growth which supports the requirement for expansion in the Bermondsey and Rotherhithe area. This includes 1 x new FE required in Rotherhithe Primary School (expansion).
30. We are working with British Land to establish the specific school place requirements as a result of the Canada Water masterplan. This is still very much an ongoing conversation. 2FE primary school places and up to 2FE secondary school places as an approximation will likely be accommodated through existing school expansions in the area.
31. The Council has been working with local schools to establish a programme to ensure the provision of sufficient places to meet identified demand at primary, secondary and sixth form levels. There is a £20.1m programme committed which will include:
 - I. Cabinet- approved proposals to rebuild Rotherhithe Primary school increasing capacity from 2 to 3 forms of entry. The new building is scheduled for occupation in time for the new academic year in September 2021.
 - II. Cabinet-approved plans to increase the capacity of Redriff Primary school from 2 to 3 forms of entry.
 - III. Alfred Salter Primary School identified in the December 2017 Cabinet Place Planning report as having capacity to increase from 2 to 3 forms of entry. Further design work is now being undertaken to take this plan forward in consultation with the school.
 - IV. CoE Peterhills Primary School has been identified as potentially having capacity to increase from 1 to 2 forms of entry.
32. British Land are proposing to construct a new sixth form within the masterplan area. The construction of this facility would enable Bacon's College to expand secondary provision by 2 forms of entry.

Public Health

33. The local Clinical Commissioning Group (CCG) estate strategy identifies Canada Water as a location for a second tier "support hub", alongside Surrey Docks Health Centre. The aim would be for this centre to complement more complex services offered from a health hub at Old Kent Road. Currently this proposal is dependant on securing S106 funding from the Sellar and King's College developments, as well as from British Land and NHS capital.
34. The CCG has indicated that up to 2,000-2500 sq.m of floor space for a hub could be required to meet the wider strategic needs of the Canada Water area. While preferred sites will be identified within the application, the CCG require flexibility as to the final preferred location in order to ensure that the timing and delivery of the facility can fit demand for healthcare and future funding scenarios. The timescale will be determined by the location of the proposed hub and whether the Albion Street surgery is included.
35. Other public health priorities for the area have been identified as:

- Mental health and wellbeing
- Childhood obesity (current services include free school meals, Breastfeeding welcome scheme, healthy weight services)
- Sexual health

Culture

36. The Culture & Events team manage and deliver a range of projects spanning the arts and culture, libraries, youth and heritage. Local arts organisations and cultural events are currently supported by investment commitments totalling £395,000 per annum. London Bubble, Café Gallery Project (Southwark Park) and the Canada Water Culture Space are supported through grants commissioned totalling £210,000. Another £185,000 of investment supports the area's ongoing community cultural events - Bermondsey Carnival, Rotherhithe Festival and Southwark Fireworks Night. One-off special projects such as Mayflower 400 and the Independent academic research studies (IARS) Youth Commissioning Grant are also supported through this programme of investment.

Environment, Parks and Leisure

37. £6.5m of spend has been committed to Surrey Docks and Rotherhithe wards which includes refurbishment of the Southwark Park athletics centre, the creation of a new park pavilion and café and investment in the South Dock Marina infrastructure. In addition to this The Council's Cleaner Greener Safer programme has invested over £0.5m worth of grant funding for street planting, school signage, cycle hangars, lighting and sports/play improvement projects.

VCS

38. The Council's Community and Voluntary Sector (VCS) Engagement team works with Southwark's thriving VCS that reflects the diversity of the borough. 'Common Purpose Common Cause', is the VCS strategy for Southwark which was launched in 2016, in partnership with the local VCS and Southwark Clinical Commissioning Group(CCG). Its aim is to support a sustainable, confident and resourceful VCS that can work alongside the public and private sector to deliver the best outcomes for Southwark residents.
39. To improve the wellbeing of Southwark's communities the Southwark Common Outcomes Framework (SCOF) 5 was developed with partners and approved by Cabinet in October 2017. The framework sets out outcomes for how Southwark's communities can be safer, healthier, more engaged, greener and more vibrant. It links council commissioning to the Fairer Future ambitions with a greater focus on outcomes for residents.

The VCS Engagement team fund:

- Community Advice Services
- Common Purpose grants including Environment and Ecology
- Healthwatch
- Independent Health Complaints Advocacy

⁵ <http://www.southwark.gov.uk/engagement-and-consultations/grants-and-funding/voluntary-and-community-sector-support?chapter=2>

- Black History Month
 - London Councils Grants Programme
 - Council for Voluntary Services
40. Current projects in the area include over £80,000 of grants funding local organisations Time and Talents, Surrey Docks Farm, a music project for young people at Canada Estate TRA and IT courses for older people at St Helena & Oldfield TRA.

British Land Investment (Canada Water Masterplan Summary)

Overview

41. The CWM envisages a large quantum of development across 12 development zones. It is a comprehensive regeneration of 23 hectares of land which will take place over a 15-year period. The plan is structured around two principal new routes which will ensure the site is well connected to the surrounding existing neighbourhoods as well as enabling the phased redevelopment of the area by defining individual development plots.
42. The masterplan is predominantly mixed-use and includes significant new employment space which has the capacity to be home to 20,000 jobs. The plan also allows for around 3000 new homes to be developed together with new shops, leisure and public facilities. The overall approach will be capable of delivering an urban town centre with a series of distinctive character areas including significant tall buildings and a range of urban spaces, as envisaged by the CWAAP.
43. There is the potential to secure significant numbers of new affordable homes including council homes as the scheme is implemented. BL are contractually required to deliver affordable housing in line with council policy for the first phase of the scheme.

