

Cabinet

Tuesday 18 June 2019

4.00 pm

Ground Floor Meeting Room GO2C, 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
Jobs, Business and Innovation
Environment, Transport and the Climate Emergency
Finance, Performance and Brexit
Social Regeneration, Great Estates and New
Council Homes
Growth, Development and Planning
Housing Management and Modernisation

INFORMATION FOR MEMBERS OF THE PUBLIC

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Contact: Paula Thornton on 020 7525 4395 or email: paula.thornton@southwark.gov.uk; constitutional.team@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 10 June 2019



Cabinet

Tuesday 18 June 2019
4.00 pm

Ground Floor Meeting Room GO2C, 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 a public question is midnight Wednesday 12 June 2019.	
6.	MINUTES	2 - 10
	To approve as a correct record the minutes of the open section of the meeting held on 30 April 2019.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Wednesday 12 June 2019.	
8.	VIOLENCE AGAINST WOMEN AND GIRLS (VAWG) SCRUTINY REVIEW	11 - 26
	To consider recommendations from the community safety scrutiny commission and for the relevant cabinet member/s to report back within eight weeks.	
9.	MODERN DAY SLAVERY AND TRAFFICKING SCRUTINY REVIEW	27 - 42
	To consider recommendations from the community safety scrutiny commission and for the relevant cabinet member/s to report back within eight weeks.	
10.	COMMUNITY ENERGY SCRUTINY REVIEW	43 - 58
	To consider recommendations from the housing and environment scrutiny commission and for the relevant cabinet member/s to report back within eight weeks.	
11.	FAIRER FUTURE PROCUREMENT STRATEGY	59 - 69
	To approve the updated Fairer Future Procurement Framework including the new Southwark Construction Charter.	
12.	RESIDENT INVOLVEMENT REVIEW RECOMMENDATIONS	70 - 90
	To note the recommendations of the resident involvement co-design panel and subsequent consultation feedback in relation to the council's housing engagement and involvement framework, and to agree a further round of consultation to take place between July and August 2019.	

Item No.	Title	Page No.
13.	SOUTHWARK PIONEERS FUND: ESTABLISHMENT	91 - 109
	To agree to the establishment of the Southwark Pioneers Fund to invest in Southwark's entrepreneurs of the future and the allocation of £2 million to the fund from the London Devolution Reserve (with a report back to cabinet in 12 months on the implementation and delivery of the fund).	
14.	SOUTHWARK SKILLS STRATEGY - DELIVERY PLAN PROGRESS UPDATE	110 - 137
	To note the progress made in delivering the Skills Strategy in the last 12 months, following approval of the plan.	
15.	POLICY AND RESOURCES STRATEGY: REVENUE MONITORING OUTTURN, INCLUDING TREASURY MANAGEMENT 2018-19	138 - 161
	To note the general fund outturn position for 2018-19 and the key adverse variations and budget pressures underlying the outturn position.	
	To approve and note general fund budget movements.	
16.	OUTTURN CAPITAL MONITORING FOR 2018-19 AND CAPITAL PROGRAMME REFRESH FOR 2019-20 TO 2027-28	162 - 188
	To note the outturn and resources for 2018-19 and future years for both the general fund and housing investment programmes.	
	To approve the virements and variations to the general fund and housing investment capital programme and the inclusion in the programme of the capital bids.	
17.	A FOOD SECURITY PLAN FOR SOUTHWARK	189 - 196
	To approve the approach to supporting food security in Southwark and a partnership with the Southwark food Action Alliance to develop and implement the Southwark food security plan.	
18.	INTRODUCING A COUNCIL ADVERTISING POLICY IN SOUTHWARK	197 - 212
	To agree the adoption of the proposed new advertising policy for Southwark Council for all council sold advertising opportunities with the borough, including through any council letting or leasing arrangements.	

Item No.	Title	Page No.
19.	DIGITAL PUBLIC HEALTH IN SOUTHWARK: OUR STRATEGIC APPROACH	213 - 225
	To approve the overarching approach to delivering digital public health in Southwark and the exploration of a potential collaboration with Public Health England (PHE) to trial a novel digital health improvement programme utilising incentives.	
20.	APPOINTMENTS TO OUTSIDE BODIES 2019-20	226 - 235
	To consider and agree appointments to outside bodies for the 2019-20 municipal year.	
21.	NOMINATIONS TO PANELS, BOARDS AND FORUMS 2019-20	236 - 242
	To agree the allocation of places to the panels, boards and forums for the 2019-20 municipal year.	
22.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	243 - 254
	To consider motions referred from council assembly 27 March 2019 meeting as follows:	
	<ul style="list-style-type: none"> • Declaring a climate change emergency • Making Southwark a living wage place • Nexus-Group GP services • Crossrail and cuts to Transport for London • HIV in Southwark • Reform of our broken housing economy • End violence at work charter. 	
23.	NEW HOMES SITE PURCHASE, SE15	255 - 259
	To authorise the acquisition of a freehold interest.	
	OTHER REPORTS	
	The following item is also scheduled for consideration at this meeting.	
24.	COMMUNITY INVESTMENT PLANS - ALLOCATION OF COMMUNITY INFRASTRUCTURE LEVY (CIL)	
	DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING	
	EXCLUSION OF PRESS AND PUBLIC	

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

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

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

PART B - CLOSED BUSINESS

25. MINUTES

26. NEW HOMES SITE PURCHASE, SE15

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

Date: 10 June 2019



**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: 18 June 2019

LEAD OFFICER DETAILS

Name and contact details: Michael Scorer on 020 7525 7464
or email: Michael.Scorer@southwark.gov.uk

DETAILS OF THE REPORT

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

Title of the report New Homes site purchase, SE15

Authority to acquire sites in, London SE15 for the purpose of building new council homes (including Temporary Accommodation), subject to due diligence, valuation and contract.

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

If the decision is delayed the council may lose the opportunity to acquire land to build at least 86 new council homes.

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

The opportunity has only just presented itself. The council met with the vendor on Tuesday 4 June where they confirmed they were willing sellers.

Everton Roberts
For Proper Constitutional Officer
Dated: 10 June 2019



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 30 April 2019 at 4.00 pm at Council Offices, 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

All members were present.

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

That chair gave notice of the following late items:

Item 7: Deputation requests

Item 18: Impact of Brexit on Southwark – Progress report.

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

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

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

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

None were declared.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

6. MINUTES

RESOLVED:

That the minutes of the open meeting held on 12 March 2019 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 requests had been received in line with the constitutional deadline for the receipt of deputation requests.

RESOLVED:

That the deputations be received.

Be Active Social Enterprise

The deputation spokesperson addressed the meeting to explain that the deputation was a follow up to a petition submitted to cabinet 9 May 2017. The deputation outlined the volume of tennis-related activities undertaken and the strong position of the group in providing value for the community. The group acknowledged their understanding of resource constraints for the council, but requested that cabinet progress with a long-term tennis plan for the borough, as well as a lease for Burgess Park.

Councillor Rebecca Lury, deputy leader and cabinet member for culture, leisure, equalities and communities responded to the deputation by referencing Item 9: Active Southwark – Sport and Physical Strategy 2019 – 2023. Following agreement of this strategy, the council would be looking to develop a long term strategy for tennis across the borough and to work with the Be Active Social Enterprise group and other partners.

Styles House Tenant Management Organisation (TMO)

The spokesperson for Styles House tenant management organisation deputation expressed broad support for examination of a scheme, with understandable concerns from residents. The organisation asked that the council be flexible in its approach, to appreciate the uniqueness of the estate and to allow the tenant management organisation to lead the scheme.

It was suggested that the scheme would produce a number of negative issues for tenants.

It was explained that it was important to find a way to mitigate some of these factors, which would form part of the discussions with Transport for London (TfL). It was considered vital in view of this that tenants were considered as a partner and equal in the discussions and negotiations that take place including discussions with TfL. Additionally flexibility was requested around decants, for the TMO to be involved and provided finance to facilitate this work. Residents also had understandable concerns around property sizes and height of buildings.

Councillor Leo Pollak, cabinet member for social regeneration, great estates and new homes and thanked the deputation for their hard work and expressed the intention for the council to put the tenant management organisation at the heart of the process.

Plastic Free Peckham

The deputation addressed cabinet in respect of the crisis on plastic. The deputation were comprised of volunteers working in Peckham and Dulwich with local businesses, the community and schools to reduce single-use plastic; the key being reduce, reuse and recycle. The deputation acknowledged the progress made by the council through the introduction of water fountains and other measures, but asked that further work be undertaken with council contractors, tenants and local businesses to further advance the removal of single use plastic.

The deputation requested a number of key actions from the council as follows (some of which were already underway):

- (i) Accelerated reduction in council's own carbon emissions with the target to be carbon neutral by 2030 and to change all energy suppliers to be 100% renewable by 2020
- (ii) Work with partners to produce an emergency action plan, especially with regard to flooding (covering all the relevant council strategies) and to submit plan via scrutiny by the end of September 2019
- (iii) Examine all current activity across the council for potential improvements to be made on use of pesticides and insecticides in green spaces and regulations be adapted for more radical changes to building standards
- (iv) Update the New Southwark Plan to account for the climate emergency
- (v) Training session for all cabinet members.

Councillor Richard Livingstone, cabinet member for environment, transport management and air quality, thanked the deputation for their hard work and confirmed that the council was fully signed up, working alongside these groups and the community to make further progress and produce a strategy to reduce single use plastic. Additionally, Councillor Johnson Situ, cabinet member for growth, development and planning confirmed that the New Southwark Plan was under constant review.

8. REDUCING HEALTH INEQUALITIES THROUGH COUNCIL SERVICES AND PARTNER ORGANISATIONS - REPORT OF THE HEALTHY COMMUNITIES SCRUTINY COMMISSION

RESOLVED:

That the cabinet member for community safety and public health report back on the recommendations in the report (Appendix A) to cabinet within eight weeks.

9. ACTIVE SOUTHWARK - SPORT AND PHYSICAL ACTIVITY STRATEGY 2019 TO 2023

RESOLVED:

Decisions of the Cabinet

1. That the 'Active Southwark - Sport and physical activity strategy 2019 to 2023' and key deliverables be agreed.
2. That the following be noted:
 - Progress towards the delivery of a pilot scheme to deliver the council plan target of free swimming lessons for all residents as detailed in paragraphs 40 to 57 of the report as a key action to be delivered as part of the strategy.
 - That within six months an update will be brought to cabinet on the strategy action plan, and also on progress with the council plan commitment of making the free swim and gym scheme more flexible.

Decision of the Leader of the Council

3. That further detail on the pilot scheme and the general offer be delegated to the cabinet member for culture, leisure, equalities and communities.

10. STYLES HOUSE AND SOUTHWARK UNDERGROUND STATION - ENABLING PRINCIPLES TO FACILITATE NEW COUNCIL HOMES AND NEW EMPLOYMENT SPACE

RESOLVED:

1. That the undertakings set out in paragraphs 32 and 33 of the report given to the residents of Styles House that give its tenant management organisation the lead in respect of the residential element of the proposed development be noted.
2. That pursuant to s32 of the Housing Act 1985, that the land shown hatched red on the plan at Appendix A of the report be transferred to Transport for London provided that at the time of transfer that land is vacant and not subject to any housing tenancies.
3. That pursuant to s120 of the Local Government Act 1972 and s9 of the Housing Act 1985, the land shown hatched blue on the plan at Appendix A of the report be acquired from Transport for London provided that at the time of transfer that land is vacant and not subject to any leases, tenancies or licences.
4. That pursuant to s120 of the Local Government Act 1972 and s9 of the Housing Act 1985, the council be authorised to acquire the leasehold interests held by Transport for London in four dwellings in Styles House, the addresses of which are specified in the closed version of the report.
5. That the recommendations specified at 2 – 4 above be implemented at the same

time and be contingent on each other.

6. That the terms agreed with Transport for London for the proposed land exchange set out substantially in paragraph 25 of the report and fully in paragraph 8 of the closed report be agreed.
7. That authority be delegated to the director of regeneration to agree the detailed land exchange agreement including if it is prudent to do so and in consultation with the cabinet member for social regeneration, great estates and new council homes any variation to the exchange boundaries.

11. GATEWAY 1 - NURSING CARE

RESOLVED:

1. That the procurement strategy for the purchase of nursing care beds in good quality homes situated within the Borough of Southwark, namely to advertise (through an OJEU notice) contract opportunities using a negotiated approach with providers either currently operating or planning to operate nursing care homes, within the borough, be approved.
2. That it be noted that this procurement strategy will require separate negotiations with individual providers resulting in separate contract awards which will be approved through individual gateway 2 reports.
3. That the approval of the award of contracts, following these individual negotiations be delegated to the strategic director for children's and adults' services, in consultation with the cabinet member for children, schools and adult care.
4. That it be noted that the total estimated maximum figure for the contracts is in the region of £7.3m per annum.

12. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: PARKING AND TRAFFIC ENFORCEMENT AND ASSOCIATED SERVICES

RESOLVED:

1. That the procurement strategy outlined in the report for the parking and traffic enforcement services contract - namely that the council will procure a new contract externally for the provision of parking and traffic enforcement and associated services to commence 1 April 2020, for a period of four years with two possible three-year extensions at an estimated annual value of £4.2m, meaning £16.8m across the initial term and up to £42m if both contract extensions are used, each having a value of £12.6m, be approved.
2. That it be noted that the services detailed in paragraph 4 of the report will be brought in-house as outlined in the Gateway 0 report.

13. REVIEW OF THE COUNCIL'S APPROACH TO COMMUNITY ENGAGEMENT

RESOLVED:

1. That the vision and principles for consultation and engagement set out in paragraphs 10 and 11 of the report be approved.
2. That it be agreed that the vision and principles outlined will inform the way in which the council works with residents throughout the borough on any matters which involve engagement and consultation.
3. That it be noted that this is the first stage of the council's work to develop its approach to community engagement. Following adoption of a vision and principles for community engagement, the council will continue to work collaboratively with the community to develop a thorough plan for how to uphold the vision and principles throughout every department and in all dealings with residents.
4. That officers return to cabinet in September 2019 to present a detailed report on the council approaches. This report will outline how the council will engage across the range of community engagement tasks including statutory consultations, service reviews engagement activities, inclusion work, work to build and strengthen communities, and developing and maintaining key partnerships with the community and voluntary sector.

14. REMOVAL OF SINGLE USE PLASTIC FROM OPERATIONAL ESTATE

RESOLVED:

1. That the draft single use plastic strategy for the council's operational estate as set out in Appendix 1 of the report be agreed.
2. That the responsibility for the implementation of the action plan set out in Appendix 2 of the report be delegated to the strategic director of housing and modernisation.
3. That it also be noted the Fairer Future commitment to halving single use plastic across the borough and that a strategy to achieve this is currently being developed. The vital role of community groups in achieving this aim be recognised and it therefore be agreed that the council pledges to support all plastic free initiatives in the community.
4. That it be agreed to have relevant members on the Plastic Free Communities steering committees. That Councillor Andy Simmons be nominated as the representative for Plastic Free East Dulwich and Councillor Jasmine Ali as the representative for Plastic Free Peckham.

15. DEVELOPMENT CONSULTATION CHARTER

RESOLVED:

1. That the draft Development Consultation Charter at Appendix A of the report be

agreed for public consultation from May 2019 - September 2019.

2. That the use of the draft Development Consultation Charter in validation of planning applications be agreed.

16. ADOPTION OF THE COUNCIL'S MOVEMENT PLAN (TRANSPORT PLAN) AND LOCAL IMPLEMENTATION PLAN 3

RESOLVED:

1. That the 'Movement Plan 2019 - 2041, Setting a direction for transport' be agreed.
2. That Southwark's Local Implementation Plan (Lip) 3 be agreed.
3. That a report back on the implementation of the movement plan be received in 12 months' time by cabinet and annually thereafter.

17. FORMER JOSEPH LANCASTER SCHOOL AND LAND AT THE LAWSON ESTATE, SE1

RESOLVED:

1. That the reason set out in paragraph 5 of the report that the new housing will be delivered directly by the council rather than by Leathermarket Community Benefit Society Limited as approved by cabinet on 13 March 2018 be noted.
2. That the land shown hatched red on the plan at Appendix A of the report that is currently held for education purposes be confirmed as no longer required for those purposes and that 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.
3. That the land shown hatched green 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 that 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.
4. That following completion of the appropriations at decisions 1 and 2 above, the land shown hatched red and green on the plan at Appendix A of the report be confirmed as no longer required for planning purposes and that 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.

18. IMPACT OF BREXIT ON SOUTHWARK - PROGRESS REPORT

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the report as urgent as cabinet had requested a progress report on Brexit

impact and preparedness ahead of the European Parliamentary elections planned for 23 May 2019. The next available cabinet after this meeting is scheduled to take place on 18 June 2019 and would therefore have been too late.

Cabinet expressed their thanks and commended the election team for their hard work in preparation for the European Parliamentary elections on 23 May 2019.

RESOLVED:

1. That progress on local work in preparing for European Union (EU) exit be noted.
2. That it be agreed to convene a further meeting of the cross-party Brexit Panel following the annual council meeting and outcome of the EU Parliamentary Elections.

EXCLUSION OF THE PRESS AND PUBLIC

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

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

19. MINUTES

The closed minutes of the meeting held on 12 March 2019 were approved as correct record and signed by the chair.

20. STYLES HOUSE AND SOUTHWARK UNDERGROUND STATION - ENABLING PRINCIPLES TO FACILITATE NEW COUNCIL HOMES AND NEW EMPLOYMENT SPACE

The cabinet considered the closed information relating to this item. Please see item 10 for the decision.

The meeting ended at 6.00 pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 9 MAY 2019.

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

Item No. 8.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Violence Against Women and Girls (VAWG) scrutiny review	
Ward(s) or groups affected:		All	
From:		Community Safety Scrutiny Commission	

RECOMMENDATION

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 3 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Community Safety Scrutiny Commission agenda and papers 2018-19	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/mgCommitteeDetails.aspx?ID=508		

APPENDICES

No.	Title
Appendix A	Violence Against Women and Girls (VAWG) scrutiny review

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview and Scrutiny		
Report Author	Councillor Leanne Werner, Community Safety Scrutiny Commission chair & Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	6 June 2019		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Director of Law and Democracy	No	No
	Strategic Director of Finance and Governance	No	No
	Cabinet Member	No	No
	Date final report sent to Constitutional Team		6 June 2019

Violence Against Women and Girls (VAWG) scrutiny review

Community Safety Scrutiny Commission Report

May 2019

Summary

The council has made a commitment to develop a VAWG strategy by early summer 2019. This review aims to influence this important piece of work. The strategy will ensure the council are delivering a strategic partnership response to all areas of gender based violence.

The established work on Domestic Abuse will be integrated into the new strategy. As well as Domestic Abuse the VAWG will also tackle harmful practices such as Female Genital Mutilation (FGM) and Honour Based Violence, as well as rape, sexual assault, harassment, stalking, coercive control, Child Sexual Exploitation (CSE), and image based sexual offending. Trafficking will also be addressed by the VAWG; and this aspect, alongside Modern Slavery, is addressed in another report by the Community Safety Scrutiny Commission

The review decided to particularly focus on girls, with an emphasis on prevention, protection and support, and working with our partners to improve effectiveness.

The commission considered data showing unacceptable rates of sexual harassment and assault of girls and women on the streets, in public places and in schools nationally, including primary schools. The council and police were asked to provide local data for rates of sexual assault and harassment in Southwark schools. This is not routinely collected and so cannot be analysed for trends or compared; however it does show that there is a small risk for all children, including primary school age. Nationally women's groups have been advocating for better and more consistent monitoring for sexual assault and harassment in schools and the commission recommends that more work is done locally by the council, police and schools to gather this. Age appropriate teaching about consent ought to happen in primary school.

Focus groups were held with girls and boys in two secondary schools and one youth club. They were asked about consent and harassment. The responses varied; some girls said that they felt safe on the streets, while others said they always walked home in pairs for protection and regularly encountered sexual harassment by older men and groups of boys, through unwelcome comments. There was not a consistent view on what was harassment or assault; however those girls who had done most work on addressing this in school and youth clubs were much more confident and robust in their responses. More work is needed to raise awareness of what constitutes harassment and the commission recommends a public awareness campaign. More work is also needed tackle the misuse use and abuse of images, particularly of girls by boys, in and out of school.

The commission decided to look at the teaching of healthy relationships. The government is bringing in a new requirement for primary schools to teach Relationship Education (RE) and for secondary schools to teach Relationship and Sex Education (RSE).

A questionnaire was held asking schools about their teaching and safeguarding practices, and how the council could assist in improving healthy relationships. Schools valued the current resources provided by the council – which includes networking events with PSHE leads, online resources to teach PSHE and specific issues, such as consent, and the commissioning of services, such as SHER- Safe Healthy Equal Relationships. They wanted more of this and the commission recommends developing specific RE and RSE resources, signposting to good quality providers and to consider commissioning these.

The young people in the focus groups gave very variable responses when asked about their relationship education in schools and youth clubs. Many said that they received little or no teaching on healthy relationships and that what they did receive focused on biology and information. Overwhelming young people wanted more on interpersonal skills and emotions delivered in small groups; by a mixture of councillors, youth workers and peers. Those young people who were confident had received this type of

teaching and the commission was particularly impressed by the work of Harris Girls. The commission recommends that the RE / RSE resources are particularly focused on the relationship side of sex education and seek input from young people in the development. More work also needs to be done to enable and support parents to fulfil their role in helping young people form and develop healthy relationships. There is already some excellent work going on in Southwark primary schools to help parents with social media, gender stereotypes and LGBTQI+, often with their children. The council ought to build on this.

Lastly the Commission looked at the Women Safety Charter (WSC), which was established in 2015 to keep women safe from harassment on a night out. This has been rolled out to hundreds of premises and the commission recommends that now is a good time to evaluate its impact and extend its use.

Recommendations The Council, police, schools and NHS should:

1. Work towards a more integrated approach on prevention and promoting healthy relationships is needed. The council should lead the way in producing relevant and useful resources for primary and secondary, with primary schools encouraged to teach sex and health relationships in the final years, including consent.
2. Develop Southwark Relationship Education (RE) and Relationship and Sex Education (RSE) curriculum resources, making sure that these emphasise developing relationship skills and emotional literacy, and are appropriate to the ethos of different schools, and the needs and ages of different children. These ought to be high quality, electronic, flexible resources with clearly defined permissions that schools can use to create their own lesson plans - with an emphasis on images and short videos. Input ought to be sought from young people (e.g. Southwark Young advisors) in their development to ensure that they reflect the concerns of today's young people.
3. Develop a resource list of quality external providers (SHER, Tender etc.) and consider commissioning these.
4. Schools ought to be encouraged and enabled to provide support to parents and carers to help their children to develop healthy relationships.
5. The Police and Southwark Council should work closely with schools, via the headteachers networks and other forums, in order to get a better picture of what is going on in schools and to share information. Agreement ought to be sought on how to consistently report data on sexual harassment and assault so this can be monitored for trends. The model safeguarding policy ought to be updated to enable this, alongside the provision of guidance and training, network events and inset days aimed at Maintained schools, Trusts, and Academies – as appropriate.
6. Run an awareness campaign on harassment, how to identify it, and how to address it. This should include a specific schools focused campaign with consistent messages and education on what constitutes sexual harassment and consent. One approach could be a week long campaign every year (in November to coincide with 14 days of action on VAWG).
7. Create specific guidelines and recommendations to address online abuse, in school and outside of school, and run a public awareness campaign of what is acceptable.
8. Conduct an impact assessment of the women's safety charter to understand how effective it has been.
9. Require signing up to the charter as a licencing condition.
10. Make it compulsory for all licensed premises to address sexual harassment by putting in place policies and training
11. Ensure the VAWG strategy includes tackling sexual harassment in public places.
12. A councillor ought to be appointed to lead on VAWG

1. Introduction and background

- 1.1. This is the final report of the review into Violence Against Women and Girls (VAWG), which principally aims to influence the VAWG strategy that is in development.
- 1.2. Southwark committed to developing a VAWG Strategy with the new incoming administration in May 2018, and this was adopted by the Council Plan. Scoping began in September 2018. The VAWG strategy will ensure we are delivering a strategic partnership response to all areas of gender based violence, not only domestic abuse. These include harmful practices such as Female Genital Mutilation (FGM) and Honour Based Violence as well as sexual harassment and stalking. Domestic Abuse (DA) will still form a key part of this strategy with any remaining actions from the existing DA strategy subsumed into the new VAWG strategy. In line with the Mayor's Office for Policing And Crime (MOPAC) Strategy, the following areas of VAWG will be considered for inclusion within the strategy:
- Domestic abuse
 - Coercive control
 - Child sexual exploitation (CSE)
 - Harmful practices including female genital mutilation, forced marriage and honour based violence
 - Image based sexual offending
 - Sexual harassment
 - Prostitution
 - Misogyny
 - Sexual violence and rape
 - Stalking
 - Trafficking
 - Perpetrators
- 1.3. The review decided to particularly focus on prevention; protection and support; and building effective partnerships to improve services. The following two themes were chosen:
- Tackling sexual violence and harassment in schools and on our streets
 - Safeguarding young women and girls from violence, reduce victimisation, tackle peer on peer violence and prevent girls and young women from becoming associated and /or exploited by gangs.
- 1.4. With the above in mind the Commission decided conduct a survey and focus groups on safe and healthy relationships teaching in schools and youth clubs. There will be a new Department for Education (DfE) requirement for schools to teach Relationship Education (primary) and Relationship & Sex Education (secondary) starting 2020.
- 1.5. School safeguarding policies and council and police data collection on sexual harassment and assault in schools was examined to try and understand the local data and monitoring practices.
- 1.6. The Commission also reviewed Women's Safety Charter (WSC) which was established in 2015 to tackle harassment of women in Southwark at night time.

2. Evidence Considered & Methodology

Methodology

2.1. During the first scrutiny meeting (29th October 2018) the Commission looked at VAWG across the board including plans for the new VAWG strategy. This included an update on work delivering the Women's Safety Charter and the consultation on the preventative strand of Southwark's sexual and reproductive health strategy, Healthy and Fulfilling Relationships. The Director of Education also attended to present on changes to the delivery of sex education and present practice around safeguarding in schools.

2.2. Following evidence presented during the initial meeting the Commission decided to focus the second scrutiny meeting (5 February 2019) on sexual violence and harassment in schools and healthy relationships. The second scrutiny meeting involved both external and internal stakeholders.

2.3. The third scrutiny meeting (29th April 2019) reviewed the evidence received from focus groups held on Safe and Healthy Relationships with young people and the results of a questionnaire with schools.

2.4. Research methods included:

- *Desktop research and literature review* - a full review of current local authority, regional and national VAWG and anti-slavery strategies.
- *Analysis of existing local data, action plans and strategies* - existing Southwark strategies and action plans on VAWG and slavery.
- *Focus groups with students and teachers*- 3 roundtable discussions with students (male and female), teachers at the City of London Academy (COLA) and Harris Girls School and with Salmon youth club attendees.
- *Online survey* - an online survey to seek the views of Southwark teachers on PHSE and safeguarding
- Interviews - with anti-slavery and VAWG experts
- Events/conferences - ECPAT conference and Southwark conference HYP Southwark stakeholder

2.5. Key stakeholders consulted

- Southwark Council – Children's and adults social care, Safer Communities Team Manager (presented on the new VAWG strategy), Licensing (presented work delivering the Women's Safety Charter), Director of Education (presented on changes to the delivery of sex education and safeguarding in schools), PSHE and Healthy Schools Advisor
- NHS Southwark Clinical Commissioning Group- Public Health consultant, presented on the preventative strand of Southwark's sexual and reproductive health strategy; Healthy and Fulfilling Relationships; the Director of Quality & Chief Nurse report on her role chairing the presented multi agency VAWG Delivery Group.
- Police (Detective Superintendent Sean Oxley – Safeguarding Lead for Central South and DI Paul Graves – Deputy in Safeguarding Hub for Central South)
- Education providers (Roundtable discussions with the Salmon Centre, Harris Girls School and the City of London Academy (COLA))

3. Healthy Relationships

3.1. The Commission chose to look at safe and healthy relationships teaching in schools and youth clubs as this seemed to be an opportunity to influence young people at a formative stage, young girls are at particular risk of violence and sexual harassment.

3.2 There is evidence showing the high rates of domestic abuse among young people¹, national and local concerns about rising youth violence, and concerning data on the extent of sexual assault and harassment in both secondary and primary schools².

3.3 Public Health is consulting on Southwark's sexual and reproductive health strategy; with a strand on Healthy and Fulfilling Relationships. Officers said that there are different cultural views on what constitutes a healthy relationship and it is important to acknowledge these differ.

3.4. Safeguarding practices were also considered to try and understand how effectively girls are protected and to look at data trends around levels of sexual harassment and assault. The commission discovered gaps in knowledge and understanding here partly due to an increasingly autonomous school system.

3.5 The majority of primary schools in Southwark are in the maintained sector, whereas the majority of secondary schools are academies or trusts. Academies are not under any obligation to deliver parts of the PSHE curriculum or engage with the local authority, although the majority will do both. This has been subject to much scrutiny as it leaves the schools with freedom to decide on what they need to teach, leading to a wide range of variability which was evidenced through the course of the review. However a number of academies did engage with the Commission and two in particular, COLA and Harris Girls, both shared their high levels of expertise and commitment to the teaching of Relationship and Sex Education.

3.6. The secondary school relationship with the council on safeguarding is also one more of influence, with many using the guide policy, and the requirement to report matters being restricted to reporting matters to the safeguarding hub MASH or police where there is a risk of harm or a criminal threshold has been reached.

3.7. In September 2020 new laws will come into effect requiring schools to teach Relationship Education (RE) in primary schools, and Relationship and Sex Education (RSE) in secondary schools. There has been much controversy in the media regarding teaching about LGBTQ+ which will form part of the education curriculum. It is unclear if academies will be exempt from this requirement.

¹ Crime survey for England reported that young people experience the highest rates of domestic abuse out of any age.

² In 2016 the Women and Equalities Select Committee report into [Sexual harassment and sexual violence in schools](#) found the following:

- 59% of girls and young women aged 13–21 said in 2014 that they had faced some form of sexual harassment at school or college in the past year.¹¹
- Almost a third (29%) of 16–18-year-old girls say they have experienced unwanted sexual touching at school.¹²
- 41% of UK girls aged 14 to 17 who reported an intimate relationship experienced some form of sexual violence from their partner.¹³
- 22% of young girls aged 7–12 have experienced jokes of a sexual nature from boys.¹⁴
- Nearly three-quarters (71%) of all 16–18-year-olds (boys and girls) say they hear sexual name-calling with terms such as "slut" or "slag" used towards girls at schools on a daily basis or a few times a week.¹⁵
- 28% of 16–18-year-olds say they have seen sexual pictures on mobile phones at school a few times a month or more

3.8. Southwark Council has a PSHE (Personal Social, Health and Economic) curriculum,³ and an associated PSHE resources bank with content to support the teaching of to safe and healthy relationships, but this portal does not yet have a specific Relationship Education and Relationship and Sex Education curriculum. There are well attended network events on PSHE. Officers said Trusts and standalone schools are more likely to approach the local authority for resources; where as large academy chains may have in-house resources.

3.9. Here is a list of some the specific Southwark Council services aimed at young people:

YUVA - service for young people using or experiencing violence in close relationships

SHER - a safe and healthy relationships programme delivered in schools. This is a toolkit, developed together with Southwark Council and European Partners. Bede has been delivering SHER- Safe Healthy Equal Relationships since 2009, prior to that BEDE were delivering Teenage Domestic Violence Awareness in Southwark Schools.

HYP Southwark -is an integrated service for young people aged 10-25 years. Brook has partnered with CGL to create new integrated health and wellbeing services for young people in Lambeth and Southwark. These services will bring together the expertise from both organisations in delivering sexual health and substance misuse services for young people. Both services are currently phasing in new locations and services so please keep checking back for more info and updates.

4. Where and what students are taught about sex and relationships varies wildly

4.1. Based on the results of the questionnaire with schools it is clear that schools are teaching different curricula and using a wide variety of resources to teach PSHE, examples include: relationships and Sex Education format approved by the Catholic Education Commission; Southwark's framework; the PSHE Association; SHER Project; Health Education Partnership (HEP) framework ;a curriculum specifically designed to meet the needs of young people with autism and moderate or severe learning difficulties; bespoke PSHE curriculum and scheme of work, including RSE for all year groups and key themes around respectful relationships and safety, taught at an age-appropriate level; National PSHE curriculum.

4.2 70 % of teaching is in-house and 30% is done by external providers. External providers used include: SHER, Tender, Image in Action and independent health and well-being consultants.

In terms of how effective these educational resources varies for example teachers who responded the survey 30% thought they were neither effective nor ineffective, 10% thought they were not that effective, 50% thought they were quite effective and only 10% thought they were really effective.

Detailed responses included:

- We use a range of resources from various providers. We have an in-house specialist who updates resources every term and this specialist obtains feedback from students on the content of material used and assesses their understanding
- Staff training is an ongoing issue, to enable staff to be best able to deal with any issues raised during the programmes.
- The lessons are mainly taught around how we change and grow. Although we have a very strong ethos of respect, I think we could do more to promote healthy and safe relationships, appropriate to a primary school.

4.3 Schools indicated they value the PSHE resources, network meetings, workshops and drop down-days offered by the council. They want more resources, signing posting to high quality external providers (particularly free or subsidised ones) and for the council to consider commissioning / funding these. These need to take into account the ethos of different schools and the needs of the children, which include special needs. Schools also mentioned family / parent support programmes.

³ <https://schools.southwark.gov.uk/pshe-healthy-schools/pshe-sex-relationship-education-sre-wellbeing-2>

Teachers indicated that skills and confidence are needed to teach this subject well. Sometimes it is neglected as because is not considered academic and also because the subject matter can make teachers uncomfortable. There are also challenges in pitching in an age and culturally appropriate way. However the enthusiasm from subject pioneers who contributed to the review demonstrated that this is emerging as a priority for many schools.

5. What do young people think?

5.1. *More emotions less biology*

Many young people said the teaching in school tends to be scientific and focused on the physical: how to have sex; puberty; some teaching on STDs. Other students spoke about PSHE classes and case studies, which had been useful.

The majority of young people could not identify with any depth of understanding what a healthy relationship was and many said they received little or no relationship education in school. Frequently young people said the current curriculum was perceived as largely informational.

Overwhelmingly young people said they would prefer more on skills and the emotional side of relationships. A young person who went on a study trip to Holland spoke highly of the Dutch focus on understanding relationships, with 6 year olds addressing what love is.

Often media has become a significant or main educator, alongside peers and family. Media portrayal of relationships was considered often unrealistic and unhelpful.

As well as developing their relationship literacy young people said that LBGTQ+ education needs to be improved and girls, in particular, wanted more information on how to protect themselves from infection and pregnancy .

6. What is working well?

6.1. At Salmon youth club the young people were all very complimentary about the Salmon centre and confident that they could speak to youth leaders about concerns. They said the club is where they talked about relationships.

6.2. Harris Girls Academy students received a range of relationship and sex education. This included regular sessions in their coaching year group, school assemblies on themes like women's rights and specialist courses delivered by counsellors in the school's 'Health Hut'. Some students are invited to attend special courses on healthy relationships and have mentors. Overwhelmingly students spoke about school as the main source of a varied, rich, important, and trusted environment for learning about relationships. When asked to define a healthy relationship the young people were very confident and articulate and defined these as involving:

- Trust
- Respect
- Express your feelings
- Being assertive
- Setting and respecting appropriate boundaries

6.3. Students spoke about help and information provided about not having sex underage. Students spoke about what constitutes an unhealthy relationship and how to recognize abuse, toxic patterns, and red flags for someone who might later be abusive or unhealthy. Examples were given of role plays and scenarios that had been discussed and acted out: for example addressing intrusive and controlling requests to look at a phone or dealing with and identifying physical aggression like pushing. They spoke about the importance of consent for activities like kissing. SHER & Tender (an arts charity working with young people to prevent

domestic abuse and sexual violence by promoting healthy relationships based on equality and respect) were used and endorsed by the young people and teachers.

6.4 City of London Academy (COLA) recently identified relationship and sex education as a priority by student panels. The school is developing content through a cycle of continuous feedback and improvement. The review was impressed by the commitment shown by both the teaching lead and the young people who attended a scrutiny committee meeting.

7. Young people would prefer relationship centred teaching; in year groups and small groups, with a preference for support from counsellors, older peers, youth workers and external organisations

Young people said they would benefit from more education about feelings and relationships rather than just teaching about biology. They wanted this to start in primary school.

Young people liked teaching that used role plays, scenarios and real life examples that they could discuss.

They wanted relationship education in year groups, small groups and workshops.

Young people said that counsellors could help with talking to young people and giving students the option of someone to confide in. There was a preference for youth workers or external professionals rather than their class teachers to deliver relationship and sex education.

8 Work with parents

Schools and Commission members were keen that parents were engaged and empowered to play their part in teaching and promoting healthy relationships with their children. Not every family will have the skills and cultural background to confidently discuss the issues involved, some families will have troubled relationships, and there are new and challenging issues such as cyberbullying that parents may not have personal experience, so support is needed.

A member gave a good example of work in Tower Bridge Primary school. This school holds sessions to discuss a variety of topics, such as social media, LGBTQI+, gender stereotypes. Some sessions are for parents and carers, and others are mixed session with the children. Sessions sometimes involve other partners, for example the police.

Recommendations

- 1. Work towards a more integrated approach on prevention and promoting healthy relationships is needed. The council should lead the way in producing relevant and useful resources for primary and secondary, with primary schools encouraged to teach sex and health relationships in the final years, including consent.**
- 2. Develop Southwark Relationship Education (RE) and Relationship and Sex Education (RSE) curriculum resources, making sure that these emphasise developing relationship skills and emotional literacy, and are appropriate to the ethos of different schools, and the needs and ages of different children. These ought to be high quality, electronic, flexible resources with clearly defined permissions that schools can use to create their own lesson plans - with an emphasis on images and short videos. Input ought to be sought from young people (e.g. Southwark Young advisors) in their development to ensure that they reflect the concerns of today's young people.**
- 3. Develop a resource list of quality external providers (SHER, Tender etc.) and consider commissioning these.**
- 4. Schools ought to be encouraged and enabled to provide support to parents and carers to help their children to develop healthy relationships.**

9. Safeguarding and monitoring incidents of sexual assault and harassment

9.1. Each school has to have a safeguarding policy in place and this includes referring to the council multi agency safeguarding hub (MASH) and the police as appropriate. Most schools use the Southwark model policy.

9.2. The council does not undertake systematic recording of incidents. Officers said Ofsted will look to see if schools are making appropriate action on safeguarding issues. Generally they thought schools were working well, however they were concerned about a couple of schools becoming closed off; good working relationships are important.

9.3. There is a variety of safeguarding procedures-specific procedures in place in schools for dealing with different types of abuse. A survey was sent out to all secondary schools in Southwark to find out about how the council can best support them in their teaching of PHSE responses included:

- Safeguarding procedures are outlined in our safeguarding policy. Students are taught about healthy relationship, domestic violence (in all its forms) healthy use of social media and how to respond to concerns/bullying.
- We have a Sharp system for students to log online abuse 24/7. We have a robust safeguarding practice with 13 trained DSLs / DDSLs. Comprehensive pastoral team available to meet students' needs throughout the school day. Collaborative work with the Safer Schools Police Officer. We update our safeguarding policy each year. We also provide in-house training for staff through CPD.
- Yes we have an anti bullying policy and we have a no mobile phone policy so we also do not have a lot of social media things to investigate we recommend parents to go to the police.
- Anti-bullying policy, regular PSHE, outside agencies e.g. police did work on social media.

10. Sexual harassment and consent

10.1. According to a 2018 report by Plan every day, girls across the UK are being harassed in public places. UK girls are facing verbal and physical harassment every day – and they want it to stop. The latest survey shows that 66% of girls aged 14 to 21 have experienced unwanted sexual attention or harassment in a public place. Every month, 38% are experiencing verbal harassment like cat-calling, wolf whistling and sexual comments, while 15% are being touched, groped or grabbed. Despite this harassment happening in public, only 20% of girls said someone had responded in a way they found helpful. To stay safe, girls are having to take steps to avoid being targeted: from not going out at night to dressing differently and taking longer routes to avoid dangerous locations.

10.2. Domestic Abuse is well recorded and officers are satisfied that the data on this is reliable, however for other criminal and harmful practices, such as sexual harassment, the data is more patchy.

10.3. Neither the council nor the police were tracking this information. Inadequate data collection of sexual harassment and assault is a national problem. The select committee report on Sexual harassment and Sexual Violence in Schools recommended that schools should use a standardised reporting and recording system for incidents of sexual harassment and sexual violence and that their ought to annual publication of data on sexual harassment and sexual violence in schools, alongside other crime statistics.

10.4. The police provided the following information on sexual harassment/ assaults in schools. From 1st September 2018 there were 14 reported incidences on school premises:

- 3 of them are inappropriate sexual touching between children under 10
- 4 are allegations against teachers by pupils (2 are ongoing investigations)
- 1 is an allegation between teachers.

- 4 are teenage girls alleging against similar age boys and involve sexual touching to varying degrees.
- 1 relates to sexual touching between parties aged 10 in primary school.
- 1 relates to allegation of video of teen female and younger male sexual touching.

Police officers work in every school in secondary and are looking at extending this to primary schools (year 6 and 7). Brixton Police Station is now the safeguarding hub for Southwark and Lambeth.

10.5. Through the roundtable discussions it has become apparent that harassment is common place both inside and outside the school gates. Street harassment is an issue with young women reporting grown men whistling and also groups /gangs of older boys, some of whom are acquaintances, making comments, and sometimes reacting in a hostile manner when these are not welcomed. Students said that there are girls who are vulnerable to this kind of sexualized attention, which they seemed to view as predatory. Some girls said they always walked home with friends for mutual support and protection, while others said they only did this for company.

10.6. At the Salmon centre some young people (girls) had no clear understanding of what sexual harassment was but people felt that it means what you don't want to happen and said it has to be repeated to be harassment. They all thought that someone pinching your bra strap was not harassment. Many of the girls felt boys had a different understanding of what consent is. The girls said that you had to explicitly say yes for it to be consent whereas boys feel only if girls say no it is not consent. Many girls were not sure where to go for support or help.

10.7. In terms of reporting they said probably the police but they didn't think they would be believed. Girls feel ashamed about what has happened to them and felt that the police wouldn't believe them. In fact there were some really negative perceptions of the police. Many said they would not know where or how to report it in school. One girl did have a counsellor in school but said she was never free. The others said there was a counsellor but the service had been cut. They would have all felt more comfortable having trained peers they could go to to report harassment and discuss it.

10.8. Teachers in the questionnaire concluded that parents and carers need to be educated so that they can convey the same messages to their children and it was important that children know who to talk to if they are concerned and that it is acted upon. They also thought that building confidence and self-esteem, educating young people to respect each other on how to deal with issues is important and better collaborative work with the Safer School's Police Officers. Underpinning this is the need for continued training and support for schools with external providers and best practice shared.

11 Social media

11.1 Online abuse is any type of abuse that happens on the internet, facilitated through technology like computers, tablets, mobile phones and other internet-enabled devices (Department for Education, 2018; Department of Health, 2017; Scottish Government, 2014; Welsh Assembly Government, 2018).

It can happen anywhere online that allows digital communication, such as:

- social networks
- text messages and messaging apps
- email and private messaging
- online chats
- comments on live streaming sites
- voice chat in games.

- Children and young people can be revictimised (experience further abuse) when abusive content is recorded, uploaded or shared by others online. This can happen if the original abuse happened online or offline.⁴

There was much concern about the rise in sexual violence / harassment online and how to combat this. It was suggested that better controls and restrictions are needed on the content of music videos and video games. There need to be more positive role models in the media for example a campaign through social media where young people are taught what is acceptable and not, and what to do if they are abused.

11.2 Students confirmed that sexual harassment did happen online and it was easy to target young people. Boys sharing unauthorized photos of girls on snapchat or Instagram is a big problem. These images are shared in school, amongst peers. Sometimes the images are obtained without the girls' permission, at parties, for example. They said the sharing is amongst largely, though not exclusively, other boys and is perceived as a way of boys getting one over the girls, and boasting to raise their status. The girls noted the sexist asymmetry here and only girls are sexually shamed. The students said that this sharing of images can be deeply traumatizing, with girls not coming into school because they are so upset and humiliated. One boy said social media bullying had led to a death. Some schools take action against perpetrators; others limit use of phones or ban them and refer parents to the police. The students want more victim support for girls targeted.

11.3. Guidance from the NSPCC suggests that in order to prevent child abuse online it is essential that those who work with children and young people help them:

- learn about the risks associated with online activities
- develop the awareness and skills needed to keep safe online
- learn about healthy relationships, abuse and consent from a young age
- know where to go for help – and recognise that they can help themselves too
- know how to report unacceptable activity or behaviour

(UNICEF, 2011; Hamilton-Giachritsis et al, 2017).

All organisations that work with children should have written policies and procedures that set out how they intend to promote online safety.

Recommendations

- 5. The Police and Southwark Council should work closely with schools, via the headteachers' networks and other forums, in order to get a better picture of what is going on in schools and to share information. Agreement ought to be sought on how to consistently report data on sexual harassment and assault so this can be monitored for trends. The model safeguarding policy ought to be updated to enable this, alongside the provision of guidance and training, network events and inset days aimed at Maintained schools, Trusts, and Academies – as appropriate.**
- 6. Run an awareness campaign on harassment, how to identify it, had how to address it. This should include a specific schools focused campaign with consistent messages and education on what constitutes sexual harassment and consent. One approach could be a week long campaign every year (in November to coincide with 14 days of action on VAWG).**
- 7. Create specific guidelines and recommendations to address online abuse, in school and outside of school, and run a public awareness campaign of what is acceptable.**

12. Women's Safety Charter

12.1. The Women's Safety Charter (WSC) was established in 2015 following large scale consultation with the public, council and partner officers, elected members and licensees to understand what can be done to keep women safe from harassment on a night out. Sexual harassment in bars and night clubs is seen as normalised behaviour and goes unchallenged and unreported. The charter is based on a number of key principles which ensure that all staff working at licensed premises act in a responsible and supportive manner, taking all reports seriously. The intention was that the WSC would send out a clear message that female harassment in these premises will not be tolerated. A map of all the premises has been provided along with an extensive list of the range of premises that have signed up to the charter. 156 venues have signed up to the charter.

12.2. Following this review we would recommend officers to carry out an assessment of the impact of the WSC. This could be by a follow up survey of women and premises who signed up to the charter, for example. This follow up would also be an opportunity to bring the charter to the attention of premises once again, as the original staff who signed it may have moved on. A map of all the premises has been provided along with an extensive list of the range of premises that have signed up to the charter. It would also be worth evaluating other initiatives such as 'Ask Angela' and MOPAC's night safety charter to find out the impact they have had and how we can build upon the WSC if necessary.

Recommendations

- 8. Conduct an impact assessment of the women's safety charter to understand how effective it has been.**
 - 9. Require signing up to the charter as a licencing condition.**
 - 10. Make it compulsory for all licensed premises to address sexual harassment by putting in place policies and training**
 - 11. Ensure the VAWG strategy includes tackling sexual harassment in public places.**
 - 12. A councillor ought to be appointed to lead on VAWG**
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Item No. 9.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Modern Day Slavery and Trafficking scrutiny review	
Ward(s) or groups affected:		All	
From:		Community Safety Scrutiny Commission	

RECOMMENDATION

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 3 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Community Safety Scrutiny Commission agenda and papers 2018-19	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/mgCommitteeDetails.aspx?ID=508		

APPENDICES

No.	Title
Appendix A	Modern Day Slavery and Trafficking scrutiny review

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview and Scrutiny		
Report Author	Councillor Leanne Werner, Community Safety Scrutiny Commission chair and Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	6 June 2019		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Director of Law and Democracy	No	No
	Strategic Director of Finance and Governance	No	No
	Cabinet Member	No	No
	Date final report sent to Constitutional Team		6 June 2019

Modern Day Slavery and Trafficking scrutiny review

Community Safety Scrutiny Commission Report

May 2019

Summary

Modern Day Slavery and Child Trafficking is an emerging priority for the council and wider safeguarding partnership. Southwark Council signed up to the Cooperative Party Modern Slavery Charter last year and Modern Slavery is a recently adopted priority for the Safer Southwark Adults Board. Trafficking will also be addressed as part of the emerging VAWG strategy; the original impetus for this review.

The Commission heard from officers and anti-slavery experts, and is grateful for their input, particularly Tamara Barnett, Human Trafficking Foundation and Catherine Baker Senior Research, Policy and Campaigns Officer, ECPAT UK.

The Home Office has described modern slavery as “a serious and brutal crime in which people are treated as commodities and exploited for criminal gain. The true extent of modern slavery in the UK, and indeed globally, is unknown”. The Home Office has estimated, in its Modern Slavery Strategy, that there may be as many as 13,000 people held in slavery in the UK.

The National Crime Agency Data Southwark statistics show in 2016 one adult was identified under the Modern Slavery Act by the Council, which is low. The Human Trafficking Foundation estimated that 200 would be realistic figure for Southwark, and a focus on this work ought to see the number of referrals go up.

Modern slavery is a complex, serious and often organised crime. Under Section 17 of the Crime and Disorder Act councils have a duty to do all that they reasonably can to prevent crime and disorder in their areas, which will include tackling modern slavery and trafficking. There are a range of crimes where councils may come across victims and perpetrators of modern slavery, including county lines drug dealing, child sexual exploitation, gangs, violent crime, forced labour and begging, amongst others.

The crime of slavery overrides any illegal immigration or other minor offences: Karen Bradley, former Minister: “The intent of the offence of illegal working is clear; it is not aimed at the victims of modern slavery.” The person exploiting an individual should be the focus of the primary law enforcement effort, while victims of slavery should be treated as victims rather than perpetrators of crime. An accusation of theft or illegal migration should not take precedence.

The Cooperative Party Modern Slavery Charter requires a number of actions from the Council; particularly ensuring our whistle blowing procedures are adequate, and that the council is using its tendering and contracting procedures to identify signs of slavery. The review received an action plan setting out progress. An annual report on this work is due July 2019. The Commission recommends that this report includes a timeline with milestones to monitor and accelerate progress.

The officer lead for Modern Slavery has been located in Regulatory Services and this team have done some very good work to tackle forced labour. Following reports of concerns at a car handwashing project the team did a piece of work with 17 car washes in Southwark to monitor health and safety compliance, and as part of this look for signs of forced labour. Three premises gave rise to concerns on both fronts. The council now intend to do a similar piece of work with nail bars; this time in association with more partners.

Following this work the Commission recommend that the council identify other high risk industries for modern day slavery, as a prelude to running an awareness raising campaign across Southwark on modern slavery with the public, statutory partners, local businesses and the voluntary sector.

The investigation into car washes, alongside council work on the Housing Licensing Scheme, has identified the role of some landlords in both flouting Housing Legislation, and engaging in other forms of negligence and exploitation. A Rogue Landlord Partnership Task Force has been set up to investigate landlords who

are involved in a number of criminal activities , including tax evasion, trafficking and modern day slavery, abuse of immigration regulations and money laundering. Currently 25 are under investigation.

Tamara Barnett from the Human Trafficking Foundation recommended that an Adult MASH is considered to protect vulnerable adults from exploitation.

Regulatory Services are also delivering training to night time front line staff to recognise Child Sexual Exploitation (CSE), in particular, but also other signs of exploitation, including human trafficking.

Tackling modern slavery and trafficking by linking with existing work on CSE and criminal exploitation was recommended by the Human Trafficking Foundation. Southwark's Children's Safeguarding Board has extended its recent work on Child Sexual Exploitation to include Exploitation.

Nearly half of all victims of Modern Slavery and Trafficking are children. ECPAT gave evidence that trafficked children, and unaccompanied children in care, are a particularly vulnerable group; nationally nearly a third of trafficked children go missing at least once and 20% are never found. Southwark could not provide the data to ECPAT on child trafficking because of the flags used to categorise the data; and this needs to be addressed.

Officers reported that in Southwark children rarely go missing from care completely; and they see less classically trafficked children. Officers said they did, however, encounter Domestic Servitude and Forced Labour for cannabis gardening. The Commission recommends the council pay particular attention to the risk of Domestic Servitude and link up with AFRUCA, who are doing excellent work to tackle child trafficking. Catherine Baker from ECPAT is starting to work with the council to train front line workers. She advised this is crucial along with consistently treating all unaccompanied children as potentially trafficked children.

Labour exploitation is on the rise. One of the communities most at risk of modern slavery are people involved in UK drug gangs, who are employing Modern Slavery methods to exploit people on 'county lines', where often vulnerable urban young people are controlled and exploited by drug gangs to sell drugs in towns outside of the city. The council is working with around 200 children at risk from Modern Slavery through 'county lines', directly or indirectly. This is an area of particular focus at the moment.

A locality review was recently commissioned by the Children's Safeguarding Boards on the area of gangs and exploitation, led by the Violence and Vulnerability Unit of the Home Office. The Extended Learning Review lasted 5 days and took place in January 2019. The principle recommendation was to pull all the work to tackle CSE, gangs, violence and modern slavery under a Community Harm and Exploitation Board (CHEB).The review endorses the above recommendation; Modern Slavery and Trafficking intersects with many other types of harm and exploitation and cuts across most front facing parts of the council. The need for strategic leadership and coordination was a recurring theme.

A task and finish group on Modern Slavery and Trafficking ought to be established to report to this board, to ensure all the various strands of work on this issue are brought together in a coherent way. Alongside linking this work to the proposed CHEB, the commission also recommends the council seek Modern Slavery Champions, Special Points of Contact (SPOC) in different teams, and there is a named officer and cabinet lead to drive this agenda.

Recommendations The Council should:

- 1. Set up a task and finish Modern Slavery & Child Trafficking group, that would include housing, and would ensure that there is an integrated and comprehensive plan pulling together the current work on modern slavery and child trafficking, including a referral process, reporting to the above recommended CHEB.**
- 2. Create specialist council leads on Child Trafficking / Child Sexual Exploitation, and that they are the same person or work together closely.**
- 3. Consistently treat all unaccompanied children as potential victims of slavery.**
- 4. Make sure Section 47 is done for all those children.**
- 5. Ensure that the council flagging and data collection on child trafficked/unaccompanied children meets best practice.**
- 6. Pay particular attention to the risk of Domestic Servitude and link up with AFRUCA, who are doing excellent work to tackle child trafficking.**
- 7. Conduct council wide mandatory training for all staff and members to raise awareness, provide effective support to victims where appropriate; including a protocol advising on the duty to notify and process to follow, explaining the reporting mechanisms for safeguarding adults and children.**
- 8. Create Modern Slavery Champions within the Council (similar the mental health champions) and identify a SPOC in different teams.**
- 9. Create a named lead officer and cabinet lead on slavery.**
- 10. Consider creating an Adult MASH.**
- 11. Pull together the annual report on the Cooperative Charter by July; ensuring there is an action plan to complete the commitments, with a timeline.**
- 12. Review the highest risk industries for modern day slavery as a prelude to running an awareness raising campaign across Southwark on modern slavery with the public, statutory partners, local businesses and the voluntary sector.**

1. Introduction and background

- 1.1. This is the final report of the review into on Modern Day Slavery & Child Trafficking.
- 1.2. Modern Day Slavery and Child Trafficking is an emerging priority for the council and wider safeguarding partnership. Southwark Council signed up to the Cooperative Party Modern Slavery Charter last year. As part of this we are expected to produce an annual update on our progress. Modern Slavery is a priority for the Safer Southwark Adults Board. This was agreed in October 2018 and is for an 18 month period (until end March 2020).

2. Evidence Considered & Methodology

Methodology

- 2.1. During the first scrutiny meeting (29th October 2018) the Commission looked at VAWG across the board including plans for the new VAWG strategy, which included tackling trafficking.
- 2.2. Following evidence presented during the initial meeting the Commission decided to focus the second scrutiny meeting (5 February 2019) on modern day slavery and child trafficking, in particular. This meeting involved both external and internal stakeholders.
- 2.3. The third scrutiny meeting (29th April 2019) reviewed the updates on Modern Slavery from officers.
- 2.4. Research methods included:
- *Desktop research and literature review* - a full review of current local authority, regional and national anti-slavery strategies.
 - *Analysis of existing local data, action plans and strategies* - existing Southwark strategies and action plans on slavery.
 - Interviews - with anti-slavery experts
 - Events/conferences - ECPAT conference and Southwark conference HYP Southwark stakeholder

2.5. Key stakeholders consulted

- Head of Corporate Team, legal Services; Head of Regulatory Services; Director, Children & Families; Strategic Lead for Adult Safeguarding, Deprivation of Liberty Safeguards & Principal Social Worker for Adults, Cabinet Member for Children, Schools and Adults presented on our Anti-Slavery work.
 - Police (Detective Superintendent Sean Oxley – Safeguarding Lead for Central South and DI Paul Graves – Deputy in Safeguarding Hub for Central South)
 - Anti-Slavery experts (Tamara Barnett: Human Trafficking Foundation, Catherine Baker Senior Research, Policy and Campaigns Officer, ECPAT UK and Aidan McQuade Anti-Slavery expert)
-

3. Modern Day Slavery and Trafficking

3.1 What is Modern Slavery?

The Home Office has described modern slavery as “a serious and brutal crime in which people are treated as commodities and exploited for criminal gain. The true extent of modern slavery in the UK, and indeed globally, is unknown”.

The Modern Slavery Act 2015 encompasses human trafficking as well as slavery, servitude and forced or compulsory labour. Modern Slavery = Means + Purpose. It does not necessarily include the ‘Act’ element of the human trafficking process. In practice, the terms modern slavery and human trafficking are often used interchangeably. The UN defined human trafficking in the Palermo Protocol as the ‘recruitment, transportation, transfer, harbouring or receipt of persons by means of threat, or use of force, coercion or deception...to achieve the consent of a person having control over another person, for the purpose of exploitation’. According to this definition, trafficking includes sexual exploitation, forced and bonded labour, domestic servitude, any form of slavery and removal of organs. All three components must be present for an adult to be considered trafficked. However, as regards children, the ‘means’ component is not required as they are not able to give consent

3.2. Trafficking in the UK

In 2017, 5,145 potential victims from 116 different countries were referred into the National Referral Mechanism (NRM)¹ to be identified as survivors of trafficking and to receive support. In reality, the extent of human trafficking in the UK is likely to be far greater than the NRM statistics would suggest. The Home Office has estimated in its Modern Slavery Strategy that there may be as many as 13,000 people held in slavery in the UK.

Exploitation in the UK takes a variety of forms, but most commonly forced labour, sexual exploitation, domestic servitude, and forced criminal activity.

Consent is irrelevant to exploitation: The Palermo Protocol and Home Office guidance both make clear that a person cannot consent to their own exploitation: “An individual’s consent to the conduct alleged to amount to slavery servitude or forced or compulsory labour does not prevent the offence being committed.”

Exploitation need not have taken place yet to constitute slavery or human trafficking: Home Office guidance states that: “Under the Convention, a person is a ‘victim’ even if they haven’t been exploited yet...it is the purpose which is key, rather than whether or not exploitation has actually occurred...victims may have experienced serious trauma in their home country or on the way to the UK and may still be in need of support.”

The crime of slavery overrides any illegal immigration or other minor offences: Karen Bradley, former Minister: “The intent of the offence of illegal working is clear; it is not aimed at the victims of modern slavery.” The person exploiting an individual should be the focus of the primary law enforcement effort, while victims of slavery should be treated as victims rather than perpetrators of crime. An accusation of theft or illegal migration should not take precedence.

Victims of slavery often do not fit a stereotype: Victims of human trafficking can come from a variety of backgrounds including being well educated and from wealthy families. Adult men and boys can be victims of trafficking in similar types of exploitation to women and girls, and many victims of slavery come from the UK as well as abroad. Traffickers may also not fit an expected profile and may appear to be outwardly respectable and likeable people.

People rarely self-identify as victim of trafficking/slavery or easily reveal their experiences: Victims may not self-identify as a victim of trafficking for a variety of reasons, including but not limited to: fear of reprisals

¹ The **National Referral Mechanism** (NRM) is a framework for identifying victims of human trafficking and ensuring they receive appropriate care. A range of agencies may be involved in a trafficking case such as the police, the UK Border Agency (UKBA), local authorities and non-governmental organisations such as charities.

from their exploiters; the impact of trauma on their ability to recall and disclose their experiences; stigma; and an unwillingness to consider them self as a 'victim'. They are also unlikely to be familiar with terms such as trafficking or modern slavery.

Not all migrants working illegally are trafficked: While not all victims will identify as victims of trafficking it is important to also recognise that not all migrants working in the UK, for example, for less than the minimum wage or in an illegal activity have been trafficked.

Smuggling is not trafficking: Frontline staff must also avoid confusing human trafficking with human smuggling. In smuggling cases, asylum seekers and immigrants pay people to help them enter the country illegally. This is a crime against the state rather than a crime against an individual. Smugglers provide an (illegal) service rather than treating a person as a commodity. It is also short-term rather long term with a one off payment rather than ongoing appropriation.

However it is important to note that trafficking victims may start out believing that they are being smuggled, and be free on arrival but end up in a potentially exploitative situation, where they are forced to work to pay off their 'debts', which may be increased over time to retain control over them.²

Modern slavery is a complex, serious and often organised crime. Under Section 17 of the Crime and Disorder Act councils have a duty to do all that they reasonably can to prevent crime and disorder in their areas, which will include tackling modern slavery and trafficking. There are a range of crimes where councils may come across victims and perpetrators of modern slavery, including county lines drug dealing, child sexual exploitation, gangs, violent crime and forced begging, amongst others.

² <https://www.humantraffickingfoundation.org/theissue>

4. Modern Day Slavery and Trafficking of adults and children in the UK and Southwark

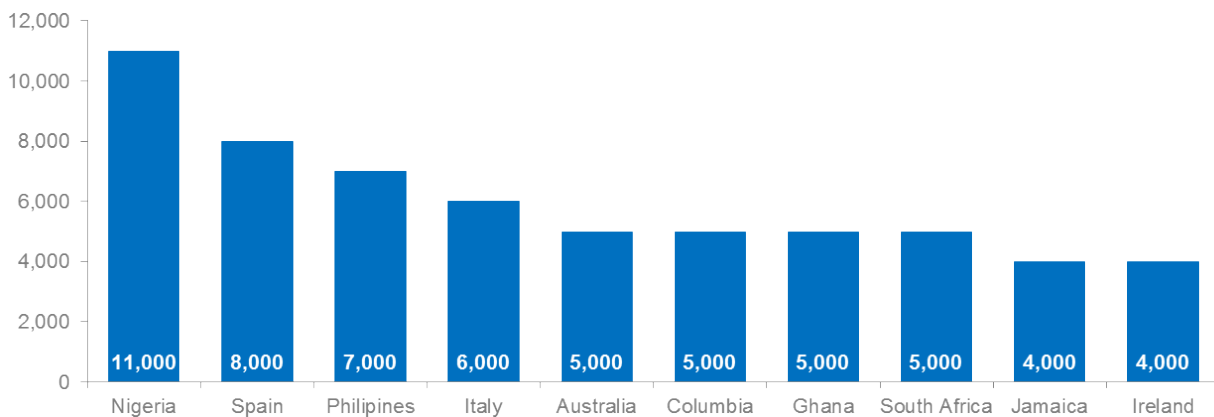
4.1 Tamara Barnett from the Human Trafficking Foundation gave an overview of Modern Slavery. Communities most at risk of modern slavery include UK drug and gangs using Modern Slavery to exploit young people on county lines, where often vulnerable urban young people are controlled and exploited by drug gangs to sell drugs in towns outside of the city, Vietnamese (cannabis farming), Nigerian (domestic servitude) and Albanian (sex trafficking).

4.2 Most recently the NRM identified **5,000 victims of modern slavery in the UK, 2,000 of these were children**. In the UK 20% per cent of children go missing in LA care. The National Crime Agency Data Southwark statistics show in 2016 one adult was identified under the Modern Slavery Act, which is low. A Hestia report highlighted that there were 55 victims in a safe house from Southwark. The Human Trafficking Foundation estimated that 200 would be realistic figure for Southwark, and a focus on this work ought to see the number of referrals go up.

4.3 Looking at the population resident in Southwark, Nigeria is the most common country of origin for those residents born outside the UK, with an estimated 11,000 residents originating from that country. There is great deal of uncertainty behind these estimates, so they need to be treated with a degree of caution. For many countries of the world the council do not have a reliable estimate – including Albania and Vietnam.

Figure 1: Top 10 country of origin for Southwark residents born outside the UK

Source: Office for National Statistics



4.4. Local authorities have a statutory obligation to identify victims of trafficking and Modern Slavery. There is often a lack of support before a victim goes into a safe house and when they leave (usually after 90 days). Local authorities need to work out what gaps there are and how they are recording victims of modern slavery, what multi-agency tools they have in place, and what services they can use that already exist. There are challenging resource issues here as although councils have been given responsibilities this has not been coupled with additional resources.

4.5. Tamara works with local authorities to set up task and finish groups on slavery, looks at best practice, gaps in reporting, and creates local authority slavery leads. She is already doing some work with Southwark and spoke at a recent event organised by the adult safeguarding board. She said it is crucial that all frontline staff, including councillors, are trained to identify possible victims of modern slavery. Tamara recommended setting up a task and finish group, which ought to include housing, and also consider creating an Adult MASH.

4.6 Other good practice is to have a Modern Slavery Special Point of Contact (SPOC) in different teams, and also for members to consider this role.

5 Child Trafficking

5.1 Catherine Baker Senior Research, Policy and Campaigns Officer from Every Child Protected Against Trafficking (ECPAT UK) reported that she had started to do some work with Southwark on child trafficking training.

5.2 **Nearly** half of all victims of Modern Slavery and Child Trafficking are children. Labour exploitation is on the rise. 28% of trafficked children, and 13% of unaccompanied children in care go missing at least once, and 20% are not found.³ She reported that Southwark could not provide the data on child trafficking because of the flags used to categorise the data. She advised training for front line workers is crucial. It is also important to consistently treat unaccompanied children as potentially trafficked children.

5.3 She advised that Child Trafficking cuts across the boundaries of Child Sexual Exploitation (CSE) and criminal exploitation, with many children are experiencing multiple forms of exploitation and harm. It is best practice to have CSE lead and a Child Trafficking lead and it works well if these are the same people.

6. Southwark's safeguarding and child protection work, including County Lines and criminal exploitation

6.1 The council is working with around 200 children at risk from Modern Slavery through county lines' - directly or indirectly.

6.2. The safeguarding board has now moved from Child Sexual Exploitation (CSE) to the broader theme of Criminal Exploitation. Child Sexual Exploitation was a priority in 2017-18. In 2018-19 the SSCB (Children's Board) expanded this priority to Exploitation (covering Child Sexual Exploitation and Criminal Exploitation). This will continue to be a priority moving into 2019-20.

6.3 Officers reported that the council sees less classically trafficked children and the department do not see children go missing from care; generally if children come into Southwark's care they stay. They do see isolated cases of child trafficking; gardeners (cannabis) and teenagers (domestic servitude).

6.4. The police added that they are looking at repeat missing episodes from care. They thought those at most risk are children homed away from the borough. There is also an issue with children who are criminal exploited and committing crimes e.g. 'county lines'. This is not a new thing, but is something that is now being focused on by partners. When the police do surveillance they see both children and vulnerable adults exploited. There is more to be done locally to address repeated missing incidents that often lead to county lines. Social workers and parents have good intelligence on this that can be utilised. Tamara added that Lewisham has done a really good piece of prevention work on mapping risks and vulnerabilities on county lines.

6.5 Considering the evidence presented above it would seem that the biggest risks for Southwark young people are Modern Day slavery through exploitation by criminal gangs and domestic servitude associated with Nigeria. However more work is needed to identify at risk groups and develop targeted interventions.

6.6 Modern Slavery is a priority for the SSAB (Adults Board) - this was agreed in October 2018 and is for an 18 month period (until end March 2020).