Phase 1

44. Phase 1 will cover three plots: A1, A2 and K1. Plot A1 is mixed use development comprising 186 homes including market and affordable intermediate, B1 office/workspace and retail. Plot A2 is a ground plus 5 storey building which will accommodate the proposed Council public leisure centre with B1 office/workspace. The facility is planned to be constructed before Seven Islands is closed, ensuring continuity of service which has been a Council objective from the outset. The new facility incorporates an 8-lane 25m pool, a 4-court sports hall, gym, dance studios, soft play area and a foyer space/cafe. The majority of the affordable housing within Phase 1 is planned to be delivered on plot K1, Roberts Close, currently planned to accommodate 79 units.

Transport

45. The GLA, the Council and British Land have been jointly working to develop measures to relieve potential transport impacts at both strategic and local levels. Currently we are in the process of bidding for up to £76m of investment from Central Government to increase the number of trains on the East London Line and to upgrade Surrey Quays station. BL will also be required to provide a package of mitigation in relation to the impact on the transport network at Canada Water. The masterplan principles support

and encourage walking, cycling and bus usage with designs including new pedestrian and cycling routes and facilities with high quality new public realm.

46. Appendix 3 includes the £20.5m of current and pipeline programmes being delivered by the Council's Highways team. Programmes are largely annual and based on either the Council's legal requirement (Highways Act, 1980). Some schemes can stretch beyond a single year – and these are typically funded in part by TfL: either directly for Quietways or via the Local Implementation Plan (LIP). S106/CIL schemes generally deliver specific infrastructure to offset development and are not limited by year.

Canada Water Place Action Plan

Place Plan Priorities

47. The Canada Water Place Action Plan (CWPAP) is a plan outlining how we will implement the objectives for the area set in the New Southwark Plan (NSP), the Canada Water Area Action Plan (CWAAP) and the Canada Water Social Regeneration Charter (CWSRC). The CWPAP will detail the appropriate governance, funding and delivery structures as well as identify indicators which will be used to measure progress and success. Given the 15-20 year period over which the masterplan delivery will happen, it is natural that the CWPAP will evolve over time and should retain flexibility to respond to changing market, environment and policy and delivery conditions.
48. In looking at the joint work carried out so far: Council and BL baseline research and local engagement, evidence-based priorities of the CWAAP, the Council's own investment programme and the outcomes which will be delivered by British Land through the masterplan, five action areas have been identified as Place Action Plan priorities These are:
- Mental health - outreach and raising awareness
 - Projects for young people – ‘things to do’, tackling social isolation
 - Great Estates Programme – expanding and enriching our estates to make every estate a great estate
 - Employment and Skills – training, apprenticeships, jobs for local people
 - Supporting enterprise – capacity building for local traders

These CWPAP priorities have been aligned with BL's four priority areas: (A Place to Learn, A Place to Grow, A Place to be Happy and Healthy and a Place to Work) and the 8 Council Plan Priorities.

Investment Plans – Southwark Council and British Land

49. A range of individual projects and interventions will be designed and targeted to meet identified outcomes including:
- Capital investment such as the leisure centre, a new park, quality public realm, and new education and health facilities – which may be captured in the masterplan planning application/section 106, or delivered directly by the Council (Southwark Council planned investment including grant-funded and capital programmes currently stands at c.£359m in Surrey Docks and Rotherhithe Wards between 2016-26. See Appendix 3).
 - Employment and Training programmes and targets agreed through the planning process and detailed in the masterplan Section 106 and those for subsequent Reserved Matter Applications. BL will adopt the existing Section 106 Planning Obligations and Community Infrastructure Levy (CIL); Supplementary Planning Document approach and requirements for E&T in terms of agreeing target employment, training and apprenticeship outcomes with penalties applied for non-achievement. LBS would consider alternative delivery options and, both parties accept that working together it should be possible to bring forward

innovative delivery solutions within the framework set by the Section 106 Planning Obligations and Community Infrastructure Levy (CIL); Supplementary Planning Document.

- A range of tangible and 'pilot' projects – including meanwhile uses, business rate retention pilots and separate London Living Wage commitments from end use occupiers.
 - Project development/allocation as appropriate and in line with the PAP priorities and Council Plan - following discussion with Southwark Council, BL, stakeholders and funders/funding sources.
 - The programmes and priorities identified in the CWPAP will be delivered through the Council's capital programme, British Land's Community Investment Programme and other delivery mechanisms and resources which are yet to be determined.
 - As an example, BL and the council have discussed the creation of a long term plan for Southwark Park and Russia Dock Woodland which could include a vision and spatial and thematic plans for each park which would include but not be restricted to: sports; play; youth; ecology and events. This should be developed with stakeholders and will provide a framework for future developments and funding decisions. The development of such a plan will ensure a joined up approach and secure the future of our important open space assets.
50. Further social programmes and activities such as those focused on arts, health and wellbeing would be funded via various external sources including: grants, New Homes Bonus, CIL, Council funding sources such as CGS, and some other development related receipts e.g. the Sustainable Places Fund

Governance, Local Delivery Partners and Mechanisms

51. The general governance aspirations of the CWSRC and CWPAP will be built around transparency & accountability for activities, outcomes and funds, and ongoing dialogue with affected communities/local stakeholders. They should emphasise the importance of periodic review and evaluation to meet changing circumstances and allow programmes to be adjusted to ensure projects continue to deliver outcomes.
52. A joint governance structure and steering group will be established including representatives from BL and the Council.
- Discuss and agree priorities and ambitions informed by consultation with stakeholders and residents.
 - Agree the allocation of the additional charter investment made by BL (which is over and above the E&T contributions required by the 2015 Section 106 Planning Obligations and Community Infrastructure Levy (CIL); Supplementary Planning Document)
 - Set project funding, contracting and delivery approaches
 - Set project monitoring/reporting mechanisms to track progress against indicators
 - Commit resources to support delivery, reporting and management

- Source and secure additional funding e.g. third party sources
 - Oversee E&T delivery and make recommendations on the programme at review points which will be considered by the Planning Authority.
53. Together with ongoing stakeholder engagement, network building and British Land's community investment (allocated via BL's Community Investment Committee) have informed the CWM's legacy strategy, the predecessor to the outline Social Regeneration Charter submitted with the planning application. This focused on the four themes of education, employment, health and community. Since 2017, alongside substantial longer term community investment, British Land have been invested in several substantive pilot programmes around these legacy themes, seeking to address key local issues, and link to future opportunities arising from the masterplan.
54. BL have supported a number of local organisations and programmes through these pilots such as educational charity Global Generation, Printworks music and cultural venue, Time and Talents (T&T2 initiative), Tree Shepherd's Start Your Own Enterprise courses, the Young Farmers Club at Surrey Docks and London Bubble's Young Theatre Makers.
55. Appendix 5 document outlines the projects BL have supported to date under each of the Charter themes as set out in para 8.
56. The PAP identifies delivery mechanisms for individual projects including the accountable body for funding/contracted partners who will be responsible for delivering projects
57. It is anticipated that an additional contribution to for the delivery of the CWSRC over and above the Employment and Training contributions and associated investment will be agreed through the planning process and secured through the S106 agreement, to include monitoring (including indicator reviews), management and reporting costs to support delivery. This is subject to ongoing discussion and negotiation.
58. A joint governance structure and steering group will be responsible for agreeing the allocation of this additional charter investment made by BL and will set individual project funding, contracting and delivery approaches.

Monitoring and Draft Indicators

59. The Council has been working to establish a suite of high level KPIs for the Southwark Regeneration Framework. Where possible these build on existing plans, strategies & indicators; measure differential impacts; and balance qualitative and quantitative indicators. The recommissioning of the Resident Survey will confirm what can be measured at a local level. The table below shows the current draft indicators and their alignment with Council Plan and the Southwark Common Outcomes Framework (SCOF). The work undertaken by Social Life included the development of draft, place-specific indicators for the masterplan. These will be aligned with the Council's own Social Regeneration framework over the next few months to generate indicators for Canada Water.

Council Plan Priority	Indicators	SCOF alignment
A healthier life	Healthy life expectancy	Healthier Communities
	Healthy neighbourhoods index	Healthier Communities
	Social isolation	Healthier Communities
	Young people's emotional health	Healthier Communities
	Physical activity	Healthier Communities
	Childhood Obesity	Healthier Communities
A place to belong	People feel able to influence local decisions	Engaged Communities
	Residents regeneration satisfaction	Engaged Communities
A full employment borough	People who Volunteer	Engaged Communities
	Working Standards	Vibrant communities
	Affordable workspace	Vibrant communities
	Employment	Vibrant communities
	Apprenticeships	Vibrant communities
A safer community	Getting on well with neighbours	Safer communities
	Perception of safety	Safer communities
A vibrant Southwark Council	Poverty	
	Digital connectivity	Engaged Communities
	Access to culture	Vibrant communities
A great start in life	NEETs	Vibrant communities
	Progress 8	Vibrant communities
A place to call home	Satisfaction with local area	Vibrant communities
	Genuine housing affordability	Vibrant communities
A greener borough	Air Quality	Greener communities
	Publicly accessible space	Greener communities
	Movement	Greener communities

Timescales

60. The masterplan will be delivered over 15-20 years. Inevitably economic conditions, technology, the policy environment, partners, resources and priorities will change over this long period. It is essential therefore that both the Charter and Place Action Plan retain flexibility to respond to these dynamics. It follows that there will need to be robust and ongoing community engagement throughout the life of the programme in order to engage local stakeholders, identify issues early, and facilitate effective responses. The Cabinet Report therefore focuses on setting out the principles, programmes and delivery mechanisms that are intended to guide the development of the CWSRC and CWPAP over the next few years.

APPENDIX 2: MAP OF CANADA WATER AREA & AERIAL VIEW OF MASTERPLAN

Canada Water masterplan site



Aerial View of Masterplan site

£335m

Cross-Council investment in Surrey Docks & Rotherhithe 2016-26

grouped under British Land Social Regeneration Charter categories

£20.1m Regeneration Capital

Rotherhithe Primary School permanent expansion
Redriff Primary temporary expansion

A place to learn and grow

Community & Vol. Sector Engagement £0.83m

Bede House Community Capacity
Time & Talents Community Capacity
St.Helena & Oldfield IT course
Canada Estate Music Project
Surrey Docks Farm Staffing costs

£5.5m Environment (CGS)

Street planting, public realm, gardening, and sports/play improvement projects such as installation of cycle hangars, lighting and school signage.