6.7. This topic is on the agenda for the SSAB meeting on 25th April 2019 and it is anticipated that work streams will come out of this meeting.

6.8. There was a Modern Slavery community awareness raising event in January 2019 for voluntary sector organisations. Approximately 40 people were in attendance at this 2 hour event.

³ Evidence to the commission meeting and ECPAT UK (2016) Heading back to harm: a study on trafficked and unaccompanied children going missing from care in the UK

6.9 A locality review was commissioned by the SSCB on the area of gangs and exploitation led by the Violence and Vulnerability Unit (VUU) of the Home Office. The Extended Learning Review lasted 5 days and took place in January 2019, with 80 partners were interviewed. A report has been produced with a number of recommendations and this is on the agenda at the next SSCB in June 2019.

6.10 The principle recommendation was to pull all the work to tackle CSE, gangs, violence and modern slavery under a Community Harm and Exploitation Board (CHEB). This should deal with group exploitation and violence in all manifestations. An agreed partnership vision, direction, strategy, action plan outputs and measured outcomes is recommended, along with a clear agreement that major agencies such as Public Health (for example) should report to the CHEB around these metrics, in addition to responsibilities and requirements to other boards.

6.11 The review endorses the above recommendation; the need for strategic leadership and coordination was a recurring theme. Modern Slavery and Child Trafficking intersects with many other types of harm and exploitation and cuts across most front facing parts of the council.

Recommendations

The Council should:

- 1. Set up a task and finish Modern Slavery & Child Trafficking group, that would include housing, and would ensure that there is an integrated and comprehensive plan pulling together the current work on modern slavery and child trafficking, including a referral process, reporting to the above recommended CHEB.**
- 2. Create specialist council leads on Child Trafficking / Child Sexual Exploitation, and that they are the same person or work together closely.**
- 3. Consistently treat all unaccompanied children as potential victims of slavery.**
- 4. Make sure Section 47 is done for all those children.**
- 5. Ensure that the council flagging and data collection on child trafficked/ unaccompanied children meets best practice**
- 6. Pay particular attention to the risk of Domestic Servitude and link up with AFRUCA, who are doing excellent work to tackle child trafficking.**
- 7. Conduct council wide mandatory training for all staff and members to raise awareness, provide effective support to victims where appropriate; including a protocol advising on the duty to notify and process to follow, explaining the reporting mechanisms for safeguarding adults and children.**
- 8. Create Modern Slavery Champions within the Council (similar the mental health champions) and identify a SPOC in different teams.**
- 9. Create a named lead officer and cabinet lead on slavery.**
- 10. Consider creating an Adult MASH.**

7 Adoption of the Co-operative Party's Charter against Modern Slavery.

7.1 The review received an action plan of work being undertaken following the council's adoption of the Co-operative Party's Charter against Modern Slavery. This shows that progress is being made. Some of the ten commitments are already being met, whilst to deliver others further action is required, and the commitments will therefore be delivered in 2019/20. The final commitment of the charter is to report annually, which is due in July 2019.

7.2 The charter consists of these commitments:

- Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.
- Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
- Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.
- Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
- Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
- Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
- Review its contractual spending regularly to identify any potential issues with modern slavery.
- Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
- Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
- Report publicly on the implementation of this policy annually.

8. Regulatory Services

8.1 Following the adoption of the Cooperative charter against Modern Slavery the former council lead on Modern Slavery was located in Regulatory services. He has now left. The department has done a significant amount of work in this area. Modern Slavery first came to officers' attention with people sleeping in cars. Recently they have done some targeted work with local car washes, following concerns about modern slavery at one business. The department is also working to tackle rogue landlords, who are associated with Modern Slavery, and rolling out training.

Targeting business at risk from Modern Slavery

8.2 Following local intelligence from a member of the public provided to Southwark's Anti-Social Behaviour Unit (SASBU) the Metropolitan Police Service (MPS), along with investigating officers from the Gangmasters & Labour Abuse Authority (GLAA), executed a warrant at a commercial hand car wash premises in Southwark. A person was arrested on suspicion of human trafficking, money laundering and the illegal importation of tobacco products.

8.3. A total of 12 adult workers considered to be victims of trafficking for labour exploitation were found on the premises. On searching the arrested person's home the Police found 5 more adults and a 4yr old child.

8.4. 6 of the adult victims agreed to assist with enquiries and were removed, along with the child, to a temporary reception centre. There they were supported, interviewed and assessed as potential victims of modern slavery and trafficking.

8.5 Following this incident Southwark Council's Regulatory Services decided to undertake a project to investigate if similar businesses, with potentially similar concerns, were operating in the borough. A Local

Initiative Health & Safety Project was added to the Health & Safety Enforcement Team's work plan for 2018/19. The project aimed to:

- Identify all operational hand car washes in Southwark
- Map all identified operational hand car washes
- Provide health & safety advice to all hand car wash operators
- Ensure safe systems of work at all hand car washes
- Scout for potential modern slavery practices in all hand car washes

8.6. 17. Seventeen car washes were inspected. The co-operation of, and engagement with, local businesses was good at the vast majority (88%) of premises visited. Compliance with health and safety law was good at the vast majority (88%) of premises, indicating that this business sector is not generally unaware of its legal obligations. 12% of premises gave cause for concern with regard to health and safety law compliance and were referred to the Health & Safety Executive (HSE). The same 12% of premises also gave cause for concern for potential modern slavery and were referred to the Gangmaster & Labour Abuse Authority (GLAA)

8.7. Recommendations from the Project included that modern slavery awareness training is arranged for Southwark Council's front line staff, and managers and that it include information on the reporting mechanisms for safeguarding adults and children.

8.8 Regulatory Services will undertake a similar project to that undertaken with car washes in respect of nail bars. It will employ a similar methodology, however it is likely more partners will be invited to join. There are 119 known nail bars in Southwark, however it is anticipated that there are many more.

8.9 Nail bars are known to be difficult premises to deal with as experience demonstrates that when the presence of an official is known, most "employees" pack and immediately leave. Such a reaction raises suspicion that some of these people may be trafficked and/or subject to some kind of servitude.

Rogue Landlord Partnership Task Force

9.1 The work of Regulatory Services has shown, particularly since the start of Southwark Council's Private sector Housing Licensing Scheme, that rogue landlords are often involved in a number of criminal activities other than flouting Housing and associated Legislation. These activities include tax evasion, trafficking and modern day slavery, abuse of immigration regulations and money laundering to mention a few.

9.2. To help tackle these crimes and in particular trafficking, slavery and immigration abuses Southwark has set up a Multi-Disciplinary Task Force focussed on the worst Landlords who operate in the Borough.

9.3. The partnership consists of colleagues from Private Sector Housing Enforcement and licensing team, Trading Standards, Planning Enforcement, Revenues and Benefits, Temporary Accommodation, Tenancy Relations Service, SASBU, Legal Services, Local Land Property Gazetteer, The Home Office, Fire Brigade, Police, HMRC, Gangmasters and Labour abuse authority (GLAA) and the Immigration Service. The Task force meets every other month. There are currently 25 landlords that are known to have committed housing, planning and trading standards offences who are being investigated in "forensic detail" by the partnership. This includes financial investigations, investigations into criminal contacts that link with the various illegal activities mentioned above.

9.4 To date over 3,000 housing licenses have been granted which means the landlords managing those properties are complying with the law, are providing safe accommodation and are very unlikely to be committing any of the offences the task force is interested in tackling. In addition to the above there are a further 24 landlords who are facing legal offences for letting dwellings that place tenants at serious, health, safety and welfare risks.

10 Training

10.1 Regulatory Services are delivering a cascade model of in-house training to our front line staff. Designed by Barnardo's the package of training called 'Nightwatch' aims to empower our officers to be a

network of eyes and ears alert to recognise signs of exploitation as they may relate to human trafficking and other forms of exploitation.

10.2. Initial training will be delivered to our staff who work in the Night Time Economy but will be broadened out to include other front line staff.

10.3 This package of training largely focuses on Child Sexual Exploitation but frames it in the context of other vulnerabilities including trafficking and /or other forms of criminal exploitation.

Recommendations

The Council should:

- 11 Pull together the annual report on the Cooperative Charter by July; ensuring there is an action plan to complete the commitments, with a timeline.**
- 12 Review the highest risk industries for modern day slavery as a prelude to running an awareness raising campaign across Southwark on modern slavery with the public, statutory partners, local businesses and the voluntary sector.**

Item No. 10.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Community Energy scrutiny review	
Ward(s) or groups affected:		All	
From:		Housing and Environment Scrutiny Commission	

RECOMMENDATION

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 14 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing and Environment Scrutiny Commission agenda and papers 2018-19	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/mgCommitteeDetails.aspx?ID=510		

APPENDICES

No.	Title
Appendix A	Community Energy scrutiny review

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview and Scrutiny		
Report Author	Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	6 June 2019		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	No	No	
Cabinet Member	No	No	
Date final report sent to Constitutional Team			6 June 2019

Community Energy scrutiny review report

1 Introduction

Following the election of a new Labour administration in 2018 the Council adopted a commitment in its Council Plan to: “support the creation of community led sustainable energy projects on estates to help residents reduce their energy bills”. The commitment was carefully crafted to promote community energy projects, in particular, to support the Council’s ambition to decarbonise, and provide additional impetus to build on the previous work of Deputy Cabinet Member, Cllr James Coldwell.

Community Energy has been prioritized by the Housing & Environment Commission at this point in time, in part, because of government plans to end Feed in Tariffs (FIT) in April 2019, which makes solar less viable, thus requiring a consideration of implementable models. Other drivers are tackling fuel poverty and the urgent need to make progress in carbon dioxide emissions reduction, given the current climate emergency, which was declared at Council Assembly 27 March 2019.

Community Energy has been organically growing in cities over the last several years, usually powered by volunteers using a Community Benefit Society (‘BenCom’) model , whereby the capital is raised through a local stock offer to local residents, and funds are set aside to invest in social and environmental priorities, which are chosen locally, by the beneficiaries. Projects frequently use solar to generate energy as this is one of the best sources of renewables in an urban environment. Initiatives also usually incorporate other activities to reduce energy consumption and tackle fuel poverty.

Community Energy England defines Community Energy as the delivery of community led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through partnership with commercial or public sector partners.

The Council decided to take forward the council plan commitment to deliver community energy by supporting three pilot projects on three different estates: Juniper House, Haddonhall and Brenchley Gardens. BRE Group have been employed to evaluate these and provide the council with criteria to judge the viability of future projects.

The Housing and Environment Scrutiny Commission resolved to look at Community Energy in the Autumn of 2018 in order to assist with policy development, by hearing from the three pilots and bringing together different stakeholders: estate tenants and homeowners, elected members from the council and GLA, council officers from different departments; and three local community energy social enterprises: Repowering London; South East London Energy Company (SELCE) and SE24.

On 17 December 2018 a Commission roundtable meeting was convened, which started with an overview of the Council’s work on climate change and carbon reduction, followed by presentations on the three pilots, and then a longer roundtable discussion on some of the challenges and possible approaches to delivery of community energy.

Follow up information arising from this meeting, from the BRE Group and others, has been also been considered in drafting this report as organisations were also encouraged to submit written evidence.

2 Climate emergency and carbon reduction

The climate emergency declared by the Council Assembly in March passed a motion pledging to go carbon neutral by 2030, twenty years earlier than previously planned.

Renewable energy and energy reduction will be an important part of achieving this aim. Zero Carbon Britain¹ estimates that in order to maintain our modern lifestyles using 100% renewable energy a 60% reduction in energy is required.

The Commission received a report outlining the current council strategy and associated actions. These were produced prior to adopting the more demanding target.

Officers reported that there is a wide range of activity across the Council that could be considered part of its Sustainability work, for example:

- Energy and carbon management
- Regeneration, place and wellbeing
- Housing renewal and asset management
- Planning
- Air quality improvements
- Development of green spaces
- Biodiversity
- Waste management and recycling
- Transport planning
- Decentralised energy

All of these areas have current or draft policies and action plans in place, and the Sustainability team are working on an overarching policy that summarises these collectively, while demonstrating how Sustainability contributes to the Fairer Future Promises.

3 Renewable Energy and energy reduction

3.1 The BRE Group report outlines how Renewable Energy (RE) technology can be split into two categories; heat generating and electricity generating. There are some hybrid technologies that are able to provide both.

3.1.1 Electricity generating technologies

¹ Zero Carbon Britain: Rethinking the Future. Report in short: a summary of key findings, page 2.

- *Wind turbines* –generates electricity from the wind, can be located both on land and offshore.
- *Solar photovoltaics (PV)* –solar modules that generate electricity, can be mounted on buildings or land.
- *Hydro & tidal* –generates electricity from moving water with or without a dam

3.1.2 Heat generating technologies

- *Biomass*–heat generated from burning wood, wood pellets or bio-products for direct space heating and can incorporate hot water provision.²
- *Solar thermal*–solar collectors that generate heat that can be utilised as a pre-heat for stored hot water or heating.
- *Heat pumps* –uses electricity to extract heat from air, water or ground.

3.1.3 Hybrid RE technologies

- *Solar photovoltaic-thermal (PV-T)* –combines PV technology with a heat generating technology such as solar thermal or heat pump to deliver electricity and low grade heat.
- *Combined heat & power (CHP)* –similar to a gas turbine which produces electricity and heat for large heating loads.
- *Geothermal*–extracts heat from hot rocks deep underground generating large amounts for heat and electricity from steam.

3.2 Solar PV in Southwark is one of the more suitable renewable technologies for urban locations, delivering low carbon electricity from otherwise unused building surfaces. Solar generation is reliant on receiving enough daylight with efficiency affected by the incline of the roof, the aspect and shading from things like trees and chimneys. A key consideration in erecting solar is the strength and condition of the roof.

BRE Group advises that system specification and performance is key to having an energy demand that closely matches the generation. The business case for solar PV works well when the daily on-site electricity demand is in alignment with a typical solar generation curve, i.e. the majority of electricity consumption occurs during daylight hours, with an increase in consumption between 10am –2pm. Solar can be directly consumed on-site, stored in batteries for usage at times of non-generation, stored as hot water or heat in standard immersion tanks using an energy diverter, or exported to the grid. The other emerging opportunity providing power for electrical cars.

One of the challenges for estate based solar arrays is that typically only the communal areas can be supplied electricity directly, which limits the profitability of a project and means ways have usually needed to be found by Community Energy projects to ensure that residents directly realise the benefits.

Schools and community buildings are more likely to be able to easily match demand with supply as the communal load is higher often predominantly in the day.

² Biomass subsidies in urban areas will end in January 2019 because of air quality concerns

3.3 Southwark's district heating (Combined heat and power) A significant proportion of Southwark's housing blocks are supplied by district heating systems. Local heating systems to housing estates provide a significant opportunity to develop local infrastructure to save carbon and be more efficient. The current infrastructure is inefficient and requires significant investment. The council manages the contractual elements for the waste to energy supply with SELCHP (South East London Combined Heat and Power) run by Veolia. This plant produces heating and hot water that supplies approximately 2,600 properties of nearby Southwark housing estates (fed from boiler houses at Abbeyfield, Clements Road, Pedworth and Tissington).

The expansion of this network is being considered as part of a wider decentralised energy strategy and the regeneration of the Old Kent Road. There are a number of projects looking at this and the Council is commissioning heat mapping and feasibility studies. The GLA is providing capacity support for this and there is a significant opportunity here, although this lies more with the Council, rather than local residents and therefore it would not strictly fit the definition of Community Energy.

4 Community Energy models and local community energy initiatives.

4.1 Most Community Energy projects in London are powered by solar arrays. Historically these have generated an income by providing electricity to the communal areas of the project and by selling electricity to the grid at preferential rates; these are the Feed in Tariffs (FiT), which ended in April 2019 (more detail provided later in this report). Under this arrangement solar array projects with the right aspect have been able to generate enough money to pay back the capital costs and generate a surplus to invest in social benefits; often these are about energy reduction and focused on the residents in fuel poverty.

Three community energy companies attended the roundtable: SELCE, SE24 and Repowering London. All are social enterprises; all initiated by volunteers and often largely powered by volunteers, whose aim is to enable a socially just transition to a low carbon economy, powered by renewable energy.

SE24 is the most local company and almost solely volunteer run, whereas SELCE and Repowering London have been operating longer, employ workers and operate across South East London and the capital respectively.

All the Community Energy companies who attended have used a similar financial model; utilising solar in a suitable location in partnership with stakeholders. A feasibility study is then undertaken and if this establishes a viable scheme then the next step is to raise investment funds by a stock offer to buy equity. Local residents have then been encouraged to invest. The resulting capital has enabled the purchase of solar panels and once installed these have provided a revenue stream through energy sold to the site at a cheaper rate; electricity sold to the grid, making use of the former feed in tariff regime. This has generated enough money to pay both a dividend to stock owners at a small social rate of return, and a surplus that is reinvested back into the local community. A licence is agreed with the freeholder which provides for installation, maintenance, and provision of cheap solar energy. Going forward, this financial model will need to be reassessed in light of central government policy changes.

4.2 SE24 have primarily worked locally in the charitable sector, with churches and community centres, however new funding means they will also be working with social housing associations. The following projects are operational:

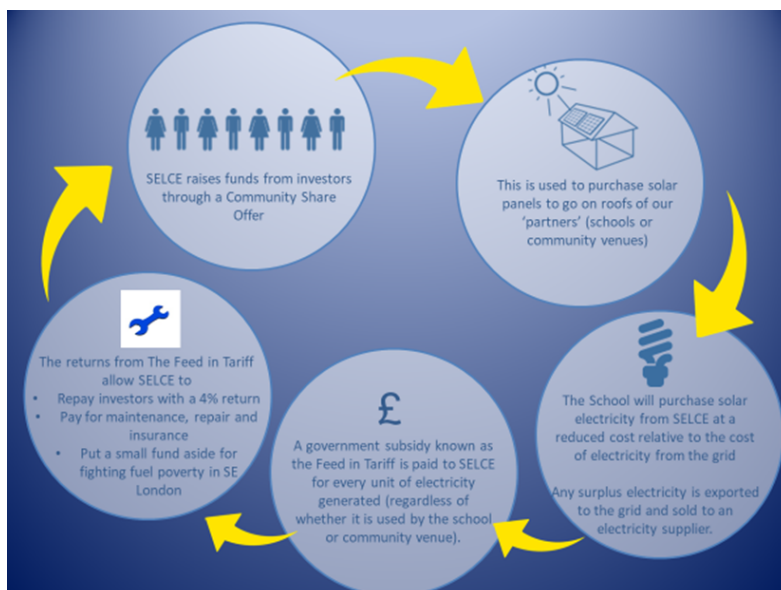
- Herne Hill Methodist Church Hall 2016 (10 kWp)
- Herne Hill United Church 2016. (10 kWp)
- St. Christopher's Hospice 2018 (50 kWp)
- Dulwich College 2018 (100 kWp)

Their social housing pilot project is due to start early 2019 at the Kingswood Estate to provide home insulation and energy saving measures to households at risk from fuel poverty. This will include a pop-up energy advice café at the estate and is being delivered in partnership with SELCE using funds from SE24 community fund.

SE24 recommended the council consider the benefits solar could bring from other parts of the borough estate; particularly primary schools. This will provide a revenue stream for schools and they can use solar generation as a way of changing behaviour. Community energy and solar generation provide an opportunity to educate children who then influence their families. They thought extending the scope of this programme to education could have a real impact on future generations.

4.3 SELCE have installed 7 solar arrays across seven schools in Greenwich; each school will reduce carbon by 300,000 metric tons over the lifetime plus save the individual schools £300,000 each. In addition the projects have created a pool of £100,000 which is being targeted at people in fuel poverty.

Figure 1: Schematic diagram of SELCE's school business model



SELCE is now investigating a business model for solar PV on housing co-ops. Housing blocks comprise a significant portion of roofs in London but have historically lacked the self-consumption to make a

solar PV system financially viable. They intend to increase self-consumption either through using the “Energy Local” model and/or a combination of batteries and electric vehicle charge-points.

4.4 Repowering London came out of a pioneering initiative in Brixton; it was the first community owned urban project on an estate. Their business model works by forming a cooperative for each solar initiative. To date they have co-produced five community-owned solar projects, three in Brixton with the support of Lambeth Council and a fourth project in Homerton with Hackney Council. They have recently completed a fifth project in Vauxhall and are raising funds for sixth scheme in North Kensington working with Kensington and Chelsea Council. The projects installed a total solar PV capacity of 300kW through community share offers raising £375,500 largely from local investors. Shareholders of the co-operative receive a 3-4% return on investment and historically have also benefited from 30-50% tax relief.

The projects also generate a Community fund of £75,000 for further training opportunities and tackling fuel poverty in some of London’s most deprived estates. Currently Repowering London is working with 55 young people via an internship and mentoring programme which trains young people at risk of exclusion in community energy. This is an accredited programme, which came out of a demand from local parents on estates to provide something for young people. The programme is offered to young people (16-19 year olds), who are lacking opportunities and role models and who may feel alienated from greater society, disengaged with education and uncertain of the future.

4.5 The Community Energy representatives said that this model is a ‘win-win’ business model: lower energy and carbon, and community funds for initiatives to reduce bills for those who need it most. Critically it creates community engagement and buy in for other social and environmental initiatives.

5 Pilots

5.1 The Council is currently exploring three different community energy approaches, which requires testing of different models, addressing the technical challenges and understanding the potential benefits. They all have a strong TRA or TMO who have expressed an interest, demonstrating existing community enthusiasm and buy-in.

5.2 Haddonhall project

Situated by the Bricklayers Arms roundabout, Haddonhall TMO has been working with South East London Community Energy (SELCE) to explore a scheme by which shareholders would invest in solar panels to be sited on the estate to generate income through feed in tariffs (FiT) – with an application being made before the deadline.

The TMO explained that the local residents were keen to use solar however they did not have the technical expertise so they asked SELCE to do an initial evaluation. The TMO / SELCE were recently awarded a grant from the GLA to do a technical mapping of the site to assess its feasibility. The initiative will be working on both installing solar and also reducing residents energy costs via an energy café providing advice over a tea and cake.

The Haddonhall business model intends to make use of the FiT to sell energy back to the grid and also incorporates working with a partner, such as Energy Local, to enable residents to access the

cheaper solar energy from the site during the day through a green energy supplier. The other opportunity being considered is a combination of batteries and electric vehicle charge-points.

SELCE applied for Feed in Tariffs (FiT) by the pre-registration deadline of March 31 and are waiting to hear back to if their application was successful.

5.3 Juniper House project

Juniper House is a 5-storey block with 75 flats on the border with Lewisham. There is a mix of stock in the building, 61 of the flats are leased from the Council, the remaining 14 are privately owned. All tenants and leaseholders pay a service charge, a portion of which contributes towards communal energy costs.

Up until recently the block was managed by Juniper House Tenant Management Community (TMC) Limited, a community run cooperative. The operation has now been handed back to the Council and is in the process of being set up as a Tenant Management Organisation (TMO).

While a Housing cooperative (TMC), Juniper House accumulated over £30,000 in its Surplus Fund. With the ending of the cooperative, this money can be transferred to the Juniper House Tenants and Residents association (TRA) to be used on a solar project, however there are caveats : the money must be used to benefit all residents; both tenants and leaseholders.

Juniper residents have been developing plans to use this surplus to pay for the installation of Photovoltaic (PV) panels on the block's roof. Working independently, the TRA obtained electricity consumption figures and has worked with PV suppliers to develop proposals. Before the work can progress, the Council needs to assess the implications of solar installation on the roofs.

Juniper House TRA's aspiration is for the solar energy to be used, in part, to power the communal energy needs of the estate and for this to lead to reduced leaseholder and rental charges. However, this is problematic as although tenant and leaseholders/ homeowners receive a separately itemised bill for communal energy, the calculations are done differently. For leaseholders/home owners, this is done based on the estate consumption, but tenants' charges are aggregated across the borough. While this makes it possible for leaseholders to directly benefit from solar, it means that under the present policy, council tenants would receive much less as the pooled arrangement means the saving from the solar would be distributed across all the borough's tenants.

The terms of the transfer of the £30,000 fund from the former TMO to the current TRA require leaseholders and tenants to be equitably rewarded, and this was also an important principle for Juniper House TRA. They also felt only a direct cash benefit would make the scheme attractive to residents and they considered the best solution would be for the Council to amend the current pooling arrangements to allow tenants from blocks with solar to benefit directly from reduced charges, in the same way leaseholders are able too.

The roundtable discussed the advantages of applying for FiT however the Juniper House TRA did not pursue this option. This would have been difficult to accomplish without partnering with a community energy company as a TRA does not have sufficient legal standing as a 'Community Organisation' under the requirements of FiT, and nor does the Council meet the criteria. Eventually

the Juniper House is planning to become a TMO, which will be an advantage if the estate wishes to pursue community energy under its own auspices.

5.4 Brenchley Gardens project

Located next to Honor Oak cemetery, SE23, the estate is comprised of 96 properties with a 50/50 split of council tenants: private owners. The TMO is keen to explore the options for renewable energy generation on the estate, which is composed of both blocks and houses and has a considerable amount of communal land. The work on sustainability is still in a development stage. They are considering:

- Roof Solar Panels;
- Green Roofs;
- Solar Powered Lighting;
- Insulation to Blocks of Flats;
- Composting (from flats).

6 BRE Group report

6.1 BRE Group was commissioned by the council to provide a technical evaluation of renewable energy on the three pilot estates and provide criteria for assessing future projects. As part of this work they also considered different models to take forward solar energy projects, specifically who would be the owner of the renewable energy, usually solar. This is a key issue for the Council to resolve.

6.2 Renewable Energy system ownership

Options include:

6.2.1 Self financing In this model the Council would own the solar PV and fund the works. Public sector bodies have access to low-cost, long-term infrastructure funding in the form of the Public Works Loans Board (PWLB). There are also a number of funding bodies and financial institutions that provide public sector financing for a wide range of projects, including solar PV with preferential rates for carbon reduction schemes. The advantages include potentially maximising the financial benefit from generation. The disadvantages are that the Council would need to develop a business case and technical capacity to do this. This option would also not be community-led, unless it decided to do this in partnership with residents such as those at Juniper House.

6.2.2 Third party ownership. In this model, ownership of the PV would be with a third party. BRE say third party ownership of PV assets has the potential to fix electricity prices for the landlord's supply and reduce expenditure. It would also realise a reduction in CO2 without any Council investment. Some options have the advantage of being easily deliverable as outside expertise would be brought in.

- i) **Commercial third party:** Solar developers and investors (i.e. hedge funds etc.) offer opportunities whereby the Council enters into a Power Purchase Agreement (PPA) with a third party investor who manage the PV. These would deliver carbon reductions however

would not normally be community-led or deliver further carbon reductions though fuel poverty work.

ii) **Council led third party ownership; there are at least two options:**

a) Special Purpose Vehicle (SPV). Since 2017, solar PV systems on non-domestic buildings can potentially attract an increase in business rates. As a result it has become common practice for owners of non-domestic systems to set up a SPV as a separate legal entity to take ownership of the installed system.

b) Set up an Energy Supply Company (ESCO) a commercial structure created to produce, supply and manage the local delivery of decentralised energy directly to LBS. There is the possibility of working with the GLA who are developing various models which can support this, such as Licence Lite.

iii) **Community Shared Ownership.** This is also a type of third party arrangement. LBS could open all or a proportion of the investment up to a community share scheme offered by Community Energy companies such as SE24, SELCE, Repowering London. Like other third party arrangements the Council do not have to raise capital or develop extensive technical expertise as the community energy company is able to provide this. Shared ownership schemes provide other benefits to the community such as greater resident engagement and understanding of energy and environmental choices, and the ability to address fuel poverty through associated social and environmental schemes. They are also a close fit to the Council plan commitment to be community led.

6.3 Evaluation of the three pilots.

The BRE report conducted a technical evaluation of solar on the roofs of the three pilot projects and the opportunities for reducing energy in the communal areas. They also considered current use of Combined Heat and Power in the pilot schemes.

BRE identified four stakeholders:

- Electricity consumer (Landlord/ TMO)
- Property owner (LBS)
- RE system owner (to be confirmed)
- EPC contractor (commissioned by RE system owner to install the solar PV system)

Their conclusion was broadly that most of the projects did not have sufficient demand from the communal areas to justify solar generation, and that initiatives to reduce communal energy consumption (LED lights and movements sensors) would be more cost effective.

However, the report is based on estimations for installation, and in the case of Juniper House, a council surveyor has not visited the property to examine the roof. As such it is unclear if the assumptions are correct and also if the roof can stand the weight. The report notes that while they do not think a solar array is financially viable at the moment, this could change if the solar installation was combined with other major works requiring scaffolding. The Juniper House TRA report to the Commission said scaffolding was already in place. The report also did not factor in the

desire from the Juniper Houser TRA residents to invest their own capital, arising from the former cooperative, into renewables and as such the scheme is unlikely to draw significantly from council capital. It is also not only a cash equation for the residents involved; they are also looking for an investment that will reap social, community and environmental benefits.

When considering the Haddonhall / SELCE business case the BRE report did not factor in the model that is being used by SELCE / Haddonhall to sell solar directly to leaseholders & tenants on site through a third party local supply model and/or electrical cars. This could be because BRE Group does not identify residents as stakeholders in their assessment and/or because this is an emerging technology. This is weakness in the BRE report as the Council Plan commitment prioritises reducing residents' energy bills, and the SELCE model, if successful, would enable this directly through a cash reduction on energy bills.

6.4 Technical criteria

The report provides a lengthy list of technical criteria which will be useful for the Council if it decides to either go down the self-financing / SPV route, or to help the council evaluate the proposals submitted by third parties, such as Community Shared Ownership schemes, if it decides to pursue this route.

7 Feed in Tariffs (FiT) and post FiT viability

7.1 The Government's Feed-in Tariff (FiT) was first launched in 2010. It was designed as model to encourage and enable homes and businesses to generate their own renewable electricity via feeding green energy into the grid.

Advocates for green energy say the scheme has made a huge contribution to lowering energy costs reducing carbon and that the 759,000 sub-4kw typical rooftop solar installations alone will save 771,646 tonnes of carbon per year. This is the equivalent of the carbon captured by 1.38 billion trees annually.³

The original tariffs were much higher, 40p per kWh; and this dropped to 5p per kWh, before ending on 31 March 2019. The justification for this drop was the falling cost of installing solar. However, the scheme has now ended before viability has been comfortably assured, with the range of sites that previously could have been used dropping away as FiT has reduced⁴ and now ended.

7.2 The replacement will be a new Smart Export Guarantee (SEG), which will require large suppliers to buy solar generated electricity at a published price. The 'smart' part refers to the likelihood that the tariff will be based on the requirements of the grid, so more will be paid when demand is at the highest, and less when demand is lower. The SEG is under consultation and is due to replace the current export tariff arrangement sometime this

³ <https://www.goodenergy.co.uk/blog/2019/03/29/the-feed-in-tariff-is-dead-this-is-how-small-scale-renewables-can-live-on/>

⁴ A manifesto for community energy reported that the scrapping of the strategy and the reduction in feed-in tariffs means community energy groups are now struggling to develop viable projects. In 2017, at least 66 community projects either stalled or failed.

summer⁵. This means there is a gap in moving from one business model to the next. SEG will also only last for a finite period, and is likely to be only one component when assessing future viability. The uncertainty surrounding government solar policy was flagged up during the Housing & Environment Commission roundtable as an ongoing challenge for Community Energy projects.

- 7.3 Other sources of support will become an important part of the mix. The London Mayor is committed to solar and is currently providing grants for feasibility studies, as well as developing energy supply models. Islington have utilised carbon offset from development schemes to support solar, and Lewisham is developing a similar scheme.⁶
- 7.4 In December 2016, Southwark Council pension fund made a landmark commitment to divest from fossil fuels and increase investment in renewables. Following more than a year of consultation with members (employees), deliberation and work with community groups the Council announced the fund's decision to divest £1.2bn fund from fossil fuels. This was a decision based not just on the Council's and member's ethical concerns and support for increased renewable investment, but also evidence that climate change and significant investments in fossil fuels present a long term financial risk to our fund, and as such a switch was wholly consistent with the council's fiduciary duties as pension fund trustees.

The roadmap to meet this commitment was incorporated in the updated Pensions Investment Strategy, published in 2017. This includes a target of 5% of the fund to be allocated to sustainable infrastructure, providing a possible source of funding for solar and other renewable energy projects, subject to decision by the trustee board.

- 7.5 Repowering London reported that projects are still viable but they will need to be more selective with their sites, and in some cases will be looking for a proportion of the capital finance which can be secured through grants, carbon offset funds, and donations without diluting the principles of community ownership, control and benefit.

7.4 Electricity supply models and Community Energy

Ensuring the electricity supply model works with community energy is likely to be an important component of assuring future viability. The national grid is changing as we move from high intensity fossil fuels to renewables and we are seeing the development of distributed, decentralised and digitised energy system. Community Energy advocates are calling for more innovation and support for a supplier hub model to allow community energy groups to operate as local energy suppliers.⁷

Both SELCE and Repowering London are undertaking work on local energy supply models.

Repowering London has three trials, looking at local electricity supply models. These are particularly focused on providing solar energy directly to residents in multiple occupancy communal housing. The trials are working with different partners; Cooperative Energy; EDF,

⁵ <https://www.gov.uk/government/consultations/the-future-for-small-scale-low-carbon-generation>

⁶ https://www.london.gov.uk/sites/default/files/carbon_offset_funds_guidance_2018.pdf

⁷ https://www.green-alliance.org.uk/resources/Community_energy_manifesto.pdf

and Verve, a technical partner looking at blockchain and peer to peer sales. Two were part of sandbox trials which gives some flexibility with regulations⁸; these are being scrutinized by Ofcom.

SELCE plan to working with a local energy supply partner on the Haddonhall estate to improve viability and enable the residents to directly benefit from the cheaper solar energy.

The other opportunity they are considering is powering electrical cars, which could complement the council commitments to reduce carbon in the transport system, improve air quality and reduce the parking provision in new developments. There could be opportunities through the Great Estates programme to pilot this work.