A place to belong

Regeneration Capital Projects £111m

South Dock Marina
Albion Civic Centre
Former Albion School

£3.95m Culture & Events

supporting:

London Bubble Theatre
Cafe Gallery Project (Southwark Park)
Canada Water Culture Space
Mayflower 400

Rotherhithe Festival
Bermondsey Carnival
Southwark Fireworks
Youth Research Grant (IARS)

Housing & Modernisation £83.7m

Direct Delivery (6 sites)
Quality Housing Investment Programme

£6.5m Environment (Parks & Leisure)

Southwark Park Pavilion & Cafe
Southwark Park Athletics Centre refurbishment
South Dock Marina Infrastructure

A Place to be Happy & Healthy

Regeneration North £35.8m

Canada Water Leisure Centre
Lower Road Shopfronts & Public Realm
Albion St Wayfinding

£20.5m Highways

Lower Road Gyratory
Quietway 14
Quietway 14 Extension
Salter Road 20mph
Controlled Parking Zones
Principal and Non-Principal Road investment
Minor highway improvements
Cycle Hire Scheme expansion

Clinical Commissioning Group £15m

Health hub

Public Health £26m

Childhood obesity
(free school meals, breastfeeding schemes & healthy weight services)
Sexual health
Mental health and wellbeing

£5m Local Economy

Southwark Works
Skills Centre

A Place to Work

Regeneration North £0.1m

71-75 Albion St affordable workspace

APPENDIX 3 - ASSUMPTIONS – CROSS DEPARTMENTAL PROJECTS AND INVESTMENT

In order to present these figures as a coherent snapshot of current and planned council investment some assumptions have been made:

1. Department programmes vary greatly in duration and ways of investment. Capital programmes such as Housing Direct Delivery and Estate Investment (Quality Housing Investment) are delivering programmes scheduled as far as 2026.
2. For grant-funded programmes operating on a single financial year basis, e.g. Public Health, Culture, Cleaner Greener Safer – the current year's spend has been multiplied by a factor of 10, **assuming the current level of grant stays the same** over a 10-year period. This allows comparison (shorter than the life of the CW masterplan).
3. Areas whose annual grant has been multiplied by 10 are:
 - Environment Cleaner Greener Safer (2018/19 £0.55m)
 - Housing & Modernisation (Communities) (2018/19 £0.08m)
 - Public Health (2018/19 £2.6m)
 - Culture & Events (2018/19 £3.9m)
4. The total public health grant per head in Southwark for 2018-19 is £27.5M. A simple **assumption of equal spend per head across the borough**, gives an estimated spend per head of £84.77. This has been applied to the populations for Surrey Docks and Rotherhithe wards, giving a £2.6m spend for the two wards for 2018/9. Assuming the same level of grant over a ten year period gives £26m.
5. The CCG proposal for a new Health Hub is estimated at £15-20m to build a standalone centre, or £10-15m for shell and core space on which we would be paying rent. Funding is dependant on securing S106 funding from the Sellar/Kings developments, as well as British Land and NHS capital contributions.
6. Projects and programmes have been grouped by Council Fairer Future Promises and by the 'Principles' in the British Land CW Social Regeneration Charter. Programmes are cross-cutting by nature and **these groupings could be presented differently**.

APPENDIX 4: MAP OF ALL COUNCIL INVESTMENT IN SURREY DOCKS AND ROTHERHITHE

A Place to Learn & Grow

- 1 Rotherhithe Primary School
- 2 Redriff Primary School
- 3 Bede House Community Capacity
- 4 Time & Talents Community Capacity
- 5 St. Helena & Oldfield IT Course
- 6 Canada Estate Music Project
- 7 Surrey Docks Farm Staffing

A Place to Be Happy & Healthy

- 1 Southwark Park Pavilion & Cafe
- 2 Athletics Centre Refurbishment
- 3 South Dock Marina Refurbishment
- 4 Lower Road Gyrotory
- 5 Quietway 14
- 6 Salter Road 20mph
- 7 Canada Water Leisure Centre
- 8 Lower Road Shopfronts
- 9 Albion St Wayfinding

A Place to Belong

- 1 London Bubble Theatre
- 2 Cafe Gallery Project
- 3 Canada Water Culture Space
- 4 Mayflower 400
- 5 Rotherhithe Festival
- 6 Bermondsey Carnival
- 7 Southwark Fireworks

A Place to Work

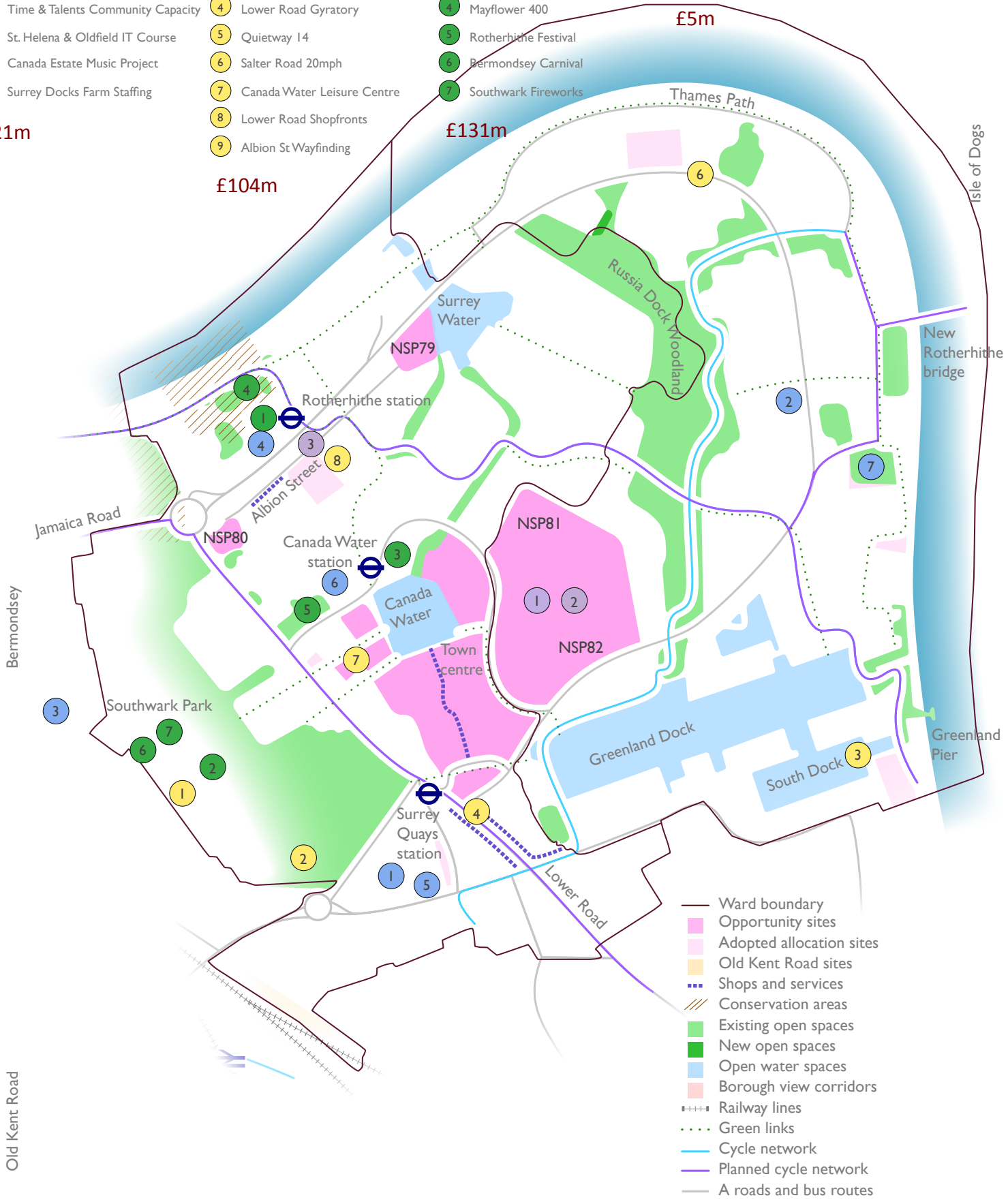
- 1 Southwark Works
- 2 Construction Skills Centre
- 3 71-75 Albion St workspace

£21m

£104m

£131m

£5m



- Ward boundary
- Opportunity sites
- Adopted allocation sites
- Old Kent Road sites
- Shops and services
- Conservation areas
- Existing open spaces
- New open spaces
- Open water spaces
- Borough view corridors
- Railway lines
- Green links
- Cycle network
- Planned cycle network
- A roads and bus routes

APPENDIX 5 BRITISH LAND SOCIAL REGENERATION TRACKER

Canada Water Social Regeneration Charter: How the masterplan is delivering on the Charter ambitions
DRAFT, SUBJECT TO PLANNING

This document outlines how the Canada Water Masterplan will deliver the ambitions of the Social Regeneration Charter. The Masterplan can support the aims of the Charter through a variety of means, for example, physical development, social infrastructure, community projects and initiatives. This document therefore also incorporates the mechanisms for securing the Charter objectives as well as likely timescales for delivery. Many elements will be secured via the planning application itself, and this is noted where appropriate, others would be secured through British

Land's policies, charters and local investment, and their approach to management of the site. This list is not exhaustive and will continue to evolve as the Masterplan progresses. As the application has been submitted but not approved, these elements should be considered subject to final planning approval.

This document also provides examples of local projects and initiatives that British Land has contributed to in the past, which could inform how future investment is directed.



Schools, organisations and businesses work together to support people of all ages to learn; creating pathways to employment and opportunity for all

Element	Mechanism to capture	Timeframe for delivery
Promote future skills growth, training and pathways; working with other developers and borough assets		
Apprenticeship/NVQ targets for construction and at operational use including within property management across a range of ages.	Planning application - S106 obligation	From Phase 1 - First detailed plots - and ongoing
Exploring joint working with other developers to maximise employment and training opportunities and onwards progression.	Ongoing management approach / Planning applications - provision within the S106 for joint working	Present day onwards
Built environment and construction education partnerships with expert organisations such as the Southwark Construction Skills Centre, and long-term engagement programmes will raise awareness of and interest in opportunities in built environment careers in creative ways, incorporating initiatives from regular site and team visits for local students to curriculum based learning.	British Land Community investment	From Phase 1 - First detailed plots - and ongoing
Strengthen and connect local education		
Contribution towards the expansion and improvement of a local Primary School to accommodate the demand created by the masterplan.	Planning application - S106 obligation	Tied to delivery of homes
Provision of a sixth form facility within the Masterplan.	Planning application - S106 obligation	5-15yrs Dependent on demand, phasing and programme
Potential for a Higher Education facility to locate in CWM.	Planning application - Flexible parameter plans	5-15yrs
A Community Hub will be located within the new Park which could include an educational facility, a community garden, a café or meeting/event space.	Planning application - Public Realm Design Guidelines	5-15 years
Broker links between future occupiers and local education establishments for example for volunteering and partnerships.	Ongoing management approach	5 years onwards
Enhancements to the Dock SINC and the Dock link will promote education by allowing greater integration and interaction with local wildlife and ecology. Interpretation boards covering ecology and local history could be incorporated into the Dock.	Planning application - Public Realm Design Guidelines	5-15 years
Support positive futures for young people		
The potential to deliver up to 45,650 sq m GEA of D1 use, which could include youth and or/community facilities including 500sqm community use space.	Planning application - Development Specification	5-15 years
School related projects linked to construction and/or end-use e.g.: Poems in paving / Hoardings to engage about local heritage and other themes.	British Land Community investment	From Phase 1 - First detailed plots - and ongoing
Engage future occupiers and suppliers within the masterplan area to support local young people -for example through schools/youth facility partnerships, by providing work experience placements or mentoring.	Ongoing management approach	5 years onwards
Investment in delivering these ambitions to date includes: - The National Literacy Trust Young Readers' Programme- since 2012/13: this programme has engaged over 1,500 local primary school pupils. - The Paper Garden powered by Global Generation, in the Printworks – since 2016: over 1,000 local residents have participated - Surrey Docks Young Farmers Club – since 2010 - Edible Rotherhithe – Pilot in 2018 - Urban Plan UK– since 2015: programme with 30 yr 12 students engaging in careers in the built environment through a hands-on workshop with British Land volunteers - Pathways to Property– since 2013 - Career Ready Southwark – since 2016 - Supporting local schools through providing governors, work experience placements, paid internships, attendance at Southwark Careers fairs, shadowing days etc including via British Land's Consultants' Charter		