7.4.1 Emerging models

Ofgem's Future Insights Series on Local Energy in a Transforming Energy System states that local energy, and the overlapping concept of community energy, are growing features of the British energy system. Local energy projects have a range of characteristics that often cut across traditional sector boundaries such as generation, supply and consumption. They have a common desire to involve local communities in delivering energy outcomes and, in many cases, contribute to broader local social, economic and environmental objectives.

Ofgem outlines five models:

- i) **Local consumer services** - these aim to improve energy outcomes for local people by energy efficiency schemes and collective switching and purchasing schemes. The council currently has a contract with LASER through which it makes significant energy savings on its energy purchases and is working in partnership with LEP (London Energy Partnership) to procure a new contract for post 2020. Officers are also considering the Mayor of London's RE:NEW programme which provides free and subsidised technical support for social housing providers within Greater London, on energy efficiency and sustainability issues related to carbon reduction. RE:NEW comes to an end on 30 April 2019 and will be replaced by a similar programme (the London Homes Energy Efficiency Programme [LHEEP]) with a more focused scope.
- ii) **Local generation** – Brixton Energy, a Repowering London initiative on a Lambeth estate is given as an example by Ofgem. Haddonhall would fit in this category.
- iii) **Local supply** - Models aimed at supplying local communities with affordable / low carbon energy. Robin Hood Energy as an example. This is the first not-for-profit energy company, owned by a local authority, set up to tackle fuel poverty and to help give people a cheaper, and more helpful alternative to the Big Six. Launched by Nottingham City Council, they aim to lead the way in reducing fuel poverty. 100% of the electricity provided is certified as being sourced from UK based wind and solar generators. The Greater London Authority is developing a License Lite supply arrangement and its Phase 2 FlexLondon Challenge is working with public and

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https://www.ofgem.gov.uk/system/files/docs/2019/02/enabling_trials_through_the_regulatory_sandbox.pdf

commercial partners to develop clean and smart, integrated energy systems utilizing local and renewable energy resources.

- iv) **Micro-grid** The Centre for Alternative Technology has a renewable powered micro-grid in Wales exporting to the grid.
- v) **Virtual private networks.** Projects in this archetype are not widespread, often in concept design or trial phase and vary in scale. Energy Local, who Haddonhall intend to partner with, is a pilot in Bethesda, North Wales, matching local consumer demand to local generation to minimize imbalance and provide lower tariffs to consumers through a licensed supplier. A national example is [Social Energy](#) which uses hi-tech software and battery hardware to store and trade energy with the grid dynamically.

Many of these models could enable the council to meet its commitment to reduce resident energy bills through community energy.

In particular, technological solutions to the supply of electricity directly to residents on estates, have the potential to lower resident fuel bills and improve scheme viability. Currently residents on estates are paying approximately 13p per unit of electricity, however even under FiT the schemes generate only 4p by selling to the grid. Selling cheap energy directly to residents could also solve the challenge that Juniper House residents have faced when trying to ensure that all residents are able to realize a cash benefit. This is, however, still an emerging technology in the experimental stage.

8 Conclusions

Currently the renewable community energy sector is in a period of uncertainty as it moves from the FiT model to an alternative model. The future model is likely to involve a combination of the SEG, local electricity supply models, grants, access to subsidized capital from carbon offset funds and other sources of finance, such as pension renewable infrastructure funds, community stock investment and donations.

The most common, tried and tested form of community energy is solar delivered by a Community Energy social benefit company. Of the three pilot projects, Haddonhall, which has been progressed in partnership with SELCE, looks most likely to be able to realize a renewable project in the near-term, although this cannot be guaranteed at this stage.

Going forward the Council will need to decide what kind of model, or models, it wishes to pursue in order to deliver on its Council Plan commitment.

Encouraging TMOs and TRAs to work with a third party, such as local Community Energy companies, is most likely to see projects getting off the ground quickly as they have technical expertise to take forward projects and a financial model to raise the necessary capital. They also have tested ways to reduce energy bills via projects to reduce fuel poverty and an emerging model to reduce estate residents bills directly through new energy supply models. The ethos of Community Energy community benefit companies is also most closely aligned to the local authority and the Council Plan commitment to deliver community led renewable energy initiatives.

As well as estates there is a significant opportunity to realize the benefits of Community Energy in local schools and the council could promote this opportunity in partnership with community energy companies, where viable post FIT.

Energy reduction is one of the most effective ways of reducing carbon, with estimates that every £1 pound spent will realize £99 in savings and associated carbon reduction⁹. Initiatives like the Mayor of London's London Homes Energy Efficiency Programme [LHEEP] would provide technical support to enable project planning of the council social housing portfolio. This is likely to lead to significant savings in carbon, as well as a positive impact on fuel poverty, and residents' fuel bills.

Longer-term, the Council may wish to pursue setting up either a SPV and or an Energy Supply Company (ESCO) to deliver solar and other renewable energy projects, such as Combined Heat and Power. This would take significant organizational and technical investment, however it is likely to both contribute to reducing carbon and potentially generate money as we move away from an high intensity fossil fuel grid to renewables, and the associated development of distributed, decentralized and digitized energy system.

9 Recommendations

1. Scope out the possibility for Southwark to develop a SPV and/ or local electricity supply model to support solar and other renewable energy projects, including Combined Heat and Power. Explore the feasibility of engagement in London-wide initiatives through the GLA including through its 'License Lite' supply arrangement.
2. Encourage TMOs and TRAs to explore community energy through the Great Estates programme, in partnership with local Community Energy community benefit companies. This could also directly link with the development and roll-out of electric vehicle charging points.
3. Join the Mayor of London's 'London Homes Energy Efficiency Programme' [LHEEP] and use this to plan energy efficiency on estates and assist project planning the best time to fit renewables , where feasible.
4. In relation to the existing pilot projects, we would encourage the Council to recognize some of the limitations of the BRE studies, and factor in emerging models such as that being proposed by SELCE with Haddonhall. The enthusiasm and desire from residents to make all three projects work must be built upon.
5. Work with other parts of the borough estate, particularly schools, to support the development of Community Energy solar projects, recognizing that this support may require a commitment of resources
6. Ensure that the planning process is rigorous in it promotion of carbon-neutral schemes and that the Council's own developments in particular, are best in class in relation to energy

⁹ SELCE presentation to Public Policy Exchange

efficiency. Look at the opportunities provided by any resulting carbon offsets, particularly resulting from regeneration schemes, to invest in community energy.

Item No. 11.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Fairer Future Procurement Strategy	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Finance, Performance and Brexit.	

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

Southwark’s vision is to create a fairer future for all in Southwark. We have promised to deliver value for money and high quality services so naturally this is central to our strategy for the procurement of supplies, services and works. We also know that our procurement can and should deliver much more than this.

Our new Fairer Future Procurement Framework builds on the strategy that the council agreed in June 2016. It sets out how we will use procurement to promote enhanced employment rights, to ensure fair pay and terms and conditions, to reduce inequality and to encourage ethical corporate behaviour. As well as our continued commitment for all contractors to pay the London Living Wage, and making clear that companies that engage in illegal blacklisting of union members and activists can expect to have their contracts terminated, we have new requirements for contractors including publishing their gender and BAME pay gaps and setting out clear action plans for how they will resolve.

Our contracts also present an opportunity for added social value and our updated framework requires that this accounts for at least 15% of the available evaluation marks when tenders are being assessed and awarded. We want contractors to play a central role in delivering our fairer future commitments such as local employment and apprenticeship opportunities.

Finally, whilst we recognise the importance of a diverse and competitive range of suppliers – including many local small firms, social enterprises, minority businesses, and voluntary and community sector groups - the council remains firmly committed to an ‘in-house’ preferred provider model and the expectation that we will continue our record of bringing previously outsourced services in-house.

RECOMMENDATIONS

1. That Cabinet approve the updated Fairer Future Procurement Framework, (FFPF) including the draft Southwark Construction Charter.
2. That Cabinet note the next steps for enhancing our commitment and approach to social value in procurement as outlined in paragraphs 16- 18.

3. That Cabinet note there will be consequential amendments to the constitution, including the contract standing orders, following the approval of the FFPF to reflect updates required as highlighted in the report.
4. Cabinet receive a report back on the implementation and impact of the FFPF in December 2020.
5. That The Leader delegate any minor and consequential amendments and updates to the Fairer Future Procurement Framework to the cabinet member for finance procurement and Brexit in consultation with the Director of Law & Democracy.

BACKGROUND INFORMATION

6. In 2015, Overview & Scrutiny Committee undertook a review of Commissioning and Procurement in Southwark. The first Fairer Future Procurement Strategy (FFPS) was developed in response to those recommendations which included:
 - i) Introducing clear processes for procurements in Southwark
 - ii) The introduction of Gateway 0 reports for services over £10m in value.
 - iii) Briefings for Cabinet members for all procurements over £100k in value.
 - iv) Enhancing the provisions relating to blacklisting.
7. In November 2018 the council approved The Council Plan 2018-2022, together with the revised Fairer Future Commitments. The updated document reflects these changes and is now included in the Fairer Future Procurement Framework (FFPF). The FFPF is attached at Appendix 1 and has been revised to:
 - Reflect the changes in the Council Plan 2018-2020
 - Include changes to legislation, guidance and policies
 - Include reference to social value and the Construction Charter
 - Strengthen provisions in relation to workforce issues
 - Refer to the End Violence at Work Charter
8. The changes made to the Fairer Future Procurement Framework has moved the document from being an inward facing document, providing guidance to our staff, to an outward facing document to our contractors and external organisation, setting clear expectations of the values expected from those who are interested in delivering services on behalf of the council.

KEY ISSUES FOR CONSIDERATION

9. It is essential that the council undertakes procurements fairly and well, as good procurement practice is central to achieving the council's fairer future commitments. Good procurement has the potential to deliver key community impacts by encouraging local small and medium sized businesses to seek to do business with the council and by enhancing the social value the council gains from its spending.

Delivering the Fairer Future Commitments through Procurement

10. The council's Fairer Future Commitments are:
 - A place to call home
 - A place to belong
 - A greener borough
 - A full employment borough
 - A healthier life
 - A great start in life
 - A safer community
 - A vibrant Southwark

11. The values of the council are that we will:
 - Treat residents as if they were a valued member of our own family;
 - Be open, honest and accountable;
 - Spend money as if it were from our own pocket;
 - Work for everyone to realise their own potential;
 - Make Southwark a place to be proud of.

12. The FFPF sets out the framework within which the council will deliver goods, services and works over £100k in value, with partner external organisations and contractors, to residents and businesses in Southwark. The framework will assist in delivering value for money in the procurement process, while ensuring openness transparency and good governance. For procurement below £100k officers will have regard to the resources available to smaller providers which may bid for lower value contracts.

Financial Context

13. The council has an annual turnover of £1.2bn, of which approximately £650m each year is spent with external contractors for a variety of goods, works and services that allow Southwark to meet its commitments to residents. This spending power means the council can, and should, use its financial influence for ethical sustainable impact across the local economy and wider community.

14. Through the procurement process the council will seek the maximum value from it's spend with external organisations via the additional value linked to the contractual spend that benefits the local area, economy and health and wellbeing of our residents. This is referred to as 'social value'. There is also a legal obligation to achieve this under the Public Services (Social Value) Act 2012. Paragraphs 51-59 of the FFPF details how the council will aim to deliver maximum social value through our procurement process.

15. Social value can bring long-term benefit to Southwark by providing opportunities through engagement with organisations as part of the award of contracts and funds that the council uses. These include:

- Creating skills and training opportunities;
 - Creating employment opportunities for the long-term unemployed or those not in education, employment or training (NEETs);
 - Offering work placements to school children and young adults;
 - Providing career advice and information for young people on specific careers, such as construction, architecture or engineering;
 - Offering curriculum support to schools, with contractors sharing knowledge and expertise about their discipline;
 - Improving the health and wellbeing of Southwark residents;
 - Providing additional opportunities for individuals or groups facing greater social or economic barriers;
 - Creating supply chain opportunities for SMEs and social enterprises;
 - Creating opportunities to develop third sector organisations;
 - Encouraging community engagement;
 - Supporting initiatives like targeting hard to reach groups;
 - Encouraging ethical and fair trade purchasing.
16. In recognition of the significant impact that the council's spend can have on its residents and local area, the FFPF states that all tenders, over £100k in value include at least 15% of the tender evaluation scores. Full details of the evaluation criteria and the assessment of social value should be set out in the Gateway 1 report. This approach goes further than the requirements of the Public Services (Social Values) Act 2012.

Social Value Portal

17. The council has invested in the social value portal as a way for organisations to bid as part of the tender process, the additional social value that they propose to bring to the council if they are successfully awarded the contract. The portal allows a clear record of this commitment that will form part of the contract. The successful tenderer will use the portal to record and reflect their delivery against these commitments as part of contract management and monitoring. Initial use of the portal is currently in progress with live tenders and if found to be successful will be adopted as part of the council's contract standing orders.
18. The national themes, outcomes and measures (TOMs) have been used for the pilot projects using the social value portal. If the pilot projects are successful, further work on developing the TOMs to ensure they fully represent the priorities of the council's fairer future commitments for use in future projects.

Southwark Construction Charter

19. The council has significant house-building and regeneration projects planned. The draft Southwark construction charter aims to address specific industry issues and workplace standards and is included as part of the FFPF. A copy of the draft Southwark construction charter is being presented to Cabinet for consideration as Appendix 2 of this report.

20. A final Southwark construction charter will need to be approved by Cabinet. Once approved, it will be included with all construction contracts, published on the council's website, and sent to those contractors on the council's approved list so they are clear what the council expects from those companies it works with.

Health and Safety and Wellbeing

21. The council recognises that anyone working on contracts for the council must be protected, either to the extent of statutory requirements or beyond where appropriate to the nature of the contract. Specific codes of conduct exist for those working at heights, with scaffolding or removing asbestos.
22. The council is also committed to ensuring that staff providing services on behalf of the council should receive protection from violence in the workplace. To demonstrate this commitment the council is awaiting Cabinet's approval of the end violence at work charter details of which can be found in paragraph 32 of the FFPF.
23. The council's women's safety charter was developed in recognition of the serious nature and need to address harassment in bars and nightclubs. Contractors who operate in these industries would be expected to sign up to the charter. Full information and details of the code are signposted in the FFPF.

Workforce Issues

24. Workforce issues are that covered by the FFPF are intended to ensure that council policies and commitments are included in all appropriate contracts. Whilst not intended to be a complete list, this will include the following:
- Payment of the London Living Wage (LLW) as set by the Living Wage Foundation
 - Pension provision
 - The transfer and treatment of staff under TUPE
 - Ensuring all employees have a written statement of their pay and conditions
 - Terms and conditions including sick pay, holiday pay and provision of equipment
 - Trade Union Recognition
 - Modern Slavery
 - Gender Pay Gap
 - BAME Pay Gap
 - The requirement for an offer of guaranteed hours that reflect an employee's normal working patterns and with no harmful short or zero hour contracts that are detrimental to the employees affected
 - Adequate training and development for employees that equips them with the skills and expertise needed to deliver the service; including clear information on their right to request time off for training or study

Governance

25. The council has an established procurement process as part of the governance process set out in contract standing orders. This includes gateway reports that detail the strategic assessment, procurement strategy, contract award and contract variations for procurement and contracts, depending on their value. They are approved as set out in the council's constitution and offer clear governance and best practice in the procurement processes.
26. Contract managers are responsible for the on-going management, measurement and reporting of the delivery of the social value commitments as part of contract management. This includes requirements to:
- Place contract award notices on the government website contracts finder for all contracts placed that are worth £25,000 or more, regardless of whether these have been advertised
 - Add all contracts over £5,000 or more to the council's contracts register
 - Prepare and review contract performance for all to manage and monitor contracts in respect of at least:
 - a) compliance with specification and contract
 - b) contractor performance and KPIs
 - c) budget and cost
 - d) user satisfaction
 - e) risk management
 - f) delivery of social value commitments, including London Living Wage.
 - Where the Estimated Contract Value exceeds the relevant EU threshold, a six-monthly monitoring report to the relevant department contracts review board (DCRB).
 - Where the contract relates to a strategic procurement or if it was awarded by an individual decision maker, an annual monitoring report to the corporate contracts review board (CCRB) should be taken within six months of the contract anniversary.

Staff Procurement and Contract Management Skills and Training

27. The need to support the training and best practice advice for procurement and commissioning skills, as well as those for contract management and monitoring across the council is well recognised. Support, advice and guidance will continue to be made available, as well as developing new training to underpin the FFPE. This will involve the appropriate use of the eProcurement system and cover requirements for the tender process and evaluation including the evaluation of social value. Contract management techniques, including continuous improvement and learning from 'relationship management', as well as tools and best practice will also be shared.

Consultation

28. The revised FFPF, social value portal and construction charter have been developed in consultation with the procurement and legal teams, with input from financial and information governance and the local economy team. In addition Directors Forum has seen the FFPF and the director of new homes has supported the development of the Southwark construction charter. Any comments received have been incorporated into the draft documentation.

Next Steps

29. Following the agreement of the FFPF a number of actions will be undertaken. These will include:
- Publishing the FFPF on Southwark's website so this is available as a public document to any external organisation that might wish to work with the council
 - Publishing the FFPF on the council's intranet with supporting guidance and advice for council officers e.g. on the new social value evaluation requirements and incorporating these into existing templates
 - Review the social value portal's themes, outcomes and measures (TOMs) in the light of successful pilots, to ensure that these are prioritised and aligned to the council's fairer future commitments
 - Review the outcomes of the climate emergency summit in July 2019 and potentially incorporate additional targets and actions
 - Working to understand whether additional training is required
 - The Southwark construction charter will be brought back to the cabinet for approval in September 2019. Once this has been agreed, it will be incorporated into future construction contracts entered into by the council.
 - Amend and update guidance for officers on relevant contracts and justifications for the grounds for best value when assessing the payment of the London Living Wage (LLW) or real UK Living Wage (as set by the Living Wage Foundation).
 - Further investigation will also be undertaken into the work of 'Electronics Watch' which monitors the public procurement of electronic goods and supply chains with a view to see what more the council needs to do to ensure the rights of all workers in our electronic supply chain are respected and their working conditions are safe and decent.
30. Legislative changes and new policies that support and further the aims of the council, such as the major's good works standard will be kept under review and incorporated into the FFPF where appropriate.

Constitution implications

31. If Cabinet agrees the proposed FFPF, a number of changes to the council's constitution, including the contract standing orders would need to be made to reflect this.
32. These amendments cover:
 - Inclusion within the CSOs for at least 15% for social value evaluation for contracts over £100k
 - Potential to require the use of social value portal, subject to the approval of the FFPS and successful use of the pilot projects.

Policy implications

33. The FFPF reflects and provides support for how some of the council's policies will be implemented where they affect procurement and commissioning of contracts. These include the payment of the LLW where appropriate, and targets around social value priorities such as apprenticeships that form part of the fairer future commitments.
34. It also refers to supplier commitments to the policies important to the council and by law, including but not limited to the modern slavery commitments and reporting and information on the gender pay gap.
35. Cabinet are asked to note that the current FFPF does not refer to the diversity standard as it is not in itself deliverable by via the procurement process but elements, such as the payments of LLW and no harmful or zero-hours or short contracts are to be included elsewhere in this framework will be checked during the procurement process.
36. A review of the impact of the FFPF will be undertaken and reported to Cabinet in December 2020. The review will explore the implementation and impact of the FFPF and make any recommendations for any amendments.

Community impact statement

37. This framework sets out the consideration that the council will have in future procurement processes, to ensure that the maximum possible benefit and impact of the procurement and resulting contract will be leveraged for local residents and the community. The framework aims to have a significant positive impact but will be assessed on a case by case basis for each procurement process.
38. The provisions within the FFPF, particularly around social value, are designed to encourage and support the integration and early consideration of factors through procurement activities that will provide benefits to local people and communities.

Resource implications

39. The strategy sets out how procurement processes will integrate council policy and best practice and support the delivery of the council's fairer future commitments. It is intended to have a positive impact on improving the outcomes and delivery of value for money from spend with external providers.
40. The procurement advice team will continue to support the development of procurement strategies and processes, as well as providing guidance, templates and training where appropriate to support the FFPF.

Legal implications

41. Please see the supplementary advice from the director of law and democracy.

Financial implications

42. The FFPF and agreement of this report does not have any immediate financial consequences. Any procurement or in-house provision conducted under the FFPF must be achieved within the council's agreed budget.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

43. The strategic director of finance and governance notes the recommendations of this report for the approval of the updated FFPF and draft construction charter, as well as the expectation for payment of the UK National Living Wage in addition to the London Living Wage where appropriate, and incorporation of council commitment to social value considerations throughout the procurement process.
44. The changes to the framework through which council procurement activity is undertaken is not expected to have an immediate impact on budget or spending requirements. Procurement or in house delivery carried out in accordance with the FFPF is to be achieved within existing council budgetary allocations.

Director of Law and Democracy

45. This report seeks the Cabinet's approval to the updated Fairer Future Procurement framework (FFPF), and other recommendations in relation to its implementation, as further detailed in paragraphs 1-5. Pursuant to Part 3B of the constitution, the Cabinet has responsibility to consider and promote strategic and council wide initiatives to improve the quality, efficiency and effectiveness of the council's services to the public, and therefore the approval of the FFPF is reserved to Cabinet.

46. The key considerations and commitments set out in the FFPF and council procurements must comply with and be delivered in accordance with all applicable EU and UK legislation and guidance. Relevant legislation is noted in the FFPF, but includes the Public Contract Regulations 2015, the Public Services (Social Value) Act 2012 and the Equality Act 2015. Officers in Law and Democracy will continue to provide support and guidance in the implementation of the updated FFPF, and any necessary amendments to contract and tender documents.
47. 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 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 37-38 of this report, and paragraph 21 of the FFPF setting out the consideration that has been given to equalities issues, which should be considered when approving the recommendations in this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 19 January 2015	Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=4900&Ver=4		
Cabinet Agenda 21 July 2015	Constitutional Team Southwark Council 160 Tooley Street London SE1P 5LX	Paula Thornton Paula.thornton@southwark.gov.uk 020 7525 4395
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		

APPENDICES

No.	Title
Appendix 1	Fairer Future Procurement Framework (circulated separately)
Appendix 2	Southwark Construction Charter (circulated separately)

AUDIT TRAIL

Cabinet member	Councillor Victoria Mills, Finance, Performance and Brexit	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Elaine McLester, Head of Procurement	
Version	Final	
Dated	17 May2019	
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
Head of Finance and Information Governance	Yes	Yes
Date final report sent to Constitutional Team		7 June 2019

Item No. 12.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Resident Involvement Review Recommendations	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Kieron Williams, Housing Management and Modernisation	

FOREWORD – COUNCILLOR KIERON WILLIAMS, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION

Ensuring our council tenants and homeowners have a strong voice in shaping our housing services and the support they need to improve their estates and communities is a key priority for the council. This paper sets out proposals to strengthen the way we do this and our plans to consult residents and homeowners on them.

We want all of our homes and estates to be great places to live. Making that happen is a joint endeavor between the council and our tenants and homeowners. Only by working together can we ensure our housing services and investment are both high quality and focused on the things that matter most. We also know the success of our homes and estates is about more than the buildings and council services. Ensuring our residents have the support they need to improve their neighborhoods and communities is equally important.

Southwark has a long and proud history of tenants and residents working together to improve the homes and lives of the people in our housing. Our tenants and residents associations (TRAs) have always been central to this. The approach set out on the following pages aims to strengthen this vital part of the community infrastructure of our borough, maximizing the support, training and funding available to TRAs and further strengthening the relationship between tenants and residents and their councillors.

The approach set out here also seeks to ensure the full diversity of our tenants and homeowners have the opportunity to be involved. Less than 0.5% of our residents in council homes are currently engage with the council through the existing formal tenants' involvement structures and only 60% of our council homes are currently covered by a TRA. By providing a range of options for people to get involved - at an estate, neighborhood, ward or borough wide level as well as online - these recommendations seek to ensure we are listening to and working with a full range of the people who live in and own our homes.

These proposals are based on substantial engagement with tenants and leaseholders over the past two years, as described on the following pages. To ensure we get these changes right we will undertake a further round of extensive consultation on these proposals over the next few months with the aim of implementing a new framework later this year.

In making these changes our aim is to ensure a growing number of our tenants and homeowners are able to shape our housing services and investment and to take action to improve their estates and communities, so together we can ensure our homes, estates and borough are great places to live.

RECOMMENDATIONS

That the cabinet:

1. Notes the recommendations of the Resident Involvement Co-design Panel and subsequent consultation feedback in relation to the council's housing engagement and involvement framework.
2. Notes the council's proposals for a new framework that takes into account the panel's recommendations and consultation feedback:
 - a) That Tenants & Residents Associations remain fundamental to the structure providing both scrutiny and community development functions for tenants and homeowners.
 - b) That the functions of the existing 12 Area Housing Forums in terms of discussing local housing issues, are incorporated into the newly established Empowering Communities Programme which will bring residents and local councillors together to discuss housing and other local issues either on a ward or multi-ward basis.
 - c) That Tenant Council and Homeowner Council are replaced by one Tenants and Homeowners Forum.
 - d) That the Chair, Deputy-Chair and one other member of the proposed Tenants and Homeowners Forum are co-opted to the Housing Scrutiny Commission, a sub-committee of the council's Overview and Scrutiny Committee.
 - e) That an online panel of tenants and homeowners is established to provide an additional way to regularly seek the views of a wider range of residents through polls and longer consultation exercises.
 - f) That the council will support Tenants and Homeowners to arrange an annual conference.
 - g) That a new Resident Involvement Fund replaces existing separate funds which currently exist for Tenant Council and Homeowners Council.
3. Agrees a further round of consultation on the proposals to take place between July and September 2019.

That the Leader of the Council:

4. Instructs officers to report back to the cabinet member for housing management & modernisation by October 2019 on the outcome of the consultation.
5. Delegates the approval of final proposals for a new Resident Involvement Framework to the cabinet member for housing management & modernisation.

BACKGROUND INFORMATION

6. Southwark Council is one of the largest landlords in the country with around 55,000 council homes across the borough. The council's relationship with its tenants and homeowners is especially important and is governed by statute requiring the council to consult its tenants on matters of housing management.
7. The council values the input of and engagement with those who live in council homes and it is committed to finding better ways to listen and respond to all our residents

about the things that matter most to them. If residents, staff and councillors work together in partnership we will be successful in delivering the right services and building stronger and more resilient communities.

8. In 2018 the council made eight new commitments aimed at making Southwark a fairer place to live where all residents have the opportunity to fulfil their potential. Theme 1 is “A place to call home” and includes a commitment to work with tenants, residents and homeowner groups to find new ways to engage so that more people can have their say.
9. The current housing engagement structure has been in place for many years despite considerable changes to the way housing services are delivered and in the way that residents tell us they want to be involved. The current formal hierarchy has Tenants & Residents Associations (TRAs) selecting members of their Area Housing Forum (AHF), which elect the members of Tenants and Homeowner councils. This pyramid of representation has achieved much in the past; however it also excludes a large number of residents, such as those living in the near 40% of council homes which are not covered by a TRA.
10. In 2017, following a scrutiny review of resident involvement, the Housing and Community Safety Scrutiny Committee commissioned an independent review of the housing engagement structure (the Kaizen/Social Engine Report). The review identified a number of fundamental challenges including the limited coverage of TRAs, how to engage with residents across the borough’s diverse population, the lack of diversity among members of Area Housing Forums, Tenants and Homeowner councils, low awareness of residents of the resources available and a preference for funding to be directed towards estate-based/local community projects.
11. The review also noted that Tenants Council and Homeowners Council meetings don’t contribute to strategic decision making about the housing services. Based on the evidence presented in the review and the identified options for change, Kaizen/Social Engine recommended that the council establish a collaborative co-design process in which the council was a participant alongside residents to develop proposals for reform.
12. On 26 June 2018 cabinet agreed proposals presented following agreement by the Scrutiny Committee to set up an independently chaired panel of residents to review the housing engagement and involvement structures and make recommendations on changes where these were needed. The aim was to broaden and deepen involvement with our residents as far as possible. The panel’s findings were published in January 2019.
13. This report presents proposals for resident involvement which take into account all the consultation the council has carried out to date as set out above.
14. The reform of the resident involvement structure is also informed by changes to wider community engagement with the replacement of community councils with the establishment of the Empowering Communities Programme and a combination of Ward Forums and a Democracy Fund, designed to strengthen the link between local councillors and their constituents.

KEY ISSUES FOR CONSIDERATION

Scrutiny Review of Resident Engagement

15. The Housing and Community Safety Scrutiny Committee conducted a review of resident engagement as part of their annual work programme. As part of this work, the sub-committee heard evidence from council officers, the Cabinet Member for Housing Management and Modernisation and members of the Tenant Council. It was noted that the current structures for engaging with tenants and homeowners were built and formalised in the late 1980s and early 1990s at a time when face to face engagement was the best way to reach out to people and hear what they had to say.
16. These structures also reflected the corporate and decision making arrangements of the council at the time, which have changed considerably since. Many committed residents dedicate valuable time and service to engaging with the council on housing issues. In addition, tenant and residents associations perform important and valued community roles, supporting vulnerable residents and building community networks. However, less than 0.5% of our residents in council homes currently engage with the council through the existing formal routes.
17. The evidence showed that while there are many strengths and assets within the tenant and leaseholders movements, there is dissatisfaction on all sides with the current arrangements and a strong desire for change.
18. On 7 February 2017, having heard the evidence presented, the housing and community safety scrutiny sub-committee recommended that a review into tenant and homeowner engagement be commissioned, to be carried out by an independent, expert body. The review would provide independent evidence to the sub-committee to support recommendations to the council's cabinet on improvements to how the council engages with residents.
19. Following this recommendation, the council invited organisations specialising in housing, public engagement and public service improvement to tender for the contract to lead the review. In March 2017, following a competitive process, Kaizen Partnership and Social Engine were appointed to lead the review. The appointment was supported and advised by a representative of the Tenant Council and Homeowners Council who were also invited to send a representative to participate in the process.
20. The review was set up to explore independently and in depth how the council engages with tenants and homeowners as a housing provider and identify areas for improvement.
21. The full report made a number of recommendations under three broad headings:
 - reviewing the overall approach to resident involvement
 - reconfiguring the engagement structures
 - introducing more effective and up to date engagement methods.
22. The key recommendation was that in response to the evidence presented by the review, and the options for change that it set out, a collaborative co-design process should be established in which the council would be a participant alongside residents. Such an approach was recommended to develop a shared plan for change in

response to the review, which was owned by all stakeholders and built on the widespread participation achieved during the review itself.

23. On 26 June 2018 the scrutiny review was responded to by cabinet. The report noted that the challenge for the council is to create efficient, effective and inclusive engagement structures, processes and culture fit for the 21st century that provides significantly more and convenient ways for people to have their say, leading to greater confidence in and satisfaction with the council's decisions.
24. It also noted that the needs and methods of engagement are constantly changing, for example the requirement to undertake regeneration ballots. This requires the council to develop innovative ways to contact and involve borough residents, groups and organisations and to demonstrate the impact their views have on decision making.
25. The Southwark Conversation was one of the largest consultation exercises ever undertaken by the council. Though a quarter of those taking part in the Southwark Conversation identified as already active in their community, there was significant demand for the council to make better use of community groups, for better coordination of activities, more and different types of consultation or engagement including greater use of digital tools as one method of engagement.
26. The Kaizen/Social Engine report demonstrated that there is an urgent need for a comprehensive review of the housing engagement structure to ensure that all LBS tenants and homeowners can access the structure, to empower TRAs, allow for more efficient and accountable use of residents funds and assets (Tenants Fund, Homeowners Fund, TRA halls) and ensure that there is effective resident involvement in the housing management service.
27. In addition to the exclusionary effects of the current structure, there is a lack of clarity around roles and functions, which has led to significant dissatisfaction amongst both active residents and council officers. This means that while a review would be widely welcomed, how this is undertaken has to be both effective and credible.
28. Cabinet concluded that a Co-Design Panel of Residents should be constituted to involve a representative sample of both established housing representatives and residents currently not actively involved, along with council officers and chaired by an independent expert who could manage an extensive agenda and ensured the effective inclusion of a wide range of views. The Co-Design Panel was modelled on the Fire Safety Residents Scrutiny Panel established in 2017 which was widely acknowledged as an effective way of engaging people.
29. In line with the recommendation of the Kaizen/Social Engine report, the Panel began with adopting a set of principles to guide its discussions and develop a vision of what the housing engagement structure should look like and do.
30. The methods and order by which the Panel considered the various elements of its agenda were decided by the Panel itself, but cabinet agreed they should include:
 - How residents want to be involved and ensuring that the council's consultation and engagement is representative of the diversity of the population of Southwark
 - Review of the coverage, function and support for TRAs and how they can best be supported to improve their community role and reach and improve their neighbourhoods
 - The role and format of area based housing forums

- The role, rules, format and servicing of borough-wide housing bodies.
 - The use and management of the Tenants Fund and Homeowners Fund.
 - The role of resident support bodies such as Southwark Group of Tenants Organisations (SGTO).
31. The aim with the recruitment of the Panel was to ensure a diversity of membership in terms of housing tenure, geography and demographics. The Panel was serviced by the Communities Division and completed its work by the end of 2018.
 32. The Panel also considered the views of diverse groups of other residents in making its recommendations.

The Co-Design Panel

33. The co-design process required the creation of a panel of residents and officers to look in detail at the resident involvement structure and make recommendations about how it could become more inclusive and effective. In the resident membership of the panel, balance was sought between experienced representatives and residents previously not involved, but who were keen to engage. At the same time, the work of the panel was to be fair and transparent, under the leadership of an experienced, independent chair and all documents made public.
34. Tenants Council (TC), Homeowner Council (HoC) and the MySouthwark Homeowners Board (MSHB) were all offered a seat at the panel. TC voted to boycott the process and declined to send a representative.
35. Over 5,000 residents were invited to apply to be on the panel. 98 applied and seven (+ two reserves) were selected by the independent chair ensuring good location, age, gender and ethnic balance. The panel members were of mixed backgrounds and the majority had not previously been involved in existing formal engagement structures.
36. The panel also included three council officers and the independent chair. It met eight times over four months. To ensure openness and transparency, all papers and minutes have been published on a dedicated webpage on the council's website. A sounding board of around 80 residents (those who applied the panel but were not appointed) were also given a chance to comment and input into the report. The co-design process was open to everyone who wished to contribute their experiences, insights, ideas or suggestions.
37. The panel received evidence in the form of written submissions from existing bodies, residents involved in current structures officers of the council, as well as papers prepared by the independent chair. The panel also spoke with resident representatives and council managers.
38. The panel published its findings in January 2019, an executive summary can be found in appendix 1 and the full report can be found online on the council's website. A four week consultation period followed, the salient points from this consultation can be found within this report.