A place to be
happy &
healthy

People enjoy a healthier, happier quality of life in a safe place that connects them to other people, to nature and to active living

Element	Mechanism to capture	Estimated timeframe for delivery
Enhance local built and natural environment and community safety		
A range of new public streets and spaces including a new Town Square, a new public Park.	Planning application - Parameter Plan 07003	5-15 years
A minimum of 29% of the masterplan as accessible open space.	Planning application - Parameter Plan 07003	5-15 years
The replanting of a minimum of 684 new trees in the public realm, and on Surrey Quays road and Quebec Way.	Planning application - Tree Strategy and S106	5-15 years
A green infrastructure strategy which will deliver significant ecological benefits.	Planning application - Public Realm Design Guidelines	5-15 years
Enhancing the area's built heritage assets, including the setting and integration of the former Dock Offices with investment in a new community square adjacent	Planning application - Proposals for Plot A1/A2 - secured by permission and S106	Phase 1 - First detailed plots
A Security Strategy for the entire masterplan will be secured by condition. This Strategy will include details of CCTV surveillance, design measures to enhance safety and security as well as security staff/wardens. The Development will follow secure by design principles, and the town centre car parking facilities will be designed to Park Mark standards in order to ensure that safe and welcoming places are created.	Planning application - Planning condition	5-15 years
Enhancements to the Canada Water Dock wetland habitat will deliver significant ecological benefits for the local, natural environment.	Planning application - Public Realm Design Guidelines	Phase 1 - First detailed plots
The area will be managed by British Land's Property Management department to ensure that the Town Centre is a welcoming, inviting and safe place. An Estate Management Plan will secure details of how the area will be managed and maintained.	Planning application - Planning Condition	5-15 years
The Masterplan will make provision for a Police Hub, subject to the requirements of the MET police.	Planning application - S106 Obligation	5-15 years
Community Infrastructure Levy (CIL) payments to Southwark Council totalling around £60m across all phases provide a source of borough-wide (strategic) and local funding for local infrastructure and capital projects for example playground improvements and neighbouring estate improvements.	Planning application - CIL payments	5-15 years
CWM contractors to score at least 40 in Considerate Constructors to ensure a safe and well managed site which minimises local disruption.	British Land Sustainability Brief for Development (available online)	From start on site
The Masterplan's Public Art strategy will include localised public art to animate key spaces drawing on local knowledge and ideas to create.	Planning application - Planning Condition/S106 Obligation	5-15 years
Design for social connection and healthy, active living		
Activity-filled green routes will prioritise active leisure, walking and cycling to promote healthy lifestyles.	Planning application - Public Realm Design Guidelines	5-15 years
The provision of a new leisure centre in the first phase, with enhanced sports facilities.	Planning application - Proposals for Plot A2 - secured by permission and S106	Phase 1 - First detailed plots
The provision of new public open spaces presents the opportunity for recreational/physical activities, for example, skate park, fitness trails as well as spaces for older residents to enjoy.	Planning application - Public Realm Design Guidelines	5-15 years
Support the enhancement of existing off-site open spaces and green spaces.	Ongoing approach to management	Phase 1 - First detailed plots and ongoing
The creation of a network of healthy streets and the adoption of the Healthy Streets principles in line with the Mayor's initiative.	Planning application - Public Realm Design Guidelines and Travel Plans	5-15 years
A range of play facilities and playable features will be incorporated into the design of the masterplan to encourage play and activity for a range of ages.	Planning application - Public Realm Design Guidelines	5-15 years
The potential to deliver up to 45,650 sq. m GEA of community facilities and up to 51,500 sq. m of leisure/cultural facilities.	Planning application - Development Specification	5-15 years
Plots A1 and K1 provide communal amenity space and communal play space to encourage social interaction and active lifestyles for residents.	Planning application - Proposals for Plot A1/A2 - secured by permission and S106	Phase 1 - First detailed plots
A series of initiatives to encourage cycling, including provision of long-stay and visitor cycle parking, new cycle routes and changing/shower facilities.	Planning application - Design Guidelines and Planning Conditions	5-15 years
Respite excursions and trips for adjacent neighbours to construction, some aimed at opening the minds of young people and compensating for noisy work periods.	British Land Community investment	During key construction periods
Enhance resources for health and care		
The potential to deliver up to 35,700 sq. m GEA of assisted living accommodation to provide residential care facilities for the elderly.	Planning application - Development Specification	5-15 years
The provision of a new health centre for the development (c.500sqm) and up to 2,500 sq. m to cater for the wider local area.	Planning application - S106 obligation	5-15yrs Dependent on demand, phasing and funding.
<p>Investment in delivering these ambitions to date includes:</p> <ul style="list-style-type: none"> - Docklands Jnr Football – since 2013/14 - Create: Arts Southwark Young Carers Project^ in Surrey Quays – since 2013/14 - BL also provide space pro-bono to Imago, Southwark's Young Carers agency - since 2016 - Southwark Park Cricket Nets – 2018: One-off grant to fund new nets - Police Bike marking kits for 500 local bikes– 2018 - Fisher FC main shirt sponsorship since 2016/17 - Local events, parties and fetes including: Hawkstone Xmas do (since 2013), St Peter Hills, Albion, Alfred Salter and Rotherhithe school fetes, Ropemaker Street Party etc 		

A place to work

Local businesses old and new, large and small, thrive side by side with empowered residents, accessing the opportunities created

Element	Mechanism to capture	Timeframe for delivery
Support residents to access quality employment opportunities		
Minimum delivery target of 500,000 sq ft of B1 commercial floorspace and 500,000 sq ft of retail and leisure floorspace once the Masterplan is completed.	Planning application - S106 Obligation	5-15 years
The potential to bring approximately 20,000 new jobs to the area in end/operational use across workspace, retails, leisure, culture and building management.	Planning application - Delivery of workspace, retail and leisure space allowed for in Development Specification	5-15 years
Delivery of 38,222 sq m GEA of workspace and 1,818 sq m GEA of retail floorspace in the first phase, offering between space for approximately 2,500 workers with support for local residents to access the opportunities created.	Planning application - Detailed proposals for A1/A2.	5 years
Generation of hundreds of roles during the construction period and delivery of construction employment and training programmes aimed at supporting local residents both unemployed and under-employed into work. This would include support gaining CSCS cards to long-term training; targets within construction contracts and appointment of a workspace coordinator to maximise local employment opportunities and connections. Working with existing infrastructure such as the Southwark Construction Skills Centre.	Planning application - Employment and training targets secured S106 Obligation	From Phase 1 - First detailed plots - and ongoing across the future phases
Delivery of end-use employment and training initiatives aimed at getting local residents into the roles created. Programmes could include for example Bright Lights Get into Retail or Facilities Management.	Planning application - Employment and training targets secured S106 Obligation / British Land Local Charter and Sustainability Brief for Developments	From Phase 1 - First detailed plots - and ongoing across the future phases
Enable a varied retail and workspace mix, reflecting local diversity		
The creation of a new Major Town Centre with up to 86,650 sq m GEA of retail floorspace and 282,500 sq m GEA, offering a range of retail units and workspaces.	Planning application - Development Specification	5-15 years
The first phase will provide 38,222 sq m GEA of workspace and 1,818 sq m GEA of retail floorspace which will offer a varied mix of retail and office spaces with Plots A1 and A2.	Planning application - Detailed proposals for A1/A2.	5 years
Use of flexible leases and turnover rents for some of the new unit retail units to address barriers to entry and set up for start-ups, independent and local business.	Ongoing approach to management	From Phase 1 - First detailed plots - and ongoing across the future phases
Support local businesses existing and new		
New Surrey Quays Square connecting Lower Road and the High Street with level changes addressed and building line stepped back to improve visibility.	Planning application - Public Realm Design Guidelines	5-15 years
Signage and awareness raising of local amenities through hoardings and resident welcome packs. Continue to support local high streets and traders through engagement and creation of business networks.	Ongoing management approach	From Phase 1 - First detailed plots - and ongoing across the future phases
Supporting local SMEs to access businesses opportunities with mentoring and capacity building programmes via our supply chain. Start-up training and business network being built up currently and aiming to become self-sufficient. BL exploring how this can support self-employed residents linked to the construction.	Ongoing management approach / British Land Community investment	From Phase 1 - First detailed plots - and ongoing across the future phases
<p>Investment in delivering these ambitions to date includes:</p> <ul style="list-style-type: none"> - Bright Lights Starting Out in Retail course – 2017/18: Taking 12 unemployed 16-24 year olds from Southwark through five weeks of training and work placements with 60% moving in work, employment of education last year - Start Up and Thrive (SUAT) Business start-up training and network run by Tree Shepherd – since 2017 - Thrive – opening 2019: Low-cost workspace in the former Flame Grill Unit - Musicity, Scandi Arts, and other local high street programmes 2015 onwards aimed at increasing awareness and footfall and engaging local businesses - Bubble Young Theatre Makers – since 2017 - Bermondsey Community Kitchen – funded 2015-16 and ongoing relationship - Supporting local businesses and employers to expand – ongoing, for example Spiedie Shack and Body Tonic - GoodPeople Local employment – 1 yr pilot 2017/18 - Paid work placements and work experience at BL and through our supply chain via British Land's Consultants' Charter – ongoing since 2015 		

A place to belong

Liveable and inclusive places bring people together, supporting a more connected and resilient community that celebrates local heritage and cultures