Proposals for resident involvement

39. One of the key findings arising from both the Kaizen/Social Engine review and the co-design panel was that the current formal engagement structures are not as inclusive as they might be and that those who do not participate in these structures are more

likely to feel that their voices are not heard. Whilst all of the previous work undertaken on the review acknowledges the considerable investment that the current active volunteers make there should be more work to increase the opportunities that our residents have to have their voices heard.

40. The council proposals for consultation contained in this report seek to increase the number of tenants and homeowners actively involved in scrutinising housing services as well as taking part in their local community. They embrace new ways of sharing information and consultation, developing structures at the local level and strengthening the connection between residents and ward councillors. The proposals, which build on the panel recommendations and consultation feedback, are:
- Inclusive by giving residents more choice of how and when to engage, and the possibility to have local issues based meetings where no TRAs exist
 - Modern by making use of technology and other innovative ways of engagement
 - Strengthen the link between residents and councillors
 - Moves away from the pyramid hierarchical set up and transcends tenure divide
 - More efficient and transparent use of resident involvement funds

Tenants and Residents Associations (TRAs)

41. Two in three of the over 1,000 respondents to the Kaizen/Social Engine consultation said that they knew about their TRA. Respondents were clear in their views on what the role of their TRA should be with two thirds saying they thought it should be to improve their local area and half saying the TRA should be representing tenant views about services to the Council. The report also recommended that the council should review the approach and provision of training and support for tenants and TRAs.
42. The co-design panel made a number of recommendations in respect of grass roots resident involvement:
- Continue to support the work of TRAs and their development as community organisation
 - Hold annual resident involvement events where there is no TRA
 - Raise awareness of opportunities for further involvement – local level, strategic levels, pool of active residents, etc.
 - Provide grassroots resident groups (whether TRAs or not) with opportunities to apply to the proposed Communities Fund
 - Relevant training and support services to resident groups
43. The council agrees that TRAs should remain the basis of the structure of engagement and community development with tenants and homeowners. The council will seek to establish and re-establish TRAs in those areas where none currently exist and will:
- Identify non-TRA areas and work proactively with tenants and residents in those areas to support them in establishing TRAs where they wish to do so
 - Review the existing TRA model constitution, with a view to simplifying it, ensuring it is in plain English (with less bureaucratic jargon)
 - Review the existing training offer for residents to ensure that it is fit for purpose, offers value for money, and widens the pool of digitally-included residents.
 - Provide specialist support for TRAs in respect of financial management and governance to increase transparency and accountability
 - Increase the level of funding available to TRAs, paid for by efficiencies made in the way the current funds are allocated and administered.

- Arrange free full fibre broadband connections to TRA halls
 - Explore how libraries across the borough can be used as resource centres for TRAs for accessing IT facilities, holding meetings where TRA facilities don't exist, training, etc.
44. The previous reviews noted that there was a general reliance on representative structures rather than participation. This is particularly acute where there is no TRA in place (approximately 40% of council homes) where there was no opportunity for residents to get involved with a TRA and then be delegated to an Area Housing Forum and on to either Tenants or Homeowners Council making it more difficult for these voices to be heard.
45. During the consultation following the publication of the panel's recommendations, 74 respondents (93.67%) agreed or partially agreed (79.75% and 13.92% respectively) to ensure that tenants and homeowners have local opportunities to have their voices heard where there is no TRA. Of those who offered an explanation on this question (56), the majority (31) expressed that it was positive to have alternative avenues of engagement and other ways to have their voices heard, specially where TRAs existed but were not effective or representative (10 people made this point). 16 respondents explained that they felt the council should do more to establish and support TRAs.

Ward Forums

46. 52% of respondents to the Kaizen/Social Engine consultation said that they knew nothing about the Tenants Council, Homeowners Council and Area Housing Forums. 57% said they knew nothing about Area Housing Forums. It was also highlighted that Area Housing Forums do not match with the housing management areas and that this adds confusion to who is responsible for what and that some form of re-assessment of structure to clarify the purpose and remit of each element would be beneficial.
47. Kaizen/Social Engine also noted that the formal engagement structures of TRAs, Area Housing Forums and Tenants and Home Owners Council all operate mainly through meetings and with regularity that significantly reduces participation.
48. The review concluded that like the Homeowners and Tenants Councils, Area Housing Forums and Community Councils are not sensible to maintain as distinct structures. They saw considerable disadvantages of maintaining these separately in that they encourage the separation of housing from other services and priorities, they place considerable burden on the volunteers who participate in them and they add significantly to the number of meetings which officers and Members are expected to attend which increases cost. The reviewers considered that it would be more sensible for Area Housing Forums to be incorporated into Community Councils with a focus on broader outcomes and the wider interests of the Community Councils rather than maintaining a housing specific focus that AHFs currently have.
49. The co-design panel recommended that the current Area Housing Forums (AHF) be replaced by new Housing Forums, open to all council tenants and homeowners in their respective area. These should have a clearly defined role and a standard agenda developed with residents, including housing service performance and would provide a mechanism to highlight and escalate systemic concerns.
50. Over 84% of respondents to the co-design panel report consultation agreed or partially agreed that these meetings should be open to everyone in the area, with 89% agreed

that they should provide meaningful resident scrutiny of housing services, as well as support grassroots resident initiatives.

51. The above suggestions would be met by the new Ward Forums. As part of the Council's Empowering Communities reform the Council Assembly has recently approved the creation of Ward Forums that will replace the existing Community Councils with a more flexible structure. These forums will bring together local residents and councillors, to discuss local issues including council housing related matters. They will have the freedom to meet on a single or multiple ward basis. All local residents will be welcome to attend and participate in these meetings regardless of whether they have a TRA in their area or not. Tenants and homeowners living in street properties and freeholders will also be welcomed. A local councillor would be the Chair or Deputy Chair of the Forum, with a member of the public taking the other position.
52. Ward Forums would annually nominate representatives to the Tenant and Homeowners Forum. The ballot would be open to council tenants and homeowners only.
53. Ward and multi-ward Forum meetings will be promoted as widely as possible in order to encourage attendance.
54. Ward Forums will meet on an annual cycle that includes funding and election meetings. Attendees would be asked to fill in equalities and diversity monitoring data so that the council can assess the level of engagement from our diverse communities and take action where this is not being achieved across the board.

Tenants and Homeowners Forum (THF)

55. The Kaizen/Social Engine review recommended merging the Homeowners Council and Tenants Council. 56.7% of respondents said they knew nothing about the Tenants Council. Young people in particular felt that the formal structures of engagement were not appealing to them.
56. The review concluded that having a separate Tenants Council and a Homeowners Council creates inefficiency and duplication as well as reinforcing a division between leaseholders and tenants that is unnecessary and unhelpful. Whilst it was acknowledged that there are differences in the interests of leaseholders and tenants on a small number of specific issues – for example major works and the setting of service charges – these do not necessarily warrant completely separate structures. The reviewers believed it would be more productive and more efficient – financially and socially – to bring these two together into a single body.
57. The process would have to be carefully managed and will provide a much more efficient structure for engagement. Whilst Kaizen/Social Engine did not advocate the abolition of a distinct Borough-wide housing engagement structure in favour of a generic body, they did believe that greater connection with other related policy priorities and services would be beneficial. There was evidence both from the Rapid Evidence Assessment that included looking at other providers and from conversations with other providers that combining the Tenants and the Homeowners Councils together into one strategic group can work well. The findings from the surveys conducted also demonstrated that the views of tenants and homeowners were broadly aligned on the vast majority of issues.
58. The co-design panel recommended that the council sets out reasonable expectations for any strategic group for tenants or homeowners, including:

- That it should be accountable
 - It should be clear who was a member of the body
 - That it should represent homeowner/tenant views and concerns
 - It would receive input from homeowners/tenants
 - That there should be a code of conduct
 - Members should seek out the views of peers
 - To ensure robust governance there should be an annual review
 - That time limits be set on membership
 - That there is no more than one strategic body for homeowners.
 - That the structure for strategic engagement includes both coverage of cross tenure strategic issues and there be coverage of single tenure issues.
59. The panel also suggested that the council consults on options for strategic bodies and on how tenants and homeowners are selected to such bodies.
60. The co-design panel report consultation showed that 42 respondents (53.16%) agreed that the strategic body should be cross tenure. 34 respondents (43.04%) agreed there should be two tenure specific bodies. 45 respondents (56.96%) felt that resident to the strategic body should be a mixture of selected and elected. 25 respondents (31.65%) felt they should be elected and 8 (10.13%) selected.
61. Council tenants and homeowners live in close proximity to each other. On many of our existing estates council tenants, leaseholders, and private renters all live in the same block. As a result, there is a need for council services and communities to work together to ensure our services meet the needs of all our residents and that we all take pride and responsibility in homes and the local area.
62. However the majority of homeowners who took part in the most recent consultation stated that they felt their satisfaction levels were lower than those of tenants. They also felt that they faced some specific issues which they felt warranted a homeowner specific body, particularly to focus on value for money and the quality of the repairs and major works.
63. It is therefore proposed that voices of tenants and homeowners will be brought together in one Tenants and Homeowners Forum (THF) with a total of 47 members: 32 tenant representatives (to represent each of the wards in Southwark, each ward that has more than 2,000 tenants Newington, Old Kent Road, Peckham, Chaucer, South Bermondsey, Faraday, Camberwell Green, North Bermondsey, Nunhead and Queens Road will have two representatives) and 15 homeowners (three per new Empowering Communities Community Champion area). To help maximise the diversity of people represented on THF it is proposed that for those wards with two representatives there would be no more than one representative per estate and that there would be a gender balance between the two representatives.
64. The forum would have a Chair appointed for a term not exceeding four continuous years. The Chair and Deputy Chair would be one tenant and one leaseholder. Members would receive training and support from officers around their roles. The Chair and Deputy Chair would meet with the Cabinet Member for Housing Management and Modernisation between each meeting on issues arising from the Group and jointly agree agendas.
65. The roles of this group would be as follows:

- Effective scrutiny of the management of the council's housing stock receiving good quality management information from officers and where necessary referring this to the council scrutiny commission.
- A forum for dialogue on strategic housing issues with an experienced and informed group of residents that supplements wider consultation
- Oversight of how the council engages with tenants and homeowners
- Receiving feedback from other parts of the consultation and engagement structure and wider consultations to supplement these and ensure they are effective.

Housing Scrutiny Commission

66. The council has an established committee structure through which elected members scrutinise the delivery of council (and wider) services. This includes an Overview and Scrutiny Committee and for subcommittees, including a Housing Scrutiny Commission.
67. It is proposed that the Chair, Deputy Chair and one other member of the Tenants and Homeowners Forum would be co-opted members of any Housing Scrutiny Commission and would have a right to fully participate in the meetings and deliberations of that Commission.
68. The Tenants and Homeowners Forum would have the right to select one subject per year for consideration by the Housing Scrutiny Commission.

Tenants and homeowners online panel

69. The overall conclusion of the Kaizen/Social Engine review was that the default method of engagement had become meetings. It was recommended that the way to increase participation was to offer a range of ways to get engaged and to increase the pool of those engaged. This included a recommendation on making more effective use of digital tools based on two way engagement.
70. Kaizen/Social Engine noted several examples of housing providers who have used technology to engage with and develop relationships with a wider variety of tenants and leaseholders using channels which appeal to different audiences to engage with them. However, the key insight was not that online engagement is good, and meetings are bad, but that technology must be integrated into the overarching strategic approach, and that a wide range of channels should be used. Technology can be used to enable groups that may be less interested or able to participate in other ways but it should not be pursued just for the sake of it and should only be incorporated if it helps improve efficiency or outcomes. Equally, whilst Southwark could benefit from developing digital channels; this needed to be accompanied by a level of sophistication, engagement expertise and leadership in order to make it 'live' and relevant.
71. The review particularly noted that young people were more likely to embrace digital platforms. New technology presented considerable opportunities and Southwark Council can take full advantage of social technology to communicate with residents, whilst recognising the barriers that some residents have to using digital technology.
72. It is therefore proposed that alongside all of the structures will be a new flexible online presence to provide a one-stop information portal. In addition, the council will endeavour to recruit up to 1,000 tenants and homeowners to a panel of active residents who can be invited to give their views or take part in service improvement initiatives, such as Task & Finish groups. The membership of the panel would be a

cross section of our communities, encompassing a geographical, age, gender and ethnicity mix.

73. This arrangement is working well in a number of other local authority areas. Southampton City Council for example, has a People's Panel which is a group of residents who take part in surveys and other opportunities to express their views on council services and living in the city. It provides a good opportunity to influence how services are delivered, highlight issues, and help shape public services in the community. Run by Southampton City Council and with support from the University of Southampton, the People's Panel has been active since 2015 and the results from surveys have been used to inform a large number of decisions and service changes.
74. Members of the Southampton People's Panel are sent either a poll or survey around once every 2-4 weeks. The polls are typically quick to complete and are around 1 - 3 questions long. The surveys are generally a little longer to help them get more detail on a topic. Individuals are free to choose how many of these polls and surveys they complete.
75. In Southampton from time to time, there are also opportunities to be involved in other activities like focus groups to get more detailed thoughts on a certain topic. In the past Southampton have also had People's Panel members test concepts and proposals, such as new features on the council website. Anyone can join and the aim is to get a diverse panel that reflects the people of Southampton.
76. Southwark Council recognises that not all residents are digitally included and the consultation feedback showed concern that greater use of IT should not exclude residents due to lack of access to or experience of using modern technology and tools. At the same time, digital means of engagement are increasing in importance as a means of involving a wider pool of residents and would remain one of a number of ways in which residents can engage with the council so that it does not exclude anyone who wants to have a say. The proposed structure would retain face-to-face meetings for those residents who favour this way of engagement through TRAs, ward forums and the THF and also offer digital means of engagement for those who prefer it.

Resident Involvement Fund (RIF)

77. There are currently three separate funds:
 - Tenants Fund (£521,000 per annum approx.), overseen by the Tenants Fund Management Committee
 - Homeowners Fund (£155,000 per annum approx.) overseen by the Homeowners Fund Management Committee
 - Tenants & Residents Social Improvements Grants (TRSIG) £184,000 overseen through a Grants Panel made up from Area Housing Forums representatives.
78. The Tenant Fund was set up in 1990 as part of a reasonable rent charge to tenants under s.24 of the Housing Act 1985. There is no legal requirement for the tenant fund to exist as a ring fenced element in the HRA. The TF currently covers the cost of:
 - Annual grant to the Southwark Group of Tenants' Organisations (SGTO)
 - TRA annual grants
 - Annual Tenants' Conference
 - Officers' salary contributions

- Training for TRAs
 - Sundry cost such as taxis and catering for meetings.
79. The Homeowners Fund (HF) is an allocation of £10 per leaseholder, part of the housing management service charges. The HF currently covers:
- 27 % contribution to TRA annual grants
 - Homeowners' Conferences
 - Officers' salary contributions – staff that administer grant funding, provide training to and advice on the start-up and running of TRAs
 - Grant to Citizens Advice Bureau (CAB) for independent leaseholders advice service
 - Sundry cost such as taxis and catering for meetings.
80. The Kaizen/Social Engine review discovered that over two thirds (64%) of respondents said they knew nothing about the Tenants and Homeowners Funds. Respondents expressed a clear preference for spending to be allocated to activity which directly and demonstrably benefited their communities: Improvements to the area, social and community events, activities for young people and support for local projects. The review noted that this appeared disconnected with the current allocation of funds. It was also noted that there was an over-reliance on outputs rather than delivering outcomes and opportunities that benefit local communities.
81. The co-design panel recommended that there should be a Communities Fund and that it should include the following:
- There should be clear objectives and outcomes for the Fund and accountability for delivering those outcomes
 - TRAs, TMOs, resident groups and community organisations (with clear support from the community) would be eligible to bid for funds
 - The council should support applications from looser groups without a TRA or a bank account.
82. The panel's recommended specific objectives for the Fund were:
- There should be an open and thorough process for communicating about this fund stating the purpose, how to apply, what requirements there were and the importance of impact from what the fund supported
 - There should be a group consisting of councillors, officers and residents that would assess applications based on a transparent process as well as the precise criteria to be used. This group would review impact annually and apply learning for future Fund objectives and criteria
 - That there should be a borough-wide fund or funds. This should include the following:
 - There should be clear objectives and outcomes for the fund(s)
 - That those objectives include advice and support for tenants and homeowners including working groups
 - That there is accountability for all receiving funding for delivery of objectives and outcomes
 - That there are appropriate and applied mechanisms for dealing with conflicts of interest
 - That there is efficient decision making with other parallel funding processes

- That strategic body or bodies working with the council sets the objectives, decides upon applications, review impact annually and apply learning for future fund objectives and criteria
83. Taking into account the above, a new Resident Involvement Fund (RIF) would replace existing separate funds for tenants and homeowners. The RIF will be calculated using the same formulas currently in place giving an approximate annual budget of £676,000.
 84. The new RIF would fund the TRA annual grants (circa £178,000), officers' salary contributions (circa £132,000) and TRAs training budget (circa £30,000). The remainder (circa £364,000) would be split in two halves. One half of the combined fund would be devolved to Ward Forums on a formula basis reflecting the number of tenants and homeowners in the ward, to be agreed by ward councillors and spent in accordance with borough-wide objectives on council estates and residential properties. This would be added to the TRSIG funding divided by ward. The aim is that the distribution of these funds is equitable across the borough. The council will consult on the proposed formula for allocating this fund as part of the wider consultation on these changes.
 85. Ward councillors would be expected to work with local tenants and homeowners in agreeing local spending which would be determined at the same time as other ward-based funding decisions.
 86. The other half of the fund would be for agreed strategic objectives and subject to decision by the Cabinet member on advice from the Tenants and Homeowners Forum. Strategic spending would be expected to deliver identifiable and measurable outcomes for tenants and homeowners. The council will support Tenants and Homeowners to arrange an annual Tenants and Homeowners conference.
 87. It will be a Cabinet Member for Housing decision, taking on advice from the Tenants and Homeowners Forum, to decide what funding is allocated to third party organisations and whether this is allocated via grants or contract.

Democracy Fund

88. The establishment of the Democracy Fund, as part of the replacement of Community Councils, will also provide the opportunity for residents to initiate multi-ward meetings involving local councillors. Proposals to the Fund will be decided upon by Community Champions (councillors appointed by Council Assembly).

My Southwark Homeowner Board

89. As part of Southwark Council's commitment to the independence of the MySouthwark Homeowners Agency an independent Board was established in 2017 to examine the performance of Southwark Council's housing related services for homeowners and to identify opportunities to improve service delivery to homeowners. My Southwark Homeowners Board would remain in its current form and have a direct link to the proposed Tenants and Homeowners Forum.

Southwark Tenant Management Organisations Committee (STMOC)

90. A TMO Liaison Committee meets every two months to discuss issues affecting all TMOs across the borough. The Committee is made up of two representatives from each of the TMOs, as well as councilors and council officers. STMOC will remain in its current form and continue to carry out its role identifying opportunities to improve the

partnership working between the council and TMOs and identify improvements to services in areas under TMO management for the benefit of residents.

Policy implications

91. Homes England took over responsibility for the regulation of social housing providers in January 2018. It works with social housing landlords and tenants to improve the standard of services for tenants and residents. It took over responsibility for the regulation of social housing providers and monitors their performance. This includes a standard on tenant involvement and empowerment.
92. Local authorities also have a statutory requirement under s.105 of the Housing Act 1985 to put in place arrangements for consulting tenants on matters of housing management.
93. The council's Fairer Future Vision and the current Council Plan set the context for a relationship with residents based on trust, openness and transparency. The vision and plan describe a new relationship with citizens and customers that make more of the council's community leadership role. Part of this role is encouraging others to come together to do more, looking to the community to work with the council to provide solutions to the issues we face together.
94. In September 2017 the council adopted a Social Regeneration Framework for 'ensuring that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so people have better lives, in stronger communities, and achieve their potential'.
95. The proposals outlined in this paper also connect council housing involvement with wider community engagement by integrating with structures replacing Community Councils.
96. In this context it is important that the council clearly states its commitment to effective engagement between the council and residents living in council homes and ensuring this is fit for purpose and reaches a broad and diverse range of our residents.

Community impact statement

97. The next steps set out in this report aim to enable the council to carry out more effective community engagement. It is intended that this will lead to improved engagement with all sections of the community. This is about improving the way we support strong, active and inclusive communities that are informed and involved in decision making and enable us to improve public services for everyone in the borough.
98. The approach proposed in this report recognises the diversity of our communities, the importance of community capacity building and the need to provide better and wider opportunities for communities to participate to influence service delivery, decision making and policy development in ways that suit them.
99. Whilst the council doesn't currently collect demographic data of those currently engaged in its consultation structures, anecdotal evidence shows that they do not make up a representative sample of our resident demographics. It is proposed that the new resident involvement framework will routinely ask participants to voluntarily fill in demographic data so that going forward the council can assess how representative the mechanisms are and take action where they aren't.

100. An equalities analysis has been completed addressing both the proposals outlined in this paper and the next stage of consultation. While both elements comply with the Public Sector Equality Duty, it is clear that council does not hold comprehensive equalities data about all residents living in council housing. In implementing the new structure, the council will introduce systems for capturing equalities data so as to be able to authoritatively report on the success of the new structure in reaching out to all members of the communities.
101. In addition the Southwark Equalities and Humans Right Panel considered the report and made comments which have been incorporated into the equality analysis and the recommendations found in this report.

Resource implications

102. The above resident involvement framework changes can be delivered within existing budgets however no savings are anticipated. It is likely that a reorganisation of the resident involvement business unit staffing structure would be required in order to implement the above proposals.

Consultation

103. Between 2011 and 2013 the council undertook an Independent Housing Commission chaired by Jan Luba QC. It produced a report which challenged the council to think about the future of its housing stock. The council then embarked upon a wide ranging public engagement exercise, with dozens of events and multiple opportunities for everyone in the borough to get involved and to be heard.
104. The report stated that more effort should be made to change the “provider-user” culture that pervaded council housing in Southwark. It added that this could be partly achieved by actively seeking to engage residents more with housing management and setting local housing standards.
105. An independent review into resident involvement undertaken by The Kaizen/Social Engine then followed between April and May 2017 and included a large scale outreach programme across the borough, coupled with an online survey, focus groups and stakeholder interviews were used to engage over 1,000 local tenants and homeowners. The review also incorporated the opinions of council officers and Councillors and gathered evidence and experience from a range of other housing providers – both local authorities and housing associations as well as an assessment of other research on tenant engagement. Secondary analysis of a range of data held by Southwark Council was also undertaken to provide further evidence to inform the review.
106. In addition as stated above, a four week consultation period was carried out following the publication of the panel report and the feedback received has been incorporated in the proposals. The Tenant Council also produced a written submission which can be seen in appendix 2.
107. On 23 April 2019, the Housing Commission of the Overview and Scrutiny Committee questioned the Cabinet Member for Housing and Modernisation and the Director of Communities about the consultation process to date.
108. It is recommended to have one further round of consultation for the proposals contained within this report. It is proposed that the consultation reaches out to a wider

range of residents over and above those already engaged in existing resident involvement structures. To that effect officers will put together a comprehensive consultation communications plan for activity to be delivered between July to September 2019 for a final report back to Cabinet Member for Housing and Modernisation by October. The aim is to ensure that this consultation reaches out as widely as possible and is representative of the diversity of the populations that live in council housing.

109. The cabinet member and officers will also meet with representatives of the existing consultation bodies – TC, HoC, AHFs, and STMOC to feed in their views to the consultation and discuss the way forward.
110. The further round of consultation will present the detailed proposals for the new resident involvement framework contained in this report in an easy to understand format. A questionnaire will be made available, both in printed copies and an online version will be available in order to offer a chance to as many residents as possible to share their views on the proposals so that residents' feedback can be captured and reported back.
111. The aim will be to use a wide range of consultation methods to reach as representative a sample of residents living in council homes whether renting or homeowners. This will include face to face consultation at key locations throughout the borough, door knocking on estates and council owned street properties, use of existing resident involvement structures and the new ward forums, engagement with all tenants and residents associations and TMOs. Responses will be monitored as the consultation progresses to identify and target any under-represented groups. A communications plan will ensure active promotion of the consultation as it progresses. This will take place in July to September 2019.
112. This further round of consultation should result in an increase on the number of residents who participate in shaping resident involvement.
113. The consultation on the council proposals contained in this report will encompass a variety of engagement mechanisms in order to ensure it is representative.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

114. The report recommends that cabinet note the proposals for a new framework for resident involvement and seeks approval to consult on the specific proposals.
115. The current framework forms part of the council's arrangements to discharge its statutory obligation to consult with its secure and introductory tenants under Section 105 of the Housing Act 1985 (secure tenants) and similar provision in Section 137 of the Housing Act 1996 in respect of introductory tenants. Specifically, the council is required to maintain such arrangements as it considers appropriate to enable tenants who are likely to be substantially affected by a matter of 'housing management' to be informed of any proposals and to make their views known. Any representations need to be considered in accordance with those arrangements. 'Housing management' for this purpose includes the management, maintenance, improvement or demolition of homes and the provision of services and amenities (but not including matters relating to rent or charges for services). Although not required by statute to consult on changes to rent and other charges, the council has, under paragraph 6e in the conditions of tenancy with council tenants undertaken to consult with Tenant's Council before

seeking to make such changes.

116. There is no similar general statutory provision in relation to the council's long leaseholders although principles of fairness may require consultation be carried out in certain circumstances and there are specific consultation duties as to charges for works under Section 20 of the Landlord and Tenant Act 1985 which engage when 'qualifying works' are undertaken; for example, major works.
117. Local housing authorities in England are also regulated as "registered providers of housing" by the Regulator of Social Housing under the Housing and Regeneration Act 2008. It is a requirement that local housing authorities comply with principles and standards applied by the Regulator. Among the "regulatory standards" is the Tenant Involvement and Empowerment Standard (July 2017). The standard includes a requirement that registered providers ensure that tenants are given a wide range of opportunities to influence and be involved in the formulation of policies and strategic priorities; making decisions about how housing-related services are delivered, including the setting of service standards; scrutinising performance; managing their homes; and managing repair and maintenance services.
118. In the exercise of its housing management functions, a local authority is also required by the Local Government Act 1999 to achieve "best value"; in other words, to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The council, in deciding how to fulfil this duty, must consult representatives of a wide range of local people, including representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in the local area.
119. The report sets out the consultation that has taken place to date and the outcome of that consultation. It is proposed that further consultation take place on the specific proposals set out in this report. Cabinet should note that consultation undertaken by the council must meet a minimum standard of fairness if it is to be considered lawful. In order to ensure any consultation is fair, the law requires that consultation should happen when the proposals are still at a formative stage; sufficient information should be given to enable the proposal to be intelligently considered; adequate time for responses should be given; and decision makers must conscientiously take into account responses to consultation when the ultimate decision is taken. These principles should be applied at all stages of the consultation process.
120. Cabinet is also reminded that the council, in the exercise of all its functions, must have due regard to the public sector equality duty in Section 149 of the Equality Act 2010. Specifically to have due 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 protected characteristics for this purpose are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. Where any disproportionate effects are anticipated, the council should seek to mitigate where possible. It should also be noted that the duty is a continuing one and the impact of the proposals should be kept under review during the further consultation and during formulation of the recommendations for final decision.
121. The report recommends that certain members of the proposed Tenants and Homeowners Board are co-opted to the Housing Scrutiny Commission. As noted in the report the Housing and Environmental Commission is a sub-committee of the council's

Overview and Scrutiny Committee (OSC). The council's scrutiny function provides a challenge to the delivery of public services in Southwark and forms part of the council's decision making structure governed by the Council's constitution.

122. Paragraph 4 of the OSC procedure rules in the constitution allow OSC and its sub-committees to appoint a number of people as non-voting co-optees, with the approval of the chair and vice chair of the OSC, who may be appointed to service for the full year or the duration of a specific task or review.
123. The proposal to change the way in which various 'resident's funds' are administered will be subject to the rules relating to the keeping of the Housing Revenue Account under the Local Government and Housing Act 1989 and officers will need to work with the council's finance team in developing the proposal.
124. As to the proposal to devolve part of the proposed Resident Involvement Fund (RIF) to Ward Forums, this would effectively devolve decision making on use of the fund to ward councillors. This is permissible under Section 236 of the Local Government and Public Involvement in Health Act 2007 but may require changes to the council's constitution which can only be approved by council assembly and will require the prior consideration of the proposal by the constitutional steering panel.

Strategic Director of Finance & Governance (FC019/005)

125. The Strategic Director of Finance and Governance notes the proposals for a new resident engagement and involvement framework, subject to a further round of consultation. This involves the amalgamation and rationalisation of existing funding streams comprising the Tenant Fund, Homeowners Fund and Tenants & Residents Social Improvement Grants as set out in the report. Given the proposed changes, some restructuring of the existing Resident Involvement team will be required to address the revised arrangements, but it is anticipated that this will be achieved within the existing budgeted resources within the HRA.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Agenda and minutes of housing and community safety scrutiny subcommittee)	160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
Link: http://moderngov.southwark.gov.uk/mgCommitteeDetails.aspx?ID=381		
Review of Resident Engagement - Report from the Housing and Community Safety Scrutiny Sub-Committee	160 Tooley Street London SE1 2QH	Stephen Douglass 020 7525 7344
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5755&Ver=4		
Improving tenant and homeowner engagement in Southwark – a review Carried out by Kaizen and Social Engine	160 Tooley Street London SE1 2QH	Stephen Douglass 020 7525 7344
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s73753/Appendix%20A%20Improving%20Tenant%20and%20Homeowner%20Engagement%20in%20Southwark%20A%20Review%20Carried%20out%20by%20Kaizen.pdf		

APPENDICES

No.	Title
Appendix 1	Co-design panel report (circulated separately)
Appendix 2	Response to co-design panel report from Tenant Council (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Kieron Williams, Housing Management And Modernisation		
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation		
Report Author	Stephen Douglass, Director of Communities Eva Gomez, Resident Involvement Manager		
Version	Final		
Dated	6 June 2019		
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			6 June 2019

Item No. 13.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Southwark Pioneers Fund: Establishment	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Jobs, Business and Innovation	

FOREWORD – Councillor Stephanie Cryan, Cabinet Member for Jobs, Business and Innovation

Southwark has a long history of innovation be it in industry, creative arts, life sciences and beyond and we have a diverse range of cutting edge institutions, from world leading universities and hospitals to a growing number of start up businesses. We also have a small but growing network of innovation and enterprise support providers. We have highly creative and skilled residents brimming with ideas and knowledge but who often struggle to attract the right level of advice and financial support. The introduction of the Pioneers Fund aims to release this potential and to bring together the support and finance that our residents need to grow a new wave of innovative social and commercial enterprises. The aim of the Fund is to support people in turning their ideas into successful ventures.

The main objectives of the Pioneers Fund will be to increase the creation and survival of social and commercial enterprises, widen the diversity of residents who own and lead enterprises in Southwark, create good quality employment for Southwark residents and to generate wider social value across the Borough. The financial support provided will come in the form of grants, loans and equity investment with the aim of creating a sustainable source of funding for the future. The Fund seeks to add value to, and not to duplicate, provision that is currently available to Southwark based entrepreneurs. In developing the Pioneers Fund we have drawn on the considerable experience and expertise from key stakeholders across the Borough alongside an analysis of local need and a commissioned technical analysis.

The delivery of the Fund will be undertaken in stages and a progress report will be brought to cabinet in 12 months time. We will also be undertaking work on a detailed delivery plan for funding in future years.

I would like to thank Councillor Peter Babudu who in his role as Deputy Cabinet Member for Innovation has brought people and ideas together working collaboratively and comprehensively to ensure that our Southwark Pioneers can thrive and prosper.

RECOMMENDATIONS

Recommendations for the Cabinet

That cabinet:

1. Agree to the establishment of the Southwark Pioneers Fund (the Fund) to invest in Southwark's entrepreneurs of the future.

2. Agree the allocation of £2 million to the Fund from the London Devolution Reserve.
3. Agree that the next steps for the Fund will include development of a more detailed delivery plan setting out additional information on how the Fund will be delivered and including key outputs and milestones.
4. Instruct that a progress report is brought back to cabinet on the implementation and delivery of the Fund in 12 months.

Recommendation for the Leader of the Council

That the leader of the council:

5. Delegate future decisions on individual elements of delivery of the Fund to the cabinet member for jobs, business and innovation in consultation with the strategic director of finance and governance and the head of the chief executive's office.

BACKGROUND INFORMATION

6. Southwark's economy has many strengths, including an increasing number of jobs and world class institutions and enterprises. However, national weaknesses in innovation, investment and trade have created national challenges regarding low productivity, reflected locally.
7. To address this decline in productivity, we need increased investment in growing the parts of our economy that can generate both the good jobs of the future, and social and environmental progress. Supporting our local economy to grow is an essential part of the solution.
8. Enterprises and entrepreneurs in Southwark face major challenges in starting, scaling up and becoming sustainable. This is evidenced through research, consultation and needs analysis on a regional and national scale, mirrored also at a local level through work commissioned by the council (details of which are set out in paragraphs 15 to 21 below).
9. The council is therefore developing a Southwark Pioneers Fund (hereafter called the Fund), as pledged in the Council Plan, to support the council's commitment to inclusive and sustainable growth.
10. The Fund will generate inclusive growth by supporting the creation and scale-up of commercial and social enterprises (including revenue-raising charities) that will:
 - Widen the diversity of people who own and lead enterprises in Southwark
 - Create good quality employment for Southwark residents
 - Generate other social and environmental value for the people of Southwark.
11. In addition the Fund will:
 - Generate a financial return so that a proportion of the Fund can be reinvested
 - Attract wider investment (from beyond the Fund) into Southwark enterprises
 - Complement, connect and enhance wider enterprise support available to people and enterprises starting up and scaling up in Southwark (such as Start Ups in London Libraries and the South London Innovation Corridor,

see paragraphs 28 to 32.)

12. The Fund will enable entrepreneurs and enterprises in Southwark to flourish, and will stimulate follow-on benefits for the people of Southwark. Independent analysis commissioned by the council indicates this benefit equates to an indicative £4.6 million in economic benefits.
13. The purpose of the Fund will be to enable people who otherwise may not have had the opportunity to start-up, grow, own and benefit from small enterprises in Southwark. This will include taking up of job opportunities within growing enterprises. The Fund will provide access to finance and other support to socially-minded and driven enterprises and entrepreneurs who have real potential to make Southwark a fairer, more prosperous and more inclusive borough.
14. The Fund will therefore act as a key lever in achieving the council's wider Council Plan commitments, driving further social value and social improvement by encouraging diversity of business entrepreneurship, quality employment and improving business resilience across the borough.
15. Over the last year, to help develop the Fund, the council has undertaken a range of local research, analysis and consultation. The purpose being to understand better the needs and priorities of local small businesses, what was getting in the way of growth and where the council and other interested stakeholders could play a role in stimulating support and investment to enable inclusive growth among entrepreneurs and small businesses.
16. To this end, the council commissioned a needs analysis to inform the Fund's development, including group discussions and interviews with local enterprises and intermediaries.
17. This needs analysis found that Southwark has an emerging ecosystem of support for enterprises, and entrepreneurs. For example, Hatch, Makeshift, Community Southwark, Pempeople and Sustainable Workspaces all support local social entrepreneurs to start and grow. However, whilst this ecosystem has huge potential it also has significant gaps, can be hard to navigate and is largely dependent on short term funding that makes it innately fragile. There is a lack of coordination across these individual sites and support. In many cases, there are a lack of resources to provide subsidised spaces and more systematic business support.
18. The needs analysis also found that there is a clear need for further support around the creation and development of local networks, enterprise support, access to finance (in particular, improving access to grant and repayable finance) and affordable workspace.
19. In addition to the needs analysis, the council carried out consultation on the possible shape of the Fund in March/April 2019. This indicated that there is a market demand for access to finance, including grants, loans and equity/equity-like investment, as well as the wider suite of support the Fund will offer. The most-needed types of support identified by respondents included help with accessing finance, and tailored one-to-one support. The majority view was that the Fund's support would be used to pursue growth opportunities. Second to this was increased employment, with more than half of respondents wanting to see

this as a clear outcome of the Fund's success.

20. To ensure the Fund's development was underpinned by robust financial and social value analysis, the council commissioned a technical analysis report in April 2019. This found that in Southwark, 89% of new enterprises are still in operation after one year of operation. This reduces to a figure of 40% after five years of operation.
21. The findings from the technical analysis also suggest that targeted investment and support in the form proposed by the Fund is likely to improve enterprise survival rates, with a key reason for enterprise failure being a lack of credit and insufficient management capability or expertise.
22. Taking account of the research, consultation and needs analysis this report now seeks cabinet agreement to set up and establish the Fund, with particular focus on the first year of fund delivery. Further work will also be undertaken on the detailed delivery plan for future years with a report on progress to be brought back to cabinet twelve months from now. On the basis of agreement by cabinet, individual decisions on future Fund direction and detailed delivery will be taken by the cabinet member for jobs, business and innovation. This will include decisions on grant award and broader governance structures, as appropriate.

KEY ISSUES FOR CONSIDERATION

Meeting local needs and delivering social value

23. The Fund aims to provide a range benefits to the wider community of Southwark beyond generating a financial return of the Fund's capital. The council can drive increased social value and social return by evaluating enterprises' social value objectives through the application process, and by embedding social return within funding agreements. Key social value measures such as the diversity of business entrepreneurship, the creation of quality jobs and increasing the skills and capabilities of Southwark residents can be used to track the social value generated through the Fund.
24. One of the primary elements in shaping the Fund has been ensuring that it meets local needs and addresses challenges faced by those from underrepresented backgrounds. This has been achieved in the following ways:
 - Through commissioning a local needs analysis (please refer to Appendix 1 Southwark Pioneers Fund: Research into the needs of local SMEs, social enterprises and start-ups, Young Foundation, January 2019). The report found that the focus of the Fund should be on smaller rather than medium-sized enterprises and that they have particular needs across the suite of support the Fund intends to provide in Southwark (including access to finance, business support, networks and workspace).
 - Establishing an advisory group to seek advice and guidance from highly experienced and knowledgeable stakeholders from across the borough (and nationally) throughout the development of the Fund. Please refer to paragraphs 52 – 55 below where the advisory group's role and contributions are outlined. The work of the advisory group has been supported by an internal working group that has provided additional legal and financial guidance.

- Engaging on an individual level with a wide range of stakeholders across the borough for in-kind advice (such as Sustainable Workspaces, Hatch, Tree Shepherd and Peckham Levels as well as various enterprises and would-be entrepreneurs directly) to hear their views on more specific aspects of the Fund's offer.
- Consulting with a large number of small enterprises and entrepreneurs via a survey on our Consultation Hub. A summary of the survey findings is attached as Appendix 2 (Consultation hub survey analysis, March-April 2019). The consultation found that there is a clear local need and demand for the types of support that the Fund aims to provide (across business support, networks, affordable workspace and access to finance).
- Commissioning a technical analysis of the possible financial and social return able to be generated through the Fund. A report is attached as Appendix 3 (Southwark Pioneers Fund Technical Analysis report, Ernst & Young, April 2019), and referred to throughout this cabinet report.
- Research regarding challenges faced by small enterprises and entrepreneurs in this area, especially by those from underrepresented backgrounds. Micro-enterprises seeking external finance face a particular set of issues, more so than challenges experienced by SMEs in general. The challenges faced by micro-enterprises and start-ups are disproportionately felt by those from underrepresented groups. These groups include people from BAME backgrounds, women, and people with disabilities. Please refer to the equality analysis report accompanying this cabinet report (at Appendix 5) for further information regarding difficulties faced by these groups in starting up and scaling up their businesses.

Meeting broader local economic ambitions and policy implications regarding the Fund's establishment

25. As outlined above, the Fund is a Council Plan commitment, and is aligned with our broader local economic ambitions to further enhance Southwark's inclusive growth.
26. The Organisation for Economic Co-operation and Development sets out that inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.¹ As detailed in our Economic Wellbeing Strategy, Southwark Council remains committed to making support into employment inclusive and focused on client groups with more complex barriers to work.
27. The Fund also aligns with our policies around social value (including the Fairer Future Procurement Strategy), and with our affordable workspace policy in our New Southwark Plan.

Aligning with and adding value to local business support

28. A key underpinning principle of the Fund is that it seeks to add value to, and not duplicate provision that is currently available to Southwark-based entrepreneurs. The Fund is strongly aligned with the implementation of the Start Ups in London

¹ <https://www.oecd.org/inclusive-growth/#introduction>

Libraries (SiLL) initiative in Southwark.

29. SiLL is a three-year project to support local entrepreneurs from all walks of life to get their business ideas off the ground, through the provision of a comprehensive programme of fully-funded two-day workshops and events, confidential business information sessions and tailored face-to-face advice.
30. Southwark is one of ten London boroughs selected to launch this coordinated network of fully-funded support for start-ups in public libraries, in partnership with the British Library's Business & IP Centre. SiLL is fully-funded by the European Regional Development Fund, the British Library, the ten participating London boroughs and supported by JP Morgan and Arts Council England.
31. SiLL is open to aspiring entrepreneurs (including those who have been registered with Companies House for up to 12 months). SiLL can therefore act as an active pipeline into the Fund (and vice-versa) for those who may not yet be ready for the Fund's support.
32. As the Fund is implemented, alignment and coordination with the South London Innovation Corridor (SLIC) programme will be ensured. SLIC is an £8 million cross-borough programme involving Lambeth, Lewisham, Southwark and Wandsworth Councils. Its purpose is to catalyse inclusive growth within the creative and digital industries. While SLIC's focus is narrower than the Fund's scope, there are synergies within the three core SLIC programme areas (workspace, business support and talent development).
33. The Fund will also be aligned with and add value to other local enterprise support and funding on offer to entrepreneurs and enterprises in Southwark. While Southwark's entrepreneurship ecosystem has significant potential, business support is scattered across a range of organisations and intermediaries. In many cases, there is a lack of resources to provide more systematic business support. The needs analysis report found that bringing together and leveraging existing business support activity and networks across the borough is key. The Fund aims to complement (not duplicate) and enhance wider enterprise support available to enterprises in Southwark.
34. Finance of the type the Fund aims to provide is in short supply in Southwark. The Fund will help to draw further support of this kind into Southwark. Examples of locally available social investment include grant funding (up to £10,000) and social investment (£25,000 - £150,000 for social enterprises) offered by Peabody; Start Up Loans (loan sizes of between £500 - £25,000 together with a business mentor, funded by the government, for entrepreneurs across the UK); grant funding (typically £5,000 – £10,000) and match trading grants (supporting enterprises' development by incentivising income from trading and matching growth in trade with a grant) offered by the School for Social Entrepreneurs.

Primary aim of the Fund: Increasing inclusive growth

35. The Fund seeks to increase inclusive growth by supporting the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities) that will:
 - Widen the diversity of people who own and lead enterprises in Southwark
 - Create good quality employment for Southwark residents
 - Generate other social value for the people of Southwark.

36. In addition the Fund aims to:
- Where possible, generate a financial return that can be reinvested
 - Attract wider investment (from beyond the Fund) into the enterprises supported
 - Complement, connect and enhance wider enterprise support available to people and enterprises starting up and scaling up in Southwark (such as SiLL and SLIC)
 - Support the sharing of knowledge and skills.
37. The establishment of the Fund is a first for the council, and as this involves opportunity as well as risk, we have taken important learning from elsewhere where similar types of initiatives have been delivered. Alongside discussions with other councils (such as Haringey Council, regarding their Tottenham Opportunity Investment Fund), this includes a review by the Young Foundation of a range of examples where local authorities have developed business support programmes and funds with a variety of funding models. In each case, there has been demonstrable social value achieved through these programmes and funds.

Proposed Fund structure

38. In line with the council's budget setting process for 2019-20, up to £2 million is sought as a total funding envelope. This is to be sourced from the London Devolution Reserve, over a three-year period up to 2022.
39. The needs analysis found that there is a need for more flexible finance that enterprises can use to meet needs as required. A flexible approach will be taken to the allocation of the Fund's financial (and other) support, pending specific need and demand. Individual sub-envelopes for the Fund's support are proposed as follows:

Grants

- **Purpose and need:** To assist those enterprises and entrepreneurs who may be piloting, testing and experimenting with new/innovative solutions, and/or at an early stage in their growth journey. Consultation feedback indicates that the majority of respondents prefer grant finance, as this incurs no debt.
- **Eligible applicants could receive:** Outright grants of up to £5,000 or grants blended with a loan (with the potential to merge some of the Fund's grant allocation with the loans/blended loans allocation below, pending demand and need).
- **Delivery:** Outright grants will be internally managed and administered by the council. This reflects the council's expertise and experience in grant management and administration and will ensure efficiency in the deployment of resources to support Fund delivery.
- **Proposed governance:** Initial governance for outright grants will include an internal grants panel with an officer Chair. The internal grants panel will also seek expert advice from independent experts in business start-up and growth sectors (where appropriate). The internal grants panel will meet regularly (likely to be quarterly) relative to fund applications, and would evolve as the later stages of the Fund's support are implemented. Council officers on the panel will review all applications and undertake due diligence on them, ensuring

applications and enterprises meet the Fund criteria and undertaking an assessment of the likelihood that a grant will enable the enterprise to start or grow, requesting further information from the applicant where needed. Officers will submit recommendations to the lead Cabinet member for approval. The application process and form will be designed to ensure it is inclusive and does not present any unnecessary barriers to applicants.

Loans and blended loans

- **Purpose and need:** For those enterprises that are ready for more significant financial investment, a hybrid form of finance will be more appropriate – a mix of grant and loan. Consultation feedback indicates that there is an appetite for a range of loan sizes to be offered through the Fund (with the most popular loan size being in the £50,000 – £60,000 range). There is likely therefore to be a mix of loans and blended loans, depending on need and demand. Blended loans will mean a combination of grant funding and repayable finance.
- **Eligible applicants could receive:** £50,000 – £100,000 (which will be negotiable depending on the nature of the application). Based on the technical analysis, in line with the attributes of social finance funds, it is likely that loans will be unsecured and the interest rate will be between 3.5 – 6.5%. Further detail on the loan terms will be provided in the progress report back to cabinet.
- **Delivery:** External fund management will be used to ensure the best expertise and financial support capacity can be efficiently deployed with regards to loan administration and management.
- **Proposed governance:** The council will establish a dedicated fund vehicle to host the loan and equity elements of Fund (in the form of company limited by shares or a limited liability partnership), this will be managed by a commissioned fund manager. This will allow a clear distinction of responsibilities between these elements of the Fund and the council, and reduce the likelihood of conflicts of interest or strategic duplication. Importantly, this does not require the council to cede its decision-making powers. In line with the development of a detailed delivery plan, a governance framework and investment mandate (setting out a strategy and risk parameters) will be worked up for the Fund for agreement by the lead cabinet member in liaison with the strategic director of finance and governance and monitoring officer.

Business support, networks and access to affordable workspace

- **Purpose and need:** Research shows that business support programmes have a positive impact on business start-ups, and that a significant proportion of small businesses have an unmet need for formal business support.² The needs analysis report and consultation feedback found that business support in the form of free/subsidised/pro-bono support (including mentoring and one-to-one guidance) should be provided. As such, providing business support alongside finance is likely to significantly increase the

² <https://www.fsb.org.uk/docs/default-source/Publications/reports/fsb-local-business-support-report-feb15.pdf?sfvrsn=1> page 10; <https://whatworksgrowth.org/policy-reviews/business-advice/>; <https://webarchive.nationalarchives.gov.uk/+/http://www.berr.gov.uk/files/file39768.pdf> page 35

success rate of the businesses the council is investing in. This is a model that has been adopted by a wide range of investors.

- **Eligible applicants could receive:** Signposting to relevant support and guidance in the borough (including SiLL and SLIC); a tailored package of business support - including mentoring and one-to-one guidance, access to **networks** and priority access to affordable workspace in the borough.
- **Delivery:** The council will commission a provider to design and manage a one-to-one and cohort-based support package. The council will also partner with established providers and organisations to maximise resources and complement existing service provision (including through in-kind support).
- **Proposed governance:** To be determined pending the development of a detailed **delivery** plan and governance framework. However, it is likely that the council will set the criteria and parameters for the business support to be provided, and the business support provider will then decide how to best allocate support on offer in any given case.

Equity and equity-like investments

- This element is under consideration as a second phase of the fund from 2020-21, with full proposals coming to cabinet within 12 months as part of the progress report.
- **Purpose and need:** Predominantly for larger, more established enterprises (for **companies** limited by shares). Enables the Fund to support enterprises with real growth potential, which could generate a return to the Fund (further down the track) if they perform well. Some interest in equity investment was indicated in both the needs analysis report and through consultation.
- **Eligible applicants could receive:** £50,000 - £150,000 (which will be negotiable **depending** on the nature of the application, subject to agreed qualifying criteria being met).
- **Delivery:** External fund management will be used to ensure the best expertise and financial support capacity can be efficiently deployed with regards to equity administration and management. Detail to be included in a report back to cabinet in 2020.
- **Proposed governance:** Detail to be included in a report back to cabinet in 2020.

Fund management

40. Across the whole programme, set up and operational costs of £350,000 over five years (as estimated by the technical analysis) will be absorbed into the funding envelope to ensure the £2 million budget is not exceeded. The council will endeavor to make sure that fund management costs will be minimised as far as reasonably possible. As the proposed approach may involve equity/equity-like investments, complex legal and regulatory structures as well as a higher range of Fund set up and operational costs will need to be factored in. For equity/equity-like investments, one-off costs could be 13% of the Fund's budget, with ongoing yearly costs of 10% of the Fund's budget.

41. There are a number of variables in how the Fund could be apportioned across the different types of financial support. The table below provides an illustration of potential numbers of enterprises who may receive support over the lifetime of the Fund (up to 2022):

	Type of funding		
	Business support	Grant	Loan & Equity
Indicative pot	£400,000	£400,000	£1,200,000*
Funding per enterprise	£2.5k- £7.5k	£5k	£50k +
Indicative no. of enterprises supported	100+	80+	10-20

*including fund management costs

42. Business support in the form of a tailored package will depend on the stage of the enterprise and what their needs are (as well as the commissioning process for business support). Support will principally be provided to those applicants that also receive funding through the Fund, but also to those that need some support to be ready for financial support (supplementing via signposted services like SLIC and SILL). An indicative range could therefore be based on at least 20 enterprises receiving intensive guidance and support (through receiving business support while they are provided with blended loans/loans and receive equity investment). This leaves room for less intensive support to be provided to other enterprises at an earlier stage of their growth journey, meaning that up to a further 80 applicants (indicative figure only) could receive the tailored package (pending need and demand).
43. Many more applicants will also be signposted and referred through to other locally available support and there will be in-kind support provided. The Fund will also seek to create an active network of “Pioneers” who have received support from the Fund, with a particular focus on creating networks of enterprises at a similar stage in their growth journey who can help support each other (and future Pioneers) in their entrepreneurial journeys.
44. Eligibility and assessment criteria for the Fund will be further developed alongside the more detailed delivery plan for the Fund. Enterprises and entrepreneurs will be eligible to apply for access to the Fund’s business support and networks if they are based in Southwark, are registered, have fewer than 10 employees and are at an early stage in their business life cycle and/or they want to grow/scale. To be eligible for debt finance, there must be commitment from applicants to work towards the Good Work Standard. In the case of equity, a robust business case will underpin their commitment to scaling up their enterprise. Indicative eligibility and assessment criteria are set out at Appendix 4.

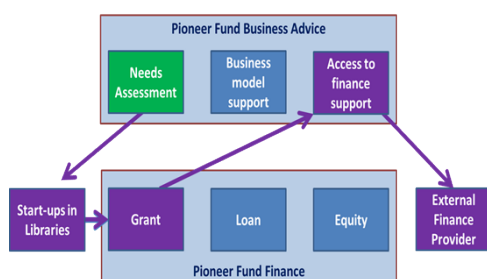
Applicant journey

45. In terms of the ‘customer journey’, it is anticipated that applicants will first be checked for eligibility (against qualifying eligibility criteria). Eligible applicants will then receive a centralised needs assessment undertaken by the business support provider. On the basis of their needs assessment, eligible applicants will be able to apply for the right type and amount of the Fund’s support to meet their

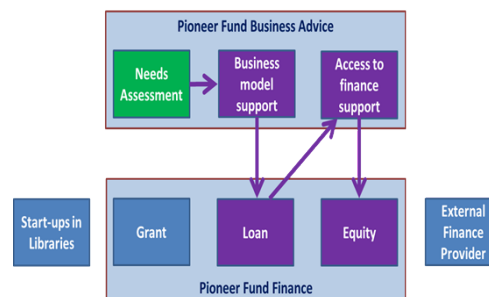
needs. Applicants will also be referred to existing local support, as appropriate, as well as other appropriate regionally and national available finance options. The applicant journey through the Fund will be worked up in further detail as the Fund's delivery plan is developed and agreed.

46. Examples of the applicant journey are illustrated in the below diagrams. This shows that the applicant can access or exit the Fund's support at any stage, and can access targeted elements of the Fund's support depending on their needs:

Example 1:



Example 2:



Success measures for the Fund

47. We will assess the Fund's success to the extent it supports inclusive growth by supporting the start-up and scaling of enterprises that widen the diversity of people who own and lead enterprises in Southwark; and create good quality employment for Southwark residents. Other social value gain for Southwark will be based on the below indicators.
48. An impact framework will be developed for the fund to measure progress in achieving the primary and secondary aims (set out in paragraphs 35 and 36). Potential success indicators (including those recommended in the technical analysis report) include:

Primary aims

1. Increase the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities):
 - New enterprises supported to establish
 - Increase in survival rate for supported enterprises above borough average
 - Improved turnover of supported enterprises.
2. Widen the diversity of people who own and lead enterprises in Southwark
 - At least 55% are female
 - At least 55% are BAME
 - At least 10% of recipients have disabilities
 - Survival rate of BAME-led enterprises
 - Survival rate of female-led enterprises
 - Survival rate of enterprises led by people who have disabilities.
3. Create good quality employment for Southwark residents
 - Number of jobs created for Southwark residents
 - Number of Living Wage jobs created

- Number of apprenticeships created
 - Number of paid internships created.
4. Generate wider social value for the people of Southwark
 - A wide range of social value measures potentially taken from the Social Value Portal covering outcomes like crime, health, supporting vulnerable people, working with the Community, climate impacts and air pollution etc.

Secondary aims

5. Where possible, generate a financial return that can be reinvested
 - Financial return from loans and equity
 - Increased business rates.
 6. Attract wider investment (from beyond the Fund) into the enterprises supported
 - Inward investment secured (from outside the Fund) by supported enterprises following support from the Fund.
 7. Complement, connect and enhance wider enterprise support available to people and enterprises starting up and scaling up in Southwark (such as SiLL and SLIC)
 - Number of enterprises securing affordable workspace
 - Number of appropriate referrals to and from Start-ups in London Libraries
 - Number of appropriate referrals to and from SLIC
 - Number of appropriate referrals to and from partner agencies.
 8. Support the sharing of knowledge and skills
 - Voluntary hours donated to support Southwark enterprises
 - Volunteer mentors secured for Southwark enterprises.
49. When considering the additional benefits and social value to be delivered through spending public money, it is necessary for this spend to support the social, economic and environmental well-being of Southwark and its residents, aligned to the delivery of the council's Fairer Future commitments and values. The Fund will generate social value through supporting enterprises that have positive social and environmental impacts, producing goods or services or having an operating model that helps to address social and environmental challenges, for example helping to reduce carbon emissions, improve health, make housing more affordable or provide employment or training for disadvantaged people.
 50. Specific targets and measures for the Fund's success indicators will be developed in the course of commissioning the various elements of the Fund's support.
 51. It is also proposed that the fund generates a level of recyclability, dependent on the inherent challenges of providing finance to areas currently under-provided for. An indicative view (based on the independent technical analysis report) of the recyclability able to be generated through the Fund is that the Fund over five years could have a value of £763,528 (nearly 40% of the Fund's budget). This includes an indicative amount of £433,240 returned to the Fund through repayable loans and an indicative value of £330,288 for equity held in Year 5 (i.e. 2023/24). In addition, there will also be an estimated £400,000 generated through additional

business rates.

Partnership working to deliver the Fund

52. The success of any fund like this is based on the strong and continued understanding of local need and intelligence. An ambitious and broad partnership has been built to support the start-up and growth of enterprises that will generate social and environmental benefits to our borough.
53. The Southwark Pioneers Fund Advisory Group (the Group) brings together key stakeholders from nearly 20 organisations committed to supporting social purpose innovation and enterprise in our borough. These key stakeholders include representatives from the private sector (such as Ernst & Young and British Land), the social sector (such as Peabody, Community Southwark, Hatch Enterprise, Pempeople, Makeshift and Community Opportunity), foundations (such as Guy's and St Thomas' Charity), academic institutions (such as LSBU) and beyond (including the School for Social Entrepreneurs, UnLtd, Health Innovation Network South London and Sustainable Workspaces).
54. The Group has met on a monthly basis from October 2018 through to April 2019. Discussion and workshops have included the Fund's scope and strategy, local needs, members' experiences in this area, and how the Group can collectively work to make the Fund a success.
55. We have worked through a process of seeking commitments of support from the Group, and have received a significant number of offers (ranging from potential co-investment, to referral support through to facilitation and support to run innovation workshops). Some indicative partnerships are more advanced, in that we have in-principle commitment to support for the Fund from a range of partners including Peabody, Make Shift, Ernst & Young, Blue Bermondsey, Hatch, Community Southwark, British Land and School for Social Entrepreneurs. Some of this support is in-kind, while some will be subject to formal commissioning processes in the course of procuring elements of the Fund's support. Broader stakeholder engagement will continue as the Fund is delivered.
56. Local people and other stakeholders will continue to have a voice in the development of the Fund as it progresses, through the continuation of strong relationships formed through the Group. The exact nature of this collaboration will be considered following cabinet's approval of the establishment of the Fund (and with appropriate separation from any agreed commissioning processes and procurement considerations).

Risk

57. It is important to strike the right balance between managing risk and allowing the benefits of the Fund to flow quickly to where they can make the most impact.
58. As a council, there is a necessary consideration of our appetite to take calculated risks to lift our local economic outcomes, noting this is the first time Southwark Council has set up a Fund of this nature.
59. It is inherent in an innovation-focused fund to have a reasonable appetite for risk, especially given that the Fund aims to generate a level of recyclability through loans/blended loans. This approach contrasts with a primarily grant-focused fund

which delivers no recyclability. Together these factors should be balanced with the wider social value gain that is intended to flow from the activity directly and indirectly supported by the Fund.

60. Small enterprises that are most in need of affordable finance and support are inherently more fragile. If offering loans to these organisations, the council is likely to see a higher level of default (potentially 20%) and need to offer favourable repayment terms (payment holidays, repayments over 5 years or more etc.) and/or blended with soft/grant finance. These factors will influence the level of recyclability achieved through the Fund.
61. As with funds of this nature, the council should consider being prepared to accept that along with successes there will be some enterprises that do not deliver the anticipated social returns (and/or financial recyclability). Hand-in-hand with the opportunity to create jobs and deliver economic value to the people of Southwark, goes the risk that these benefits do not materialise to anticipated levels.
62. Mitigations the council will consider include engaging external capability to manage the Fund (in particular the loans, blended loans and equity/equity-like components), and close and effective robust monitoring and future planning with regards the Fund's portfolio.

Community impact statement

63. The Fund will impact across the Southwark community, including the borough's social enterprise and start-up community. Extensive consultation and engagement has been carried out throughout the development of the Fund's strategy and policy (please refer to paragraph 24).
64. Assessment of the impact on protected characteristics in line with the Equality Duty will be developed as part of the delivery plan (and in discussion with the successful commissioned providers). The analysis will therefore be ongoing.
65. As set out in further detail in the Equality Analysis Report accompanying this Cabinet report, women, people from ethnic minority backgrounds, and people with disabilities are far less likely to own, grow and be employed by small enterprises.
66. The Fund will seek to increase the number of people in these underrepresented groups who are able to start-up, own, grow and be employed by these enterprises. The Fund will also encourage the creation of good quality jobs, skills and training opportunities, and contribution to community initiatives alongside other social value outcomes.
67. As the Fund is implemented, project monitoring will follow the council's equalities monitoring guidance to ensure it captures key information about the Fund's achievement of its primary aim of inclusive growth across intended target groups and protected characteristics.

Financial implications

68. As per the budget setting process, the Fund has a total budget of up to £2 million. This budget will cover all costs incurred in delivering and administering the Southwark Pioneers Fund.

69. There will be a mix of commissioned delivery and in-house delivery (all contained within existing resources and budgets).
70. The proposed Fund is expected to operate over a three year period up to 2022 and has a total value of £2 million which will be funded from the London Devolution Reserve.
71. A flexible approach is proposed over the allocation of the £2 million Fund but initial proposals indicate the following apportionment across the Fund's support areas:

	£000
Grants	400
Loans and blended loans / Equity and equity-like investments	850
Business Support	400
Fund Management	350
Total	2,000

72. It is expected that the administration of the grant process will be managed within the council and the business support function of the Fund will be provided externally via a commissioning process.
73. The remaining areas of loans and equity investments are likely to be provided through an external fund management arrangement.
74. Set up and operational costs of £350,000 is estimated by Ernst and Young over the Fund period but this is expected to be contained within the £2 million Fund total as shown in table above.
75. The development of the delivery plan will detail the governance arrangements and the commissioning process for the outsourced elements of the Fund.
76. All internal staff and other costs will be contained within existing departmental revenue budgets.

Next steps

77. Pending Cabinet approval, next steps will include development of a detailed delivery plan to outline how the Fund will be delivered and timescales for this, commissioning of outsourced elements of the Fund and a governance framework. Furthermore, a progress report on Fund delivery and any next stage implications arising, will be brought back to Cabinet in 12 months.
78. An initial launch is proposed for the Fund - the purpose being to establish and signal the different types of support that will be offered (and when). There will be a full announcement of the Fund's support once the first stage of support is ready for applicants.
79. Delivery will be undertaken in stages, beginning with the provision of grants and in-kind support and signposting, with loans and equity/equity-like investments becoming available from 2020 onwards when the Fund's pipeline and structures have been more firmly established.

Key milestones – Initial outline delivery plan

#	Key milestone	Timeframe (achieved in)
1.	Cabinet agreement to establish the Fund and funding envelope.	June 2019
2.	Initial launch of the Fund, including announcement regarding its establishment and an outline of support to be offered.	August 2019
3.	Development of a delivery plan for 2019/20, including an outline for future years.	September 2019
4.	Establishing fund governance, initially for year one delivery of grant-based and in-kind support, followed by future years' governance.	September 2019, and then January 2020
5.	Launch of Round 1 of grants support through the Fund.	Autumn 2019
6.	Development of a delivery plan for the future years of the fund.	January 2020
7.	Commissioning initial outsourced elements of the Fund (e.g. business support).	February 2020
8.	Full announcement of the Fund's support including detail about the suite of support on offer to applicants.	February 2020
9.	In-kind support and signposting available for applicants, as well as grants.	March 2020
10.	Progress report due to Cabinet.	June 2020

80. It is anticipated that delivery of the Fund will be based in the local community; centered on areas of strategic importance to the community and to the council and where we know we can maximise the Fund's impact as far as possible.
81. Delivery will be based on working in tandem with current provision of support in the community (not duplicating it or displacing it), including through established workspace providers and in partnerships under development with key stakeholders from across the borough (including Ernst & Young and Peabody).
82. This will likely mean a hub-based approach using established spaces for referral of promising local enterprises and delivery of in-kind support. Further detail will be expanded upon in the delivery plan.

Consultation

83. In developing the Fund and preparing this Cabinet report we have consulted widely and in-depth as detailed in paragraph 24.

Supplementary advice from other officers**Director of Law and Democracy**

84. The report sets out a number of proposals which it is intended will provide support to social enterprises and other businesses in Southwark including grants, loans, equities and in-kind provision. The general power of competence in section 1 of the Localism Act 2011 enables the council to do anything that

individuals generally may do and the proposals are all matters that would be covered by this power. In addition section 12 of the Local Government Act 2003 created an express power for councils to invest money for any purpose relevant to its functions or for the prudent management of its financial affairs and so can be used alongside the powers in the Localism Act where using money to invest in these enterprises.

85. The report indicates that a new legal entity, separate from the council, will host the loan and equity elements of the Fund (in the form of company limited by shares or a limited liability partnership) and Legal Services will continue to provide advice and assistance in working up these specific proposals. This will include clarification of whether any relevant authorisation is required with the Financial Conduct Authority. Specialist legal advice will also be needed on any tax implications of the creation of any such body.
86. State aid rules are relevant to this matter. The rules prevent public authorities from using public funding in a way which may have the effect of providing advantages to businesses which distort or have the potential to distort competition. State aid not granted in accordance with these rules is unlawful. Whilst these rules will not in themselves be a barrier to the proposals, the council will need to take care at each stage to ensure that they are taken into account and any necessary processes that are identified are pursued.
87. Under section 149 of the Equality Act 2010, in making this decision, the cabinet must comply with its public equality duty which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
88. The equalities analysis appended to the report clarifies the likely impacts on individuals with protected characteristics arising from the establishment of this fund and relevant factors that will be taken into account as the application process is developed. They are referred to in the community impact statement above and are all relevant matters that the cabinet should give due regard to, in considering this report.
89. The establishment of this plan is an executive function which can be determined by the Cabinet in accordance with the Local Government Act 2000 and Parts 3B and 3C of the council's Constitution. This is a "key decision" in accordance with that Act.

Strategic Director of Finance and Governance (FC19/002)

90. This report is requesting cabinet to agree to the establishment of the Southwark Pioneers Fund (the Fund). Full details and background are contained within the main body of the report.
91. The strategic director of finance and governance notes that that total value of the proposed Fund is £2 million which will be funded from the London Devolution Reserve set up as part of the council's 2019-20 budget setting process.
92. The proposed allocation of the £2 million Fund is summarised in the financial

implications section and it is noted that fund management costs of £350,000 are expected to be contained within the overall £2 million Fund.

93. The strategic director of finance and governance notes that the development of the delivery plan will detail the governance and commissioning arrangements for the future operation of the Fund and this will be subject to agreement by the cabinet member for jobs, business and innovation, the strategic director of finance and governance and the monitoring officer.
94. The strategic director of finance and governance also notes that a further progress report will be submitted to cabinet in 12 months time to report and update on the implementation and delivery of the Fund.
95. It is noted that all staffing and other costs connected with this report will be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Southwark Pioneers Fund: Research into the needs of local SMEs, social enterprises and start-ups, Young Foundation, January 2019 (circulated separately)
Appendix 2	Consultation hub survey analysis, March-April 2019 (circulated separately)
Appendix 3	Southwark Pioneers Fund Technical Analysis report, Ernst & Young, April 2019 (circulated separately)
Appendix 4	Indicative eligibility and assessment criteria (circulated separately)
Appendix 5	Equality Analysis Report, May 2019 (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Jobs, Business and Innovation	
Lead Officer	Stephen Gaskell, Head of Chief Executive's Office	
Report Author	Rebecca Lampe, Senior Strategy Officer	
Version	Final	
Dated	5 June 2019	
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		6 June 2019

Item No. 14.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Southwark Skills Strategy – Delivery Plan Progress Update	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Stephanie Cryan, Jobs, Business and Innovation	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR JOBS, BUSINESS AND INNOVATION

The Southwark Skills Strategy was developed to ensure that Southwark residents are able to gain the skills they need to succeed and to help them make the most of the range of opportunities available across the Borough. The Strategy has built on the progress the council has made in recent years including delivering over 2,000 apprenticeships, the creation of the Passmore Centre with London South Bank University and establishing the Southwark Construction Skills Centre.

In 2018 Cabinet approved the Skills Strategy Delivery Plan which led to the establishment of the Southwark Skills Partnership which brings together an array of local partners from schools, colleges and universities, businesses, employment support providers and regeneration partners to ensure the delivery of the Skills Strategy continues to meet the needs of both residents and employers.

This report sets out the progress made by the Southwark Skills Partnership over the past year and also identifies key gaps in local skills provision alongside the proposal the Partnership is making to improve access and provision. The report also identifies proposals under development to address these gaps and challenges including developing a hospitality skills offer, creating a coordinated careers offer in school and increasing support for apprenticeships.

This report highlights the how this work will contribute to ensuring that residents are able to gain the type and level of skills they need to access local opportunities and very much supports our ambition for Southwark to be a full employment borough.

RECOMMENDATIONS

1. That cabinet note the progress made in delivering the Skills Strategy in the last twelve months, following Cabinet approval of the delivery plan in June 2018.
2. That cabinet note the draft updated Skills Strategy delivery plan included at Appendix 1 which will be approved by the Skills Partnership in July.
3. That cabinet receives an update on progress in twelve months' time.

BACKGROUND INFORMATION

4. The Southwark Skills Strategy was formally adopted by the council following approval by cabinet in December 2017. It was recommended that officers develop a delivery plan to set a framework for the implementation of the strategy.
5. Southwark's Skills Strategy delivery plan was developed in partnership with key local stakeholders and was approved by Cabinet in June 2018. The delivery plan seeks to improve the local skills offer and ensure that residents are able to access the employment opportunities on their doorstep.
6. The vision of Southwark's Skills Strategy is that "by 2022 Southwark will have a high quality skills offer that is accessible and responsive to learner and employer needs" and that "the offer will support all learners to build resilience and develop valuable skills for a strong local economy now and in the future." This aligns with the 2018-2022 Council Plan ambition for Southwark to be a full employment borough where everyone has the skills to play a full part in the economy.
7. The Skills Strategy includes three priority aims to deliver the vision:
 - Residents have the opportunity to gain the type and level of skills they need to access local opportunities and progress in the labour market
 - Employers invest in their workforce and have access to training provision that responds to their needs and allows them to recruit locally
 - Employers and providers work collaboratively to develop a local skills offer that is responsive to the needs of the local economy
8. The Skills Strategy and delivery plan is divided into four headline themes – learners, employers, providers and funding – and sets objectives for each, along with measures of success. The delivery plan proposed partnership arrangements for overseeing the implementation of the plan and includes the key risks and related mitigating actions.
9. The delivery plan is integral to broader regional and sub-regional work that is underway to improve the quality of the Further Education and the wider skills offer in London and to ensure local leadership influences how the delivery of the devolved Adult Education Budget (AEB) is prioritised. It is aligned to Mayoral priorities, the delivery of the Skills for Londoners Strategy, the AEB commissioning framework and the Central London Forward (CLF) Skills Strategy.

KEY ISSUES FOR CONSIDERATION

10. This report sets out progress to date and the planned next steps against key elements of the delivery plan for the Southwark Skills Strategy. The draft updated delivery plan included at Appendix 1 sets out immediate priorities for 2019-20 and longer term goals. This will be agreed by the Skills Partnership by September 2019.
11. Cabinet set a high ambition for Southwark to be a leading borough in the delivery of high quality and accessible skills provision that supports all learners to build resilience and develop valuable skills to contribute to a strong local economy. Cabinet also set an ambition that our Skills Strategy is one that is owned by and delivered in partnership with a range of local partners, which requires time to build strong trust and collaboration.
12. Over the first year of the delivery plan a number of significant milestones have been

passed:

- The establishment of the Southwark Skills Partnership, bringing together local schools, colleges, universities, businesses, employment support providers and the council to improve provision of and access to essential and vocational skills learning
 - The creation of 730 apprenticeships through the council's partnerships with employers and learning providers
 - The Southwark Construction Skills Centre trained its 2,000th Southwark resident, achieving this key contract milestone six months ahead of schedule, and was also awarded the Mayor's Construction Academy quality mark status
 - Following a £5 million investment from the council, the Passmore Centre opened at London South Bank University to provide high quality apprenticeship training for 1,000 Southwark residents by 2023, with the first 75 already enrolled
 - The Southwark Adult and Community Learning Service delivered courses for just under 3,000 learners in the academic year 2017-2018, 1300 learners completed an accredited adult learning course (which includes basic skills, English and Maths), representing 96% success rate
 - Southwark libraries delivered over 7,000 digital skills training sessions for local residents.
13. Securing these first year outcomes has built important trust and confidence across the Skills Partnership. As we move into and through 2019-20, there will be more opportunities for partners to lead and deliver on our shared ambition, which will be reported back in future update reports and specific project proposals.
14. Since the strategy and its delivery plan were approved there have been a number of developments at a London and sub-regional level which have further exposed the need for a more localised response to address skills needs. More details are included in paragraphs 65-74 below.

The Southwark Skills Partnership

15. The Southwark Skills Partnership was established in August 2018 and is chaired by the cabinet member for jobs, business and innovation. The Partnership was established to:
- Ensure ongoing cross-partnership support for the Strategy
 - Endorse and support the delivery of activity as set out in the delivery plan
 - Oversee the progress of the delivery plan and review outcomes
 - Advise on future skills activity and support effective prioritisation
 - Influence and inform sub-regional, regional and national decision makers, ensuring that Southwark's voice is heard.
16. The terms of reference, including membership details, are included at Appendix 2. The Partnership meets on a quarterly basis and has supported the ongoing implementation of the delivery plan. To aid this process, task and finish groups have been established, allowing Partnership members and other relevant partners to focus on specific skills issues most relevant to their areas of expertise.

17. The Partnership has explored a range of priorities, as set out in the delivery plan, through working with local employers, providers and other local partners to better understand current needs and to identify potential future initiatives. These can be grouped into the following areas of focus which are explored in more detail below.
- Strengthening local skills provision
 - Promoting apprenticeships and vocational routes into growth sectors
 - Meeting sector specific skills needs
 - Shaping essential skills provision
 - Improving all-age careers advice and guidance.
18. Bringing together the outcomes of their learning over the last 12 months, the Partnership will host a skills event for wider stakeholders in autumn 2019.

Strengthening local skills provision

19. The Skills Strategy set a vision that by 2022 Southwark will have a high quality, local skills offer that is accessible and responsive to learner and employer needs. Over the past year, the council has worked with local partners to strengthen and broaden local provision, support quality improvement and widen access to essential and vocational skills development for Southwark residents.

Integrating skills development into service delivery

20. Access to skills development opportunities is continuing to be built into other existing council services to help residents improve their skills or obtain careers advice and guidance.
21. The council's commissioned employment support service, Southwark Works, is placing an increased focus on addressing skills needs as part of the delivery of new contracts starting in July 2019. A more detailed consideration of clients' essential skills needs will be built into initial employability needs assessments. Advisers will work closely with Southwark Adult and Community Learning to refer clients for full needs assessments where necessary and provide essential skills courses in Maths, English and ESOL.
22. Southwark libraries continue to play a key role in the delivery of essential skills support to residents, particularly focusing on essential digital skills. Over 7,000 digital skills training sessions were delivered in libraries over the past year. These services will also be increasingly promoted to those accessing Southwark Works.

Southwark Adult and Community Learning Service

23. Nearly 3,000 residents benefit from adult learning provision delivered by the Southwark Adult and Community Learning Service every year. The service provides a range of courses including basic skills in literacy and numeracy, English for Speakers of Other Languages and Family Learning. In 2017-18, over 1,000 learners completed a Preparation for Life and Work course (which includes basic skills, English and Maths), representing a 96% success rate. The service has a focus on providing effective initial advice and guidance to place learners on appropriate courses which meet their skills levels and aspirations. Feedback from the awarding bodies is good and the service has been able to sustain the volume and quality of provision during a time of reducing funding. The service maintains a number of partnerships with Southwark schools and subcontracted partners to enhance provision in curriculum areas and to provide work

experience opportunities for learners. The service is currently being reviewed to understand how we can most effectively meet needs moving forward.

Local Further Education provision

24. The council is continuing to work closely with the borough's two major Further Education and Adult Learning providers, Southwark College and Morley College, who are both active participants in the Southwark Skills Partnership.
25. It was announced in September 2018 that Lewisham Southwark College would become two separate colleges, both remaining part of the Newcastle College Group. The council welcomed the opportunity for Southwark College, which provides post-16 and adult learning courses, to develop curriculum programmes that better meet the needs of local communities and to work more closely with a single locally focused provider. The council is continuing to engage and collaborate with the newly appointed principal of Southwark College.
26. Over the past year, Southwark College has seen significant improvement, ranking 4th in London and in the top 10% nationally in the latest Department of Education tables. Applications to the college from Southwark residents have also substantially increased. The council continues to support the College to maintain its positive progress and improve in certain areas highlighted in recent Ofsted reports.
27. The council also maintains a strong partnership with Morley College which offers a range of adult essential skills and community learning courses as well as preparation for further learning and study courses. It was announced in March 2019 that Morley College and Kensington and Chelsea College (KCC) are working towards a merger. The proposal is that KCC joins Morley College London, as one college with three centres in North Kensington, Chelsea and Waterloo. The council continues to engage with the college's leadership to ensure high quality local provision in Southwark, in line with the Skills Strategy.

London South Bank University

28. The council has continued to work in close partnership with the borough's higher education institution, London South Bank University (LSBU), to establish the Passmore Centre, as detailed in paragraphs 35-36, and on wider skills delivery. LSBU's apprenticeship delivery received an Ofsted rating of 'Good' in February 2019 with inspectors noting a culture of high aspirations for apprentices and a high level of support for apprentices to develop good practical skills that they can apply confidently in the workplace.
29. In 2019, Lambeth College became part of the LSBU group in the first Further Education and Higher Education partnership of its kind with the aim of creating a more joined up and accessible educational offer which meets the needs of learners, employers and the local community. This partnership helps to broaden vocational provision in the locality.

Southwark Construction Skills Centre

30. Local skills provision outlined above is complemented by the Southwark Construction Skills Centre (SCSC) which was set up in 2016 to increase provision in a prominent local sector, meeting employer's skills needs and improving access to career opportunities and pathways in this sector for local residents. The SCSC, which was established in partnership between the council and Lendlease, has continued to

develop in reputation and standing within the local community and wider construction industry over the past year. Some notable successes include achieving quality-mark status to become part of the Mayor's Construction Academy and successfully bidding for £1 million from the Construction Skills Fund, which is part of the National Retraining Programme, to support local residents who are unemployed or at risk of unemployment to enter to the construction industry. The SCSC has continued to deliver high quality sector focused skills training, having trained over 2,000 Southwark residents and supported over 370 residents into work. The Centre has also created or supported over 300 apprenticeships and engaged with over 2,000 school children.

31. The SCSC works closely with Southwark Works, which provides sector specific employment support, and with LSBU, which provides higher level apprenticeships, to enable a clear construction career pathway for residents. Plans are also in place for the SCSC to pilot the Government's new Technical Levels and to continue to develop vocational learning for 14-16 year olds. This will enable more residents to begin and develop their construction careers.

Promoting apprenticeships and vocational routes into growth sectors

32. The Skills Partnership has built upon the council's previous successes, in collaboration with a range of partners, to promote apprenticeships as vocational learning routes into professions. The council worked directly with local employers and providers to meet its Council Plan target to create over 2,000 apprenticeships between 2014 and 2018, becoming London's top performing council for apprenticeship creation in recent years. Over the last financial year, a further 730 apprenticeships have been delivered.
33. The council also developed the Southwark Apprenticeship Standard in 2015, encouraging local employers to commit to high quality apprenticeships by ensuring minimum contract terms, payment of the London Living Wage, quality training provision and proper mentoring and support. To date, over 50 employers have signed up to the Standard.
34. The council and Skills Partnership have continued to build on this track record by increasing local provision of high quality apprenticeships, strengthening the support offer for employers and learners, continuing to support quality improvement and promoting the creation of more apprenticeships in growth sectors.
35. One of the single biggest delivery milestones in the last year was the opening of London South Bank University's Institute of Professional and Technical Education, known as the Passmore Centre. Opened in November 2018, the centre was supported by the council through a £5 million capital investment in return for at least 1,000 Southwark residents to have started a high quality apprenticeship by 2023. The centre provides a gateway for learners into higher professional and technical education and currently delivers 20 different apprenticeship courses. It is continuing to expand the offer, focusing on local high growth sectors. The partnership between the council and LSBU is continuing to increase the scale and widen the range of high quality apprenticeship courses, aligning with the Skills Strategy and Council Plan targets and ambitions.
36. The Passmore Centre's delivery of apprenticeships will make a significant contribution towards meeting the council's ambition to create 2,500 apprenticeships by 2022. To further support this ambition, the council is also reviewing the support available for learners seeking to start an apprenticeship, as well as support available to employers in creating and delivering apprenticeships.

37. The newly commissioned Southwark Works employment support framework will include an increased focus on supporting residents into apprenticeships and promoting apprenticeships as vocational routes into professions. This will see more collaboration with skills providers to ensure entry level skills are built into pre-employment support.
38. The council is also developing a dedicated pre-apprenticeship support offer which will provide information and guidance to residents interested in starting an apprenticeship, particularly those who are experiencing barriers to entry such as qualifications or skills. This support offer will also incorporate collaboration with employers to create and promote apprenticeships.
39. The council is reviewing the Southwark Apprenticeship Standard to ensure that it continues to be fit for purpose and sets the standards for others to follow, as it did when the Standard was first developed in 2015. It is important that the Standard is updated as the local economy grows and changes, particularly in light of implications arising from the UK's planned withdrawal from the EU later in 2019. The review includes consultation with local businesses to understand any challenges around delivering high quality apprenticeships.
40. As part of its work addressing sector specific skills challenges, the Skills Partnership will work with local employers to create more apprenticeships in growth sectors and more detailed proposals with a sectoral breakdown are being drawn up. Apprenticeships will be the theme of the next Skills Partnership meeting in July 2019.

Meeting sector specific skills needs

41. The Skills Strategy delivery plan recognised the need to improve local provision of sector specific skills and training to meet the needs of local employers in growth sectors and to improve access to career opportunities for Southwark residents. In establishing the Southwark Construction Skills Centre, the council has a track record of working with partners to develop a successful sector specific skills offer that meets the need of local employers and the Skills Partnership has undertaken work to understand how similar initiatives could work in other local growth sectors.
42. The Partnership established a series of task and finish groups to explore skills challenges in key sectors in the borough and central London – food and hospitality, health and social care, and digital - by engaging with local employers and providers to understand skills gaps and potential interventions to promote careers and progression in these sectors.
43. This work feeds into wider and ongoing consultation with local employers in a range of sectors covering recruitment and retention pathways, skills development, collaboration with schools and providers and progression pathways. Over the coming year, colleges and Business Improvement Districts engaged with the Skills Partnership will lead consultation with employers through hosting focus groups.
44. Work to develop sector specific skills offers or initiatives will be aligned with wider and longer term plans for skills delivery as part of regeneration projects, particularly at Canada Water and on the Old Kent Road.

Food and hospitality

45. The task and finish group identified some of the key issues and challenges for this sector as: a perception that a job in hospitality is not a long-term career, a lack of investment by employers, the potential impact of Brexit on a sector which is heavily

represented by EU workers, seasonal work not being seen as desirable and limited apprenticeship opportunities.

46. The Partnership has agreed that the food and hospitality sector presents a clear opportunity to develop a dedicated skills offer in the borough as the sector has an obvious skills and recruitment gap and there is an opportunity to better align training provision to meet these gaps. The group agreed that two areas of focus to help address the skills and recruitment gap in the sector are: school engagement (employers and colleges) and collaboration (employers and colleges).
47. The Partnership has established a working group made up of local employers and providers to develop a new food and hospitality skills offer for Southwark. Over the next year, the group will commission a feasibility study to identify options and resource implications and subsequently develop proposals.
48. This work will include identifying potential sites and will be aligned with a number of proposals under development in collaboration with education providers and regeneration delivery partners. These include discussions between schools and local businesses to establish a vocational training offer for young people aged 14-16, to run alongside their core curriculum requirements, as well as longer term plans to secure a new education facility at a site in the Old Kent Road development area, as identified in the Old Kent Road Area Action Plan. A food and hospitality skills offer could be established initially as a meanwhile use, ahead of longer term delivery of a site.

Health and social care

49. The task and finish group has explored skills challenges in the health and social care sector, identifying key issues for this sector as being: English and Maths requirements being barriers to progression, matching local residents to job opportunities, the apprenticeship levy and withdrawal of bursaries. The Partnership has engaged with local employers, including Guys and St Thomas Trust, adult social care providers and Skills for Care, to further understand challenges and to create links with Southwark Works and the wider apprenticeship programme. In particular, the Partnership is exploring how clear progression pathways, especially around nursing, can be built collaboratively in both the health sector and the social care sector.

Digital

50. The task and finish group explored key skills challenges in the growing digital sector which included: the development of the non-technical skills such as problem solving, creativity and critical thinking needed for digital roles, limited availability of computer science GCSEs and challenges in engaging schools. Creating more digital apprenticeships was identified as an opportunity to widen access to the sector. The Partnership will seek to engage with schools around the promotion of the digital sector and explore potential for creating more digital apprenticeships in the borough.

Shaping essential skills provision

51. The Skills Partnership is also supporting the council's work to ensure that all residents have a basic qualification in English and Maths and are able to access the essential digital skills required for everyday life and for work.
52. Work is underway to define what is meant by a basic English and Maths qualification. For learners who have taken examinations or assessments under the current system (since 2017), this has is a Standard Pass (grades 9-4) in GCSE English and Maths or

a Pass in Functional Skills English and Maths, Level 2. For learners who took examinations or assessments under the system that was in place before 2017, the definition includes equivalents (e.g. GCSE A*-C). Work will continue to explore how valuable this level of qualification is to employers.

53. The Partnership is also supporting work to develop an action plan for digital skills in Southwark, focusing on supporting the delivery of essential digital skills and establishing a common approach across the council and local providers. A working group of local essential digital skills providers has been established to define what is meant by essential digital skills, identify need and demand, explore re-shaping local provision around need and improve collaborative working.
54. The current intention is to take a report on Basic English and Maths and Essential Digital Skills to Cabinet in the summer of 2019.

Improving all-age careers advice and guidance

55. The Skills Strategy delivery plan recognised the need to improve the quality and coordination of careers information, advice and guidance available to residents of all ages. The Skills Partnership established a task and finish group to map the local careers support offer and identify any key gaps in provision. A draft All-Age Careers Advice and Guidance Framework has subsequently been developed.
56. The council has increased engagement with careers leads in Southwark schools to deliver a more coordinated careers advice and guidance offer, improve consistency of the offer between schools, make vocational routes more accessible and improve links with employers. Regular meetings of schools careers leads, facilitated by the council, have started comprising of representatives from secondary schools, including special schools, the Southwark Inclusive Learning Service (SILS), the Education Business Alliance, the Southwark Information Advisory Service (SIAS) and Southwark Choices. The group is initially focusing on improving access to information about Further Education for schools leavers, improving the quality of careers advice in schools and promoting apprenticeships, particularly to parents and carers.
57. The Partnership will support this working group to facilitate local collaboration on the careers guidance offer and will explore the potential to create a 'careers collaborative' to formalise collaboration and services.
58. As part of a wider council review of how the range of opportunities, activities and services available for young people in Southwark are communicated, the council is working to ensure that information around careers advice and opportunities is better coordinated, more readily accessible and more effectively promoted to young people. The council is also co-creating an initiative with a group of young people under the working name of 'Open the Door' to engage with local businesses to offer improved opportunities for young people including career development.
59. Work is also underway to coordinate the local careers IAG offer for adults, particularly those in work, seeking career advancement or a career change or facing redundancy. This has initially focused on ensuring that careers advice is available to residents in local libraries, and through the Adult and Community Learning Service, complementing the range of skills support currently offered in these locations. The National Careers Service is now working in several libraries and plans are in place for the service to deliver support via the Adult and Community Learning Service.
60. Southwark Works will also contribute towards a strengthened careers advice and

guidance offer in the borough through an increased focus on supporting residents to start apprenticeships and to progress within work.

61. As the Skills Partnership further develops the local careers advice and guidance offer, as well as the other programmes set out in this report, it will seek to incorporate learners' perspectives. The Partnership will launch consultation with learners in 2019 to better understand a range of learners' perspectives on local provision, access to information, support and perceptions of different sectors. Future Skills Partnership meetings will also incorporate a focus on learners' perspectives.

Policy implications

62. The delivery plan is in line with the 2018-2022 Council Plan and the council's Economic Wellbeing Strategy. This includes:

63. A full employment borough:

- Make Southwark a full employment borough
- Help 5,000 more people into work and create 2,500 new apprenticeships
- Introduce a Southwark Good Work Standard
- Make sure everyone has basic qualifications in English and maths, provide one to one support for low paid workers to help them get better paid jobs, and improve access to financial support to those who need additional funding for courses
- Make sure that 500 young people from low income backgrounds get paid internships with London's best employers.

64. A great start in life

- Guarantee education, employment or training for every care leaver

Sub-regional policy implications

65. The Central London Forward Skills Strategy was approved by the Central London Employment and Skills Board in February 2019. This strategy aims to rebuild the skills system for central London to be more responsive to employer needs, focusing on shaping skills delivery to more closely match key sectoral needs and deliver more and higher quality apprenticeships. It aims to influence the GLA commissioning of the AEB and deliver outcomes based models that support residents and employees to develop the skills that will increase productivity and progression, particularly among the most disadvantaged and hard-to-reach learners.

66. The aims of the strategy are that:

- **Residents and workers** access the skills, jobs and support to thrive in Central London's dynamic economy. There is a specific focus on developing skills for vulnerable groups and those that are currently furthest from the labour market.
- **Employers** secure growth through access to a more diverse and better-skilled workforce, who are trained in the types of skills that employers need, in fields with skills gaps.
- **Providers** access information around the labour market and local needs, to improve the quality and relevance of courses that are offered.
- **Boroughs** take a leadership role in reforming the CLF skills system, through collaborating with partners and each other, to ensure that skills commissioning and provision is of a high and consistent quality across the sub-region.

Regional policy implications

67. The Mayor's Skills Strategy for London was published in June 2018. The key priorities are as follows:
- Empower all Londoners to access the education and skills to participate in society and progress in education and work
 - Meet the needs of London's economy and employers now and in the future
 - Deliver a strategic city-wide technical skills and adult education offer.
68. In December 2017 the council contributed to the consultation process endorsing the London wide strategy given its alignment to our local strategy. In particular the council endorsed the following:
- The focus on vulnerable learners and those with low to mid skills.
 - The pan-London review of SEND
 - Focus on the quality of work through the Good Work Standard, payment of the London Living Wage and in-work progression initiative
 - Improving basic skills delivery through the devolved AEB.
 - 16+ pathways research
 - Proposed improvements to an all-age careers advice service
 - Proposals for the devolution of the Apprenticeship Levy and the creation of a skills levy
 - A Skills Sector focus providing better integration of employer needs in the skills system and the potential to develop a Skills Index for London
 - Focus on improving the technical skills and adult education offer in London
 - To ensure quality learning, employability skills and progression underpin the delivery of the devolved AEB.

Adult Education Budget

69. In the autumn of 2016 it was announced that London's AEB would be delegated to the Mayor of London from 1 August 2019 under a devolution arrangement. Through this arrangement the Mayor will be responsible for the commissioning, delivering and management of London's AEB. The principal purpose of the AEB is to provide the skills and learning that adults need to equip themselves for work, an apprenticeship or further learning. Devolution is also intended to enable more tailored programmes of learning to be made available, which do not need to include a qualification, to help those furthest from learning or employment.
70. In April 2019, the GLA launched a consultation on the delivery of the AEB from 2020-21 onwards. The council has responded to the proposed changes in the delivery of the AEB, in line with the Skills Strategy and Council Plan ambitions. A copy of the response is available as a background paper.
71. Southwark's Skills Strategy is aligned to the regional and sub-regional aims and priorities outlined above. It emphasises the need for good work and the ability to progress in the labour market, addressing skills shortages and meeting the needs of the economy now and in the future. It supports the Mayor's aims to boost the technical and adult education offer and the sub-regional priority for the skills system to focus on employment outcomes.
72. Mirroring sub-regional ambitions, Southwark's strategy aims to address skills shortages in specific sectors for example by building on the Southwark Construction

Skills Centre model. It aims to ensure that any unspent Apprenticeship Levy funding is directed to where it is most needed and used to create apprenticeships in micro and small businesses locally.

National policy implications

73. In December 2017 the government published the National Careers Strategy, an all-age strategy, which includes new Ofsted requirements for schools and recommendations for schools to follow Gatsby benchmarks in the delivery of careers advice and guidance. The Strategy includes the following key aims:
- All young people to understand the full range of opportunities available to them, to learn from employers about work and the skills that are valued in the workplace and to have first-hand experience of the workplace
 - All young people in secondary school and college to get an excellent programme of advice and guidance that is delivered by individuals with the right skills and experience
 - Everyone to get support tailored to their circumstances. All adults should be able to access free face-to-face advice, with more bespoke support for those who most need it
 - Everyone to get the information they need to understand the job and career opportunities available, and how their knowledge and skills can help them in considering suitable careers
74. In April 2019 the government announced plans to increase digital skills provision for adults aged 19 and over. The offer will include a range of new essential digital skills qualifications, available from 2020, and digital Functional Skills qualifications, available from 2021, that will support progression into employment or further education and develop skills for everyday life. The Southwark digital skills action plan currently being developed as set out in paragraph 53 will be aligned with the new standards and entitlements.

Community Impact Statement

75. The Skills Strategy and associated delivery plan is key to ensuring wider wellbeing. The strategy recognises that the development of skills delivers wider social value.
76. The June 2018 Skills Strategy Delivery Plan approved by Cabinet provides an overview of the assessment of impacts on the community, this includes the equality analysis carried out in October and November 2017, and reviewed in April 2018, on the strategy. Specific measures and actions to address inequalities and assessment of the impact on protected characteristics in line with the Equality Duty will be developed as part of delivery plan implementation as relevant. The analysis will therefore be ongoing. It is the role of the Skills Partnership to consider ongoing equalities implications at a strategic level.
77. The Skills Strategy will impact on the whole community in all wards, including the borough's business community. A core aim of the strategy is to identify what actions the council and partners can take to create a local skills offer that responds to the needs of local people and the local economy. Improving the local offer, but focusing on residents and learners who are more likely to fall through gaps in the system.
78. The strategy encourages employers to offer good quality work, supporting the council's commitment to develop a Good Work Standard. It also supports the adoption of the London Living Wage, as set by the Living Wage Foundation, as a principal way to counter the threat of poverty.

79. Strategy delivery plan and project monitoring arrangements will continue to follow the council's equalities monitoring guidance to ensure it captures the information about impact on intended target groups and protected characteristics.

Resource Implications

80. The Skills Strategy and delivery plan sets out the core ambition for how we work as a borough where everyone has the skills to play a full part in the local and London economy. This includes what partners will deliver, contribute and achieve.
81. The council's contribution to the delivery plan will be met from within existing resources. This includes a range of sources where funding is specifically tied to objectives that meet outcomes that promote vocational training and education tailored to job and career opportunities. This is especially in key growth sectors that are identified in the Skills Strategy. Agreement of any new and where necessary redirection of existing funding, if this arises will be undertaken in line with the council's normal resource setting processes to which the funding relates.
82. Proposals outlined in this report may require future commitment of resources. Section 106 funds have been identified which could contribute towards funding future skills initiatives.

Staffing issues

83. Officer time to effect the proposals and work streams outlined in this report will be contained within existing resources and any Section 106 funds that are allocated.

Consultation

84. A range of external and internal stakeholders have been consulted during the process of developing the Skills Strategy and its associated delivery plan. Consultation has taken place at three key stages following the formal adoption of the Skills Strategy in December 2017. Firstly an initial scoping session in January 2018 developed shared solutions to the areas the strategy needed to focus on. This then informed a second session in March 2018 to further consider the solutions, to discuss resources and assets as well as identifying and managing risks. Finally, the third session in May 2018 sought feedback on a draft delivery plan.
85. External consultation with partners included: Department of Work and Pensions, Southwark Business Forum, Better Bankside Business Improvement District (BID), Blue Bermondsey BID, Southbank BID, Team London Bridge BID, We Are Waterloo BID, Southwark Chamber of Commerce & Industry, Federation of Small Businesses, Guys and St Thomas' Hospital, London South Bank University, schools, Southwark Youth Forum, adult education providers and further education Colleges, Southwark Association of the School Governors, Central London Forward and delivery partners on our Southwark Works Framework. Partnership and key stakeholders engagement will continue as the strategy is implemented and reviewed.
86. The Skills Partnership is collaborative by nature, allowing ongoing consultation and discussion with a range of partners to understand future skills priorities and adapt the Skills Strategy delivery plan as required in order to deliver solutions to best meet these needs and challenges.
87. Further consultation is planned for summer 2019 to gain insight into how learners and

employers utilise the local skills system and the areas they would like to see improved.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

88. This report is requesting cabinet to note the progress made in delivering the Skills Strategy in the last twelve months, following cabinet approval of the delivery plan in June 2018 and to note the draft updated Skills Strategy delivery plan included at Appendix 1 which will be approved by the Skills Partnership in July 2019.
89. This report is also requesting cabinet to receive an update on progress in twelve months' time.
90. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report.
91. The strategic director of finance and governance expects that financial appraisals will be carried out as any new plans are developed and will be subject to future reports, including identifying the suitable financial resources for any new commitments.
92. Staffing and any other costs connected with this report are to be contained within existing business unit revenue budgets.

Director of Law and Democracy

93. This report sets out the progress to date since June 2018 when cabinet approved the Southwark Skills Strategy Delivery Plan for the period 2018-2022. This report contains an updated delivery plan (in Appendix 1) which sets out the key work streams the Skills Partnership will take forward to deliver the Skills Strategy ambitions, including how the work streams will be monitored and the anticipated delivery dates. As this report is for noting, there are no legal implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Skills Strategy and Skills Strategy Equalities Analysis	160 Tooley St London SE1 2QH	Elaine Gunn 020 7525 5479
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5753 (Item 11)		
Southwark Skills Strategy Delivery Plan	160 Tooley St London SE1 2QH	Elaine Gunn 020 7525 5479
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s75952/Report%20Southwark%20Skills%20Strategy%20Delivery%20Plan.pdf		
Draft Skills for Londoners Strategy Consultation Response	160 Tooley St London SE1 2QH	Elaine Gunn 020 7525 5479
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/mgIssueHistoryHome.aspx?Id=50017874&Opt=0		
Economic Wellbeing Strategy 2012-2020	160 Tooley St London SE1 2QH	Danny Edwards 020 7525 5105
Link (please copy and paste into your browser): http://www.2.southwark.gov.uk/info/347/economic_wellbeing		
Skills for Londoners Framework AEB Consultation Year 2 (2020/21) Response	160 Tooley St London SE1 2QH	Susan du Toit 020 7525 2970
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/mgIssueHistoryHome.aspx?Id=50020210&Opt=0		

APPENDICES

No.	Title
Appendix 1	Skills Strategy Delivery Plan, July 2019 – July 2020
Appendix 2	Terms of Reference, Southwark Skills Strategy Partnership

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Jobs, Business and Innovation	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Susan Du Toit, Senior Strategy Officer; Elaine Gunn, Principal Strategy Officer, Local Economy Team	
Version	Final	
Dated	6 June 2019	
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	6 June 2019	

Southwark Skills Strategy Partnership Delivery Plan, 2019-2022- June 2019 update

The updated delivery plan below shows the key work streams the Skills Partnership will take forward to deliver the Skills Strategy ambitions. The strategy themes, aims and outcomes are included for reference from page 5.

Action	How monitored	Anticipated delivery date
Work stream 1: Promoting apprenticeships		
<ul style="list-style-type: none"> To increase the number of apprenticeship opportunities available in the borough in a range of growth sectors 	<ul style="list-style-type: none"> TBC- potentially through National Apprenticeship Service 	<ul style="list-style-type: none"> TBC
<ul style="list-style-type: none"> To create 2,500 apprenticeship by 2022 	<ul style="list-style-type: none"> Qtlly Council Plan Performance Monitoring 	<ul style="list-style-type: none"> May 2022
<ul style="list-style-type: none"> To support Southwark residents to access apprenticeship opportunities through pre-apprenticeship support 	<ul style="list-style-type: none"> The Local Economy Team will procure pre-apprenticeship support which will be aligned to Southwark Works delivery. Once in place key outputs will be tracked via quarterly monitoring. Apprenticeship Programme Reporting 	<ul style="list-style-type: none"> Pre-apprenticeship programme due to start in October 2019
<ul style="list-style-type: none"> To refresh the Southwark Apprenticeship Standard 	<ul style="list-style-type: none"> Apprenticeship Programme Reporting 	<ul style="list-style-type: none"> May 2022
<ul style="list-style-type: none"> For 1,000 Southwark residents to be enrolled in high level apprenticeships at LSBU by 2023 	<ul style="list-style-type: none"> Passmore Monitoring 	<ul style="list-style-type: none"> September 2023

Work stream 2: Meeting sector specific skills needs		
<ul style="list-style-type: none"> • Test feasibility to create a food and hospitality offer in the borough to inform delivery plans 	<ul style="list-style-type: none"> • Working group established to manage feasibility study, reporting to Skills Partnership and wider stakeholders 	<ul style="list-style-type: none"> • Interim findings presented in September 2019
<ul style="list-style-type: none"> • Undertake a focused consultation exercise with learners and employers to gain better understanding of their experience of the skills system in Southwark and areas for improvement 	<ul style="list-style-type: none"> • Local Economy Team will commission external providers to conduct consultation who will report to the Skills Partnership 	<ul style="list-style-type: none"> • External partners commissioned to conducted consultation – July 2019 • Study complete – September/October 2019
<ul style="list-style-type: none"> • To develop a specification for skills provision as part of the Old Kent Road (OKR) regeneration site 	<ul style="list-style-type: none"> • Specification complete • Delivery partner secured for OKR site 	<ul style="list-style-type: none"> • September 2019 • TBC
<ul style="list-style-type: none"> • Support local employers to sign up to the Mayor's Good Work Standard (GWS) 	<ul style="list-style-type: none"> • Number of Southwark employers signed up to the GWS (by foundation, achievement and excellence levels) 	<ul style="list-style-type: none"> • Annual Reporting • End 2019/20
<ul style="list-style-type: none"> • Adopt strategic approach to skills delivery and consider requirements for skills training facilities in large scale area redevelopment and social regeneration, such as Canada Water • Explore strategic approach to skills delivery as part of the establishment of the Council's proposed Construction Company 	<ul style="list-style-type: none"> • British Land's Social Regeneration Charter, to be presented to the Skills Partnership 	<ul style="list-style-type: none"> • April 2020 for update report to Skills Partnership
<ul style="list-style-type: none"> • To support young people from low income backgrounds to get paid internships 	<ul style="list-style-type: none"> • Agree delivery programme • Number of internships delivered 	<ul style="list-style-type: none"> • July 2019

		<ul style="list-style-type: none"> Qtlly Council Plan Performance Monitoring 	<ul style="list-style-type: none"> May 2022
<ul style="list-style-type: none"> Increase number of Supported Internship opportunities available to young Southwark residents with learning difficulties and learning disabilities To work with CLF and the GLA to implement wider employment and wellbeing outcomes in AEB commissioning 	<ul style="list-style-type: none"> Number of Supported Internship vacancies created Number of Southwark residents in Supported Internships Southwark is part of the CLF Skills Officer Group, which supports the Central London Employment and Skills Board. Progress will be tracked via the Skills Group and reported to the Skills Partnership 	<ul style="list-style-type: none"> September 2019 September 2019 September 2020 	
Work stream 3: Shaping essential skills provision			
<ul style="list-style-type: none"> To support more residents to achieve basic qualifications in English and Maths 	<ul style="list-style-type: none"> Numbers achieving GCSE grade 4 or L2 Functional Skills as the basic English and Maths qualification – captured through partner delivery. To be developed through Skills Partnership and Education department. 	<ul style="list-style-type: none"> TBC 	
<ul style="list-style-type: none"> To establish a common approach across the council and local providers for the delivery of essential digital skills in Southwark. 	<ul style="list-style-type: none"> A working group of local essential digital skills providers has been established to define what is meant by essential digital skills, identify need and demand, explore re-shaping local provision and improve collaborative working. This will report to the Skills 	<ul style="list-style-type: none"> September 2019 	

	Partnership	
<ul style="list-style-type: none"> To increase collaboration between Southwark Works and Adult and Community Learning; delivering more essential skills needs assessments and supporting more residents to access courses 	<ul style="list-style-type: none"> Quarterly tracking of referrals from Southwark Works to ACL as part of Southwark Works performance monitoring 	<ul style="list-style-type: none"> To be reviewed in March 2019
<ul style="list-style-type: none"> For the National Careers Service to support x Southwark residents per year 	<ul style="list-style-type: none"> TBC- Checking with National Careers Service 	<ul style="list-style-type: none"> TBC
Work stream 4: Improving all age careers advice and guidance		
<ul style="list-style-type: none"> To develop an All Age Careers Advice and Guidance Framework to oversee delivery of local provision 	<ul style="list-style-type: none"> Managed by the Skills Partnership 	<ul style="list-style-type: none"> September 2019
<ul style="list-style-type: none"> Explore the potential to create a careers 'collaborative' to formalise collaboration and IAG services in the borough 	<ul style="list-style-type: none"> An approach will be developed with schools via the career leads working group and the all age careers IAG task and finish group will manage deliver of an improved offer for adults. These will report to the Skills Partnership who are overseeing the All Age Careers IAG Framework. 	<ul style="list-style-type: none"> Proposals will be presented to the partnership in September 2019
<ul style="list-style-type: none"> To ensure support IAG offer is accessible and promoted 	<ul style="list-style-type: none"> All provision will be promoted via Southwark Works and available on the council website The task and finish group will explore options to develop a digital platform to improve accessibility of support 	<ul style="list-style-type: none"> November 2019

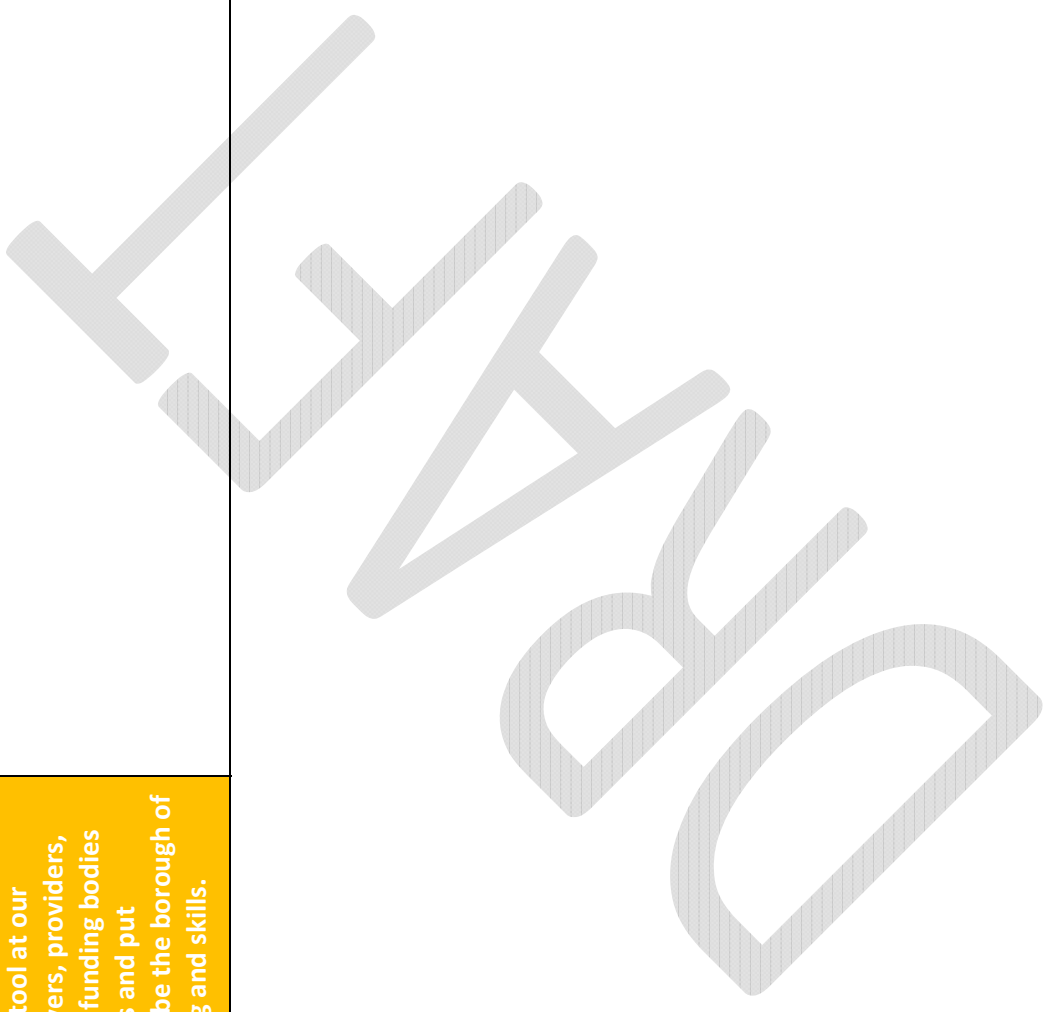
Skills Strategy themes, aims and outcomes

<p>1. Learners</p> <p>We want Southwark to be a place where people of all ages have access to a high quality local offer to learn, improve their skill levels and earn a good living. We want learners to have access to good quality and impartial information, advice and support so they can make informed choices about their careers and personal development.</p>	<p>Strategy aims:</p> <ol style="list-style-type: none"> Learners have access to information on the wide range of learning opportunities available to them Learners enjoy a comprehensive range of good quality learning opportunities on their doorstep Young people leave education equipped with the skills and knowledge they need to enter the world of work Vulnerable learners have the additional support they require to help them develop workplace skills Learners of all ages, including those in work, are able to develop their skills to progress into better jobs and increase their earnings <p>Outcome / impact:</p> <ul style="list-style-type: none"> Young people in secondary education receive a co-ordinated approach to early school based work related learning and impartial advice Schools, colleges, work-based learning providers and universities are able to join forces to enable flexible learning journeys Southwark has a culture of ‘no wrong door’ and provision works on the basis of equal access for all
<p>2. Employers</p> <p>We want Southwark to be a place where employers have access to a highly skilled local workforce. We want employers to invest in and help shape local skills provision and have the confidence that it is meeting their recruitment needs. We want our employers to offer good quality skills and employment opportunities for residents.</p>	<p>Strategy aims:</p> <ol style="list-style-type: none"> Employers are enabled to take a leading role in shaping a local skills offer that meets the needs of their workforce The current and future skills needs of employers of all sizes are understood and met locally Employers provide more opportunities for employment and work based learning, including apprenticeships and quality work experience Employers offer more opportunities to people with complex needs Employers are supported to respond positively to workforce challenges that arise from Brexit <p>Outcome / impact:</p> <ul style="list-style-type: none"> Current and future skills needs are better understood and communicated Employers are able to engage with skills providers about their skills needs

	<ul style="list-style-type: none"> • Employers are able to meaningfully engage with young people and those who want to progress, to communicate the range of opportunities available • Employers are supported to offer equal access to opportunities that develop work place skills • Employer networks are supported, enabling knowledge sharing and promotion of best practice within and beyond sectors
<p>3. Providers</p> <p>We want to make Southwark a destination for learning with high quality skills and training provision for all ages which addresses local economic needs and the future demand for skills. We want residents to develop the skills they need to secure well paid jobs and that are shaped by employer demand. We want local providers to be partners in the development and regeneration of the borough and for our skills offer to be a local asset.</p>	<p>Strategy aims:</p> <ol style="list-style-type: none"> 1. Southwark has a high quality skills offer that is attractive to learners and employers 2. Employers and providers work collaboratively to provide innovative demand led skills solutions 3. A greater range and quality of vocational learning, including apprenticeships is available and its value recognised 4. Good quality careers advice is provided to all who need it across the borough <p>Outcome / impact:</p> <ul style="list-style-type: none"> • Vocational learning opportunities are promoted, leading to more people taking on careers in target sectors (i.e. hospitality, tourism, construction, health and social care, digital) • A broader range of unaccredited and upskilling courses available that both meet the needs of employers and are accessible to vulnerable learners
<p>4. Funding</p> <p>We will put Southwark learners first in getting the best possible funding deal for learning and skills. We want Southwark to be a powerhouse for innovation, using local resources to test out new ways of delivery and build on recent successes like the Southwark Construction Skills Centre. We want to use the funding available to better equip Southwark residents with the tools</p>	<p>Strategy aims:</p> <ol style="list-style-type: none"> 1. Skills funding is aligned to local needs 2. Skills budgets are successfully devolved and work for London and Southwark 3. New partnerships harness local assets and resources to generate innovative skills funding models 4. Employment outcomes are embedded in the planning and delivery of skills provision <p>Outcome / impact:</p> <ul style="list-style-type: none"> • Formalised partnership arrangements will allow for partners to influence funding proposals and

they need to access today's jobs and those of the future. We will use every tool at our disposal, working with employers, providers, schools, national and regional funding bodies and learners to align resources and put Southwark in pole position to be the borough of choice for high quality learning and skills.

explore opportunities for joint bidding



Risks

Risk	Impact (high, medium, low)	Likelihood (high, medium, low)	Mitigation / management	Impact with mitigation (high, medium, low)	Likelihood with mitigation (high, medium, low)
<p>1. The strategy's ambitions exceed our ability to influence / deliver</p>	M	M	<ul style="list-style-type: none"> • Ensure targets in the strategy are realistic and achievable – with a focus on what we can do locally; starting small and building on our achievements • The delivery plan is clear in how actions will be monitored • Skills Partnership and employers are encouraged to play a central role in contributing time, resources and money 	M	M
<p>2. Funding / resource uncertainty</p>	M	M	<ul style="list-style-type: none"> • Maximum access to a range of funding routes (e.g. crowdfunding) • Work together across different types of organisations, ensure we have the expertise to write winning bids • Lobby proactively for devolved and flexibility of funding that is needed to meet the strategy's ambitions • Ensure we can demonstrate our success for future funding opportunities – monitor projects closely and communicate successes 	L	L

Risk	Impact (high, medium, low)	Likelihood (high, medium, low)	Mitigation / management	Impact with mitigation (high, medium, low)	Likelihood with mitigation (high, medium, low)
3. Accountability structure does not allow for the strategy's ambitions to be delivered	M	M	<p>Clear Skills Partnership structure in place that:</p> <ul style="list-style-type: none"> - Is clear on roles and responsibilities - Allows us to hold each other to account - Mirrors sub-regional arrangements and allows for the GLA to take a role - Has the right representatives, ensuring visibility and weight to our work - Is able to address ongoing resourcing of the strategy, monitoring and evaluation 	H	L
4. The Strategy is not addressing existing inequality of outcomes in the skills system	H	M	<ul style="list-style-type: none"> • Using data insight effectively; ensure alignment with employers' needs and future jobs • Help to create social networks to encourage increasing social mobility • Promote a better understanding of outcomes across the partnership 	H	L
5. The Strategy is not flexible enough to keep pace with change (i.e. changes in labour market, local economy, resident needs)	M	M	<ul style="list-style-type: none"> • The partnership commits to collecting business intelligence and continuing an open dialogue with providers, learners and employers 	L	L

APPENDIX 2

Southwark Skills Strategy Partnership Group

Terms of Reference

Introduction

These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Skills Strategy Partnership Group. This has been established following agreement by Cabinet in June 2018.

Purpose

The Board is established to:

- Ensure ongoing cross partnership support for the Strategy
- Endorse and support the delivery of activity as set out in the delivery plan
- Oversee the progress of the delivery plan and review outcomes
- Advise on future skills activity and support effective prioritisation
- Influence and inform sub-regional, regional and national decision makers, ensuring that Southwark's voice is heard

Membership

The Group will include:

- Nadia Broccardo, Executive Director, Team London Bridge
- Jayne Couchman, Southwark Works Programme Manager, JCCS- Southwark Works
- Nina Dohel, Director of Education, Children's and Adults' Services, Southwark Council
- Nic Durston, Chief Executive, South Bank BID
- Stephen Gaskell, Head of Chief Executive's Office, Southwark Council
- Andrew Gower, Principal & Chief Executive, Morley College London
- Will Harwood, Borough Partnership Manager Southwark, Department for Work and Pensions
- Jon Howlin, Manager, Southwark Construction Skills Centre
- Elise John-Lewis, Social and Economic Development Manager, Elephant Park, Lendlease
- Matt Jones, Head teacher, Globe Academy
- Dave Keogh, Operations Manager, Department for Work and Pensions
- Tony Lewin, Executive Lead for Lewisham and Southwark College, Lewisham Southwark College
- Julie Sreaton, Chief People Officer, Guy's and St Thomas' NHS Foundation Trust
- Michael Simmons, Director of Corporate Affairs, London South Bank University
- Eleanor Wright, Head of Community – Canada Water, British Land
- **Chair:** Councillor Stephanie Cryan, Cabinet Member for Jobs, Business and Skills

New members may be invited to the group as relevant.

Frequency of meetings

September 2018

To be determined by the Partnership Group, likely to be quarterly.

Agenda setting

Agenda setting will be informed by:

- Southwark's Skills Strategy and Delivery Plan
- The Partnership Group
- Work and requests from interested parties

Secretariat

The secretariat is to be provided by the Local Economy Team, Southwark Council

Role

The Partnership Group will have oversight of skills activity in the borough. The group will perform a supportive role in the delivery of Southwark's Skills Strategy. As such, decisions about individual member organisation skills activity will remain subject to the organisation's decision making processes. However, the group will be a useful mechanism to advise and inform decisions before formal decision making process takes place.

Task and Finish Groups

The Partnership Group will establish and manage task and finish groups which will focus on developing proposals to deliver specific areas of the Skills Strategy Delivery Plan.

As of September 2018, these groups will focus on the areas set out below but this may change over time as agreed by the group.

- All age careers and information and guidance
- Local skills analysis
- Sector specific offers
- Regeneration

The membership of the task and finish groups may be made up of members of the Partnership group, appropriate colleagues from their organisations and representatives of organisations external to the Partnership Group.

Task and finish groups will report to the Partnership Group at each meeting.

Milestones

Milestones will be set each year. For the first year of delivery milestones will include the below but additional milestones may be added.

September 2018

- Proposals and delivery plans for projects delivering sector specific skills offers, local skills analysis, projects linked to regeneration and all age careers and IAG
- Update report to Cabinet in June 2019

Knowledge sharing

Drawing on the range of experience and expertise within the Partnership Group, members agree to share and build knowledge on a variety of subjects related to skills, education, business and the labour market.

Item No. 15.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: revenue monitoring outturn, including treasury management 2018-19	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Finance, Performance and Brexit	

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

I am pleased to present a balanced outturn position for 2018-19, after movements to and from reserves. The outturn continues to demonstrate strong financial management arrangements and represents a further improvement in the councils overall financial standing. This is particularly important at the current time given the considerable future financial uncertainty with respect to Brexit, a spending review, a new funding distribution formula and a review of business rates retention arrangements - all of which have the potential to reduce the councils core funding from 2020-21 and beyond.

The outturn for 2018-19 confirmed that the budget recovery work in children's and adults has been effective in putting the service on a sustainable financial footing with the services coming in on budget after setting aside resources in an Adult Social Care Resilience Reserve. Whilst performance in 2018-19 has shown a marked improvement, the department remains exposed to significant risk and uncertainty in 2019-20 and beyond. The creation of the reserve will assist the department in managing the impacts of the continuing rise in demand and cost pressures within social care.

In Education, there are significant pressures on schools funding via the Dedicated Schools Grant with demand and cost pressures particularly acute on the High Needs Block, which largely stem from increased numbers of Education, Health and Care Plans (EHCPs). As at 31 March 2018, there was an accumulated deficit of £4.1m, which increased to £11.5m by the end of 2018-19. It is clear at a national level that there is now recognition that the quantum of funding is inadequate. We will continue to challenge and lobby government along with representative bodies for additional funding. The council continues to work with the Southwark Schools Forum on a deficit recovery plan, supported by the budget recovery board.

Elsewhere there remain areas of significant budget pressure, particularly in Temporary Accommodation and No Recourse to Public Funds. Whilst Southwark is recognised nationally as a leading authority in homelessness prevention, statutory and policy obligations, increasing demand and restricted housing supply mean that temporary accommodation remains a particularly challenging area. Net growth in these budgets has been included in our budget commitments for 2019-20, seeking to ensure we have sustainable budgets for these services.

There was a small overspend in Environment and Leisure, principally due to liabilities arising from changes in employment law relating to “holiday pay” backdated to October 2016. The in year cost to the department was £0.9m. Resources have been allocated in future years budgets to address this issue.

There was better news from other departments, which stayed within budgets or underspent, together with some one-off savings and one-off income receipts enabling the council to bolster reserves to help manage financial risks and improve overall financial resilience.

On a further positive note, the London Devolution Deal and business rate pooling arrangement means the additional income generated from business rates growth, notably within Southwark, will be retained within London, rather than being returned to Government. This has facilitated pan London strategic investment schemes such as the South London Innovation Corridor as well as enabling £10.2m to be earmarked for local initiatives, such as the Positive Futures Fund, Southwark Pioneers Fund, a ground-breaking commitment to children and youth people’s mental health and investment in our libraries and heritage. In addition £2m has been set aside to manage Brexit risks.

RECOMMENDATIONS

1. That cabinet notes the general fund outturn position for 2018-19 (Table 1).
2. That cabinet notes the key adverse variations and budget pressures underlying the outturn position:
 - The DSG outturn position of a £11.515m deficit and the significant pressures on the high needs budgets (paragraphs 30-31);
 - the budget pressures on Temporary Accommodation (paragraphs 36-37) and No Recourse to Public Funds (paragraph 39);
3. That cabinet notes the utilisation of £4m contingency (paragraph 54) to offset adverse variances on temporary accommodation and NRPF;
4. That cabinet notes the housing revenue account outturn for 2018-19 (table 2, paragraphs 55-63);
5. That cabinet notes the increase in unallocated general fund balance (paragraphs 64-66)
6. That cabinet notes the earmarking of the one-off financial benefits arising from the London Devolution deal (paragraphs 71-73);
7. That cabinet notes the detailed movements of earmarked reserves as set out in Appendices B, C and D;
8. That cabinet notes treasury management activity in 2018-19 (paragraph 83-91)
9. That cabinet approves the interdepartmental budget movements that exceed £250,000, as shown in Appendix A.
10. That cabinet note the interdepartmental general fund budget movements that

are less than £250,000 as shown in Appendix A.

11. That cabinet notes the outturn position implications for the 2019-20 budgets and beyond set out in paragraphs 80-82).

BACKGROUND INFORMATION

12. This report sets out the outturn position for the general fund, housing revenue account and dedicated schools grant for the 2018-19 financial year.
13. Council Assembly agreed a balanced general fund budget of £278.0m on 22 February 2018 based on a 5.99% council tax increase (with a 3% precept for adult social care). This budget was set in the context of further significant overall cuts in government funding and after maximising resources available from both business rate retention and growth in the council tax base.
14. The council also approved budget decisions including reductions of some £24.0m within the general fund for 2018-19.
15. The cabinet agreed a balanced housing revenue account (HRA) budget on 24 January 2018.

KEY ISSUES FOR CONSIDERATION

General fund overall position

16. The final outturn position for the general fund is balanced after the utilisation of reserves, as set out in Table 1 below. This table shows the departmental budget outturn variances together with the planned and unplanned utilisation of reserves to come to the balanced budget as at the end of 2018-19.

Table 1: 2018-19 General fund outturn position

General Fund	Original Budget £000	Budget Movement £000	Revised Budget £000	Net Spend in Year £000	Total Net Reserve Movement £000	Total Use of Resources £000	Variance after Use of Reserves £000
Children's and Adults' Services (excluding DSG)	195,160	(8,597)	186,105	179,354	6,726	186,080	(25)
Dedicated Schools Grant	(11)	1,084	1,073	8,477	0	8,477	7,404
Environment and Leisure	65,818	(1,190)	64,628	65,551	(471)	65,080	452
Housing and Modernisation	64,454	(369)	64,823	69,302	(576)	68,726	3,903
Place and Wellbeing	6,144	(2,371)	3,773	3,615	27	3,642	(131)
Chief Executive	3,202	194	3,396	3,677	(282)	3,395	(1)
Finance and Governance	21,135	237	21,372	20,358	999	21,357	(15)
Strategic Finance	(29,969)	14,574	(15,395)	(23,094)	7,516	(15,558)	(183)
Support Cost Reallocations	(37,264)	(3,842)	(41,106)	(41,106)	-	(41,106)	-
Contingency	4,000	-	4,000	-	-	-	(4,000)
Net Revenue Budget	294,269	-	294,269	287,734	13,939	301,673	7,404

In year receipts taken direct to reserves in year				-11,017	11,017	0	0
DSG reserve to balance budget				0	(7,404)	(7,404)	(7,404)
Final Outturn after reserve movements	294,269	-	294,269	276,717	17,552	294,269	0

17. The underlying cost pressures within this balanced budget include:

- a deficit within Housing and Modernisation relating to pressures on Temporary Accommodation (£3.9m) and No Recourse to Public Funds (£0.6m); and
- an in year overspend of £7.4m on dedicated schools grant (DSG) due to pressures within the high needs block and specifically the increase demand and complexity of special educational needs and disability (SEND) services;

These variances are described in more detail in the narrative below.

18. The adverse variances relating to Temporary Accommodation and No Recourse were largely offset through the use of the £4m contingency budget and favourable variances within other services.

19. The overall 2018-19 outturn position shows a nil variance after movements to reserves:

- a net increase in earmarked reserves of £15.4m, arising from planned contributions and one-off/windfall income and savings. These resources have been earmarked principally to mitigate future financial risks but also to fulfil commitments already made;
- an increase in the unallocated general fund reserve by £2.2m to improve financial resilience;
- the earmarking of the 'one-off' benefits of £10.2m from the 2018-19 London business rates pool pilot for specific purposes and initiatives agreed by Cabinet.

20. The appendices attached to this report provide more detail on the in year budget movements, the utilisation of reserves by each department and closing reserve balances (Appendices A, B, C and D).

21. The overall impact of these transactions are reported in full within the draft statement of accounts signed by the S151 Officer on 31 May 2019 and considered by the Audit, Governance and Standards committee on 5 June 2019. These are now subject to external audit.

22. The following key areas of activity for the year are outlined below.

- Children's and Adults Services, including DSG (paragraphs 23-31).
- Environment and Leisure (paragraphs 32-34)
- Housing and Modernisation (paragraphs 35-44)
- Place and Wellbeing, including Public Health (paragraphs 45-49)
- Chief Executives department (paragraph 50)
- Finance and Governance (paragraphs 51)
- Strategic Finance (paragraphs 52-54).

- Housing Revenue Account (paragraphs 55 to 63)
- General Fund balance (paragraphs 64-66)
- Earmarked Reserves (paragraphs 67-74)
- Collection Fund (paragraphs 75-79)
- Treasury Management (paragraphs 83-91)

Children's and Adults' Services

Social Care

23. The overall outturn position for Children's and Adults' social care services is a favourable variance of £25k. In increasingly uncertain times, it is encouraging to see both a balanced budget and a net contribution to reserves for the first time in many years.
24. Ongoing work to control costs and maximise value for money continues to take effect, and once again expenditure is down across a number of key categories year-on-year. It is clear that the momentum achieved in prior years is continuing to build as new approaches are becoming fully integrated throughout the department. Changes in frontline social work practice have enabled teams to better control spend and protect services, whilst the Budget Recovery Board has provided the necessary support and scrutiny to help realise savings. The Commissioning teams have contributed to these efforts by ensuring the council is only funding services for which it has a duty and by right-sizing the council's share of the cost of jointly funded arrangements.
25. Prudent application of Better Care Fund (BCF) monies against strained adult social care budgets has allowed the service to offset growing stresses in the system whilst supporting fragile local care markets. This, combined with the Council Tax precept, has gone some way towards mitigating homecare and residential nursing care costs. Joint working with Southwark NHS CCG through the pooled BCF budget and the Partnership Commissioning Team has continued to benefit both parties, resulting in better outcomes for service users and better value for money for the public purse. Once again, the Southwark Council and CCG BCF Plan was one of the first nationally to gain DH approval and our joined-up efforts to reduce DTOCs are having a positive effect.
26. Whilst performance in 2018-19 has shown a marked improvement, the department remains exposed to significant risk and uncertainty in 2019-20 and beyond. Increasing inflation, partly driven by the London Living Wage, is pushing up the cost of care and the council must remain alert to the possibility of provider failure. An ageing population combined with an increase in working age referrals with complex needs will also add to the challenge. There remains uncertainty around central government funding and as we move into 2019-20, the BCF accounts for over 25% (2017-18: 20%) of the gross Adult Social Care budget. At the time of writing, neither NHSE nor MHCLG have provided any assurance of continued BCF funding beyond 2019-20 and it is imperative that government outlines its future commitments to the health and social care agenda if real transformation is to be achieved.
27. Children's Services outturn overall was a very modest adverse of £0.1m. The improved financial performance from 2017-18 (an adverse variance of £2.2m) reflects additional budget for both staffing and placements in 2018-19, but also significant reductions in residential placements spend, reduction in LAC, as well

as better control of headcount in the workforce, much of which was driven by the Budget Recovery Board. Saving targets for 2018-19, most notably on management restructuring, were achieved against this backdrop and there was significant progress in relation to payment by results for Troubled Families. This was also underpinned by the movement to an all age disabilities service within Adult Social Care which was supported by an in year budget transfer for placements from Children's Services in year.

28. However against this positive and improving picture, the small residual adverse variance reflects the continue underlying pressures within the system and inadequate funding from government, in particular in relation to care leavers with the extension of responsibilities to 25 and also for unaccompanied asylum seeking children. Whilst there are commitments against these areas in 2019-20, there continues to be significant lobbying by the authority for additional funding to reflect the actual costs of service provision. There also continue to be issues with funding for services by the CCG, most notably with regard to therapy on individual placements and also CAMHS related services. In the light of the pressures DSG funding, a significant contributor to both early help and residential, it will be important to secure additional funding in these areas.
29. Education Service's overall outturn was also a very modest adverse variance of £0.1m. However as the departmental contingency for both Children's and Education is held in this area, overall when taken with this, there is an underspend overall of £0.1m, to offset the adverse variance in Children's. The operating environment of the Education service continues to be challenging in the light of inadequate funding for high needs and services more generally. Notably there are pressures flowing from the increased numbers of EHCP's and the consequential impact upon SEN transport. In addition many of the Authority's services to schools, including school improvement, is moving towards a fully traded model over time and provision is being made financially (through reserve transfer) to prepare for this, as school's continue to be financially challenged within the constraints of the DSG. Finally, the service has faced the financial challenge and pressure of the significant reshaping of day nursery provision against the need to maintain commitments to both parents and staff during the year by the extension of some service provision to the end of July 2018.

Dedicated Schools Grant (DSG)

30. Overall, the outturn position on the DSG was a £7.4m in year deficit, which has meant that the DSG was in an overall £11.5m deficit as at 31 March 2019. The reasons behind the deficit position have been well rehearsed and largely stem from increased numbers of EHCPS (a 10% increase during the financial year), the extension of responsibilities to 25 from 2014-15, increase in parental rights, limited supply of special provision across the country and also the increase in the level and complexity of need, most notably with regard to ASD. It is clear at a national level that there is a now a recognition that the quantum of funding is inadequate and this is being challenged robustly by local authorities, representative bodies and as well as parents nationally. The recognition of that through additional funding, has to date been insufficient to make substantial inroads to the overall deficit. Many other authorities are also in a similar position with regard to a DSG high needs deficit.
31. Against that background the DSG continues to be in the Budget Recovery Board process working with Schools Forum. Whilst there has been some

progress in developing a DSG recovery plan, most notably with regard to a block transfer approved by the Secretary of State, reductions in central retentions and a reduction in pressure on alternative provision, there remains much work to do by Budget Recovery Board and Schools Forum in continuing to develop and shape a robust plan which will be able to meet the in year structural deficit, before the payback of the accumulated deficit is even considered. Given the level of deficit at the Authority, it will be a requirement for the S151 officer to submit a DSG recovery plan by 30 June 2019 and the 151 officer has written to the Secretary of State in advance of this to highlight his significant concerns.

Environment and Leisure

32. The final outturn for the department was £65.080m against a budget of £64.628m, resulting in an adverse variance of £0.452m.
33. The unfavourable variance is mainly due to the liabilities arising from the changes in employment law relating to the "Holiday Pay" ruling backdated to 1 October 2016. The department had over 700 frontline staff who qualified for the backdated pay costing approximately £0.9m. The extent of this cost pressure has been mitigated by robust monitoring of departmental budgets and maintaining favourable variances in some areas resulting in final adverse variance of £0.452m.
34. In addition to this, the department has also been able to achieve the 2018-19 total savings target of £4.660m, consisting of £1.880m and £2.780m of efficiency and increased income targets respectively.

Housing and Modernisation

35. The headline outturn for 2018-19, shows an adverse variance of £3.9m against budget, including planned movements in earmarked reserves. This is largely as reported at month 8, with the principal cost pressures being temporary accommodation and no recourse to public funds (NRPF), which continue to be problematic. Overall, the position has been moderated to some extent by a number of positive movements in other H&M service areas which net the position down, albeit these are of a largely non-recurring nature. The key headlines are outlined below:

Customer Services

36. **Temporary Accommodation (TA)/Housing Solutions** - Southwark is recognised nationally as a leading authority in homelessness prevention and was invited by the Ministry of Housing, Communities and Local Government's (MHCLG) to train other boroughs in prevention best practice. To date over 1,000 staff across the capital including approximately 140 apprentices and trainees who have been homeless themselves have received training, fully funded by MHCLG.
37. Notwithstanding this achievement, factors such as rising homeless demand, restricted housing supply, the impact of Universal Credit on arrears and legislative and policy obligations have contributed to a budget pressure of £3.8m in 2018-19. This should be seen in the context of sustained growth in TA budgets over the medium term, higher external grant funding (albeit

predominantly one-off) and the availability of estate voids and recommencement of direct lettings which would otherwise have made the position far worse. Cabinet will be aware that the outlook is unlikely to change in the short term without further mitigation and the 2019-20 budget is predicated on policy changes currently under consideration being approved in order to meet the revised target.

38. **Concessionary Travel and Customer Service Centre** - for 2018-19 the cost of provision by Transport for London (TFL) was lower than budgeted which has assisted in mitigating cost pressures elsewhere within the general fund. The majority of customer service related activities (principally the contact centre) are now accounted for within the housing revenue account as the primary consumer of those services, with a proportionate amount recharged to the general fund which showed a modest underspend against budget.

Communities

39. **No Recourse to Public Funds (NRPF)** - this is a demand driven service, subject to volatility and represents a persistent pressure on council resources. Whilst steady progress has been made in stabilising acceptance rates and reducing the average cost of accommodation, which has assisted in mitigating the pressure to some extent, the position remains overspent for 2018-19 (£0.6m). Additional resources have been approved for 2019-20 which it is anticipated will be sufficient to contain the pressure going forward (based on current activity levels). The strategic project board will continue to review and monitor performance in this area.

Modernise

40. **Information Technology and Digital Services (ITDS)** - the need for a stable and resilient IT platform is crucial to delivering modern, reliable and cost effective services and underpins the council's modernising agenda. The council has and continues to commit substantial resources to its IT service, both internally and with the shared service to bring about long-term sustainable improvement. The service continues to review all operations and applications across the board with a view to developing and aligning systems and processes wherever possible to drive greater efficiency and deliver cashable