Element	Mechanism to capture	Timeframe for delivery
Support access to diverse housing mix and use of spaces		
Delivery of 265 new homes in first phase, including 178 private homes and 87 affordable homes (60 social rented, 27 intermediate).	Planning application -Detailed proposals for A1/K1	From phase 1 - First detailed plots
Potential to deliver up to 360,719 sq. m (GEA) of residential floorspace. It is envisaged that this could accommodate approximately 3,000 residential units.	Planning application -Development Specification	5-15 years
Minimum commitment to deliver 1,500 new homes (including affordable housing and potentially assisted living).	Planning application -S106 Obligation	5-15 years
Potential to deliver a range of housing products including residential housing, assisted living and student accommodation and a variety of affordable housing options.	Planning application -Development Specification	5-15 years
Delivery of a range of sizes of homes in the first phase including studios, 1-bed, 2-bed and 3-bed homes.	Planning application -Detailed proposals for A1/K1	From phase 1 - First detailed plots. Delivered 2022-23
Plots A1 and K1 will provide 10% wheelchair accessible housing, with the remainder as wheelchair adaptable.	Planning application -Detailed proposals for A1/K1	5 years
A range of new public streets and spaces including a new Town Square, a new public Park supported by an events and activities programmes to encourage local use and access. This will include locally generated events and ideas and ensure an inclusive programme supported by potential funding.	Planning application -Parameter Plan 07003 / Management Strategy	5-15 years
Enhance community infrastructure; connecting businesses, residents and visitors		
The potential to deliver up to 45,650 sq. m GEA of D1 use for community facilities, including a new health centre, Community-use space, and a new sixth form college.	Planning application - Development Specification	5-15 years
The provision of a new leisure centre in the first phase, with enhanced sports facilities for the local community.	Planning application -Detailed proposals for A2	Delivered as part of the first detailed plots, estimated completion 2023
A Community Hub will be located within the new Park which could include an educational facility, a community garden, a café or meeting/event space.	Planning application -Public Realm Design Guidelines	5-15 years
Explore funding partnerships with future occupiers and use of digital infrastructure to connect residents, visitors, workers and community groups to broker relationships and connect volunteering opportunities.	Planning application -Management Strategy	5-15 years
On site construction office(s) and visitor/enquiry centre acting as the single point of call for all queries and issues. Will also include information on employment and training opportunities.	Ongoing management approach	From phase 1 - First detailed plots
Local residents, organisation and businesses involved in shaping employment, training and education programmes via e.g. annual steering groups and reviews.	British Land Community investment / linked to Section 106 targets	
Enable understanding of local cultures and heritage		
Providing a revitalised and enhanced courtyard setting for the grade II listed former Dock Offices, embedding the Dock Office into the local community.	Planning application -Detailed proposals for A1/A2	From phase 1 - First detailed plots
Enhancing the setting of the locally listed Bascule Bridge, re-establishing its symbolic role of connecting Greenland Dock and Canada Water Dock.	Planning application -Masterplan Design Guidelines	5-15 years
An improved understanding of the history of Canada Water, through high quality, heritage-led design, which provides a new focus on Canada Water Dock and reconnects the Site to its immediate context.	Planning application -Masterplan Design Guidelines	5-15 years
The detailed design of Plots A1, A2 and K1 (form, materials and details) are inspired by the heritage of the local area and informed by buildings and features previously on and around the Site.	Planning application -Detailed Proposals for A1/A2/K1	From phase 1 - First detailed plots
A cultural strategy which could include community projects and public art exploring the history and development of Canada Water and includes aim to ensure new residents are aware of the area's history and heritage.	Planning application - Cultural Strategy to be secured by condition	5-15 years
Local input into naming ideas for key streets, spaces and buildings.	Ongoing management approach	5-15 years
Ongoing support for local events such as the Rotherhithe Festival which celebrate the area's heritage and community.	British Land Community investment	Ongoing since 2014
Investment in delivering these ambitions to date includes: <ul style="list-style-type: none"> - Rotherhithe Festival – since 2012, attended by thousands of local residents - T&T2; pro-bono community space hub in Surrey Quays shopping Centre– since 2017. The space held over 800 hours of community activity in the first year alone - Telephone befriending with head office staff and local elderly residents with T&T – 2016 onwards - World by the Water Heritage exhibition – Feb 2018 attended by 1,000 local residents - British Land Community Days- since 2012: Annual volunteering day for all staff along with more ad-hoc days throughout the year working with a range of local organisations - Bede House: donation towards lease purchase - Mayflower 400 programme fund with Southwark Council and United Saint Saviours– fund open from 2019; Sponsored the schools' ceilidh (2017) and Thames Mudlarking trips (2018) in previous years 		

APPENDIX 6: HIERARCHY OF PLANS PREPARED BY THE PLACE & WELLBEING DEPARTMENT

1. New Southwark Plan
 - Borough regeneration strategy
 - Visions for each place which set out how the place should look in 15 years time
 - Strategic and detailed policies that need to be taken into account by all development
 - Site allocations with more detail and strategic sites or sites which differ from general policies
 - Borough implementation plan for infrastructure and how the plan will be delivered
 - A map of the area

2. Area Action Plan
 - Area regeneration strategy
 - Visions for each place which set out how the place should look in 15 years time
 - Strategic policies and detailed policies that need to be taken into account by all development
 - Site allocations with more detail and strategic sites or sites which differ from general policies
 - Area implementation plan for infrastructure and how the plan will be delivered
 - A map of the area

3. Social Regeneration Charter
 - 5 page document which sets out how the way in which people identify with each place
 - Sets out how places will change at a strategic level
 - A map of the area

4. Place Action Plans / Community Investment Plans
 - Area regeneration strategy
 - Area implementation plan for infrastructure and how the NSP, AAP and SRC will be delivered
 - A map of the area

All will have an equalities assessment and communications plans with community/stakeholder engagement

Proposal of how these might be created

- Determine geographic area
- Identify key landowners and stakeholders
- Create library of baseline information
- Develop a list of all of the social regeneration related initiatives delivered in the past or currently being delivered in the charter area
- Identify lead partner or department to project manage the charter
- Set up client project board
- Identify likely themes for area which are linked to the council plan and based on specific geography
- Insert social regeneration indicators into the brief linked to the draft themes
- Identify gaps in the baseline and research requirements
- Procurement
- Commission socio-economic research/academic consultants to complete in-depth qualitative studies
- Commission expert facilitators to carry out initial consultation and to work with stakeholders to prioritise specific themes or pillars
- Commission or extend commission of socio-economic consultants/ in-house team to develop themes with associated initiatives or projects and priorities
- Commission or lead consultation in-house

CABINET AGENDA DISTRIBUTION LIST (OPEN)**MUNICIPAL YEAR 2018-19**

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Paula Thornton Tel: 020 7525 4395

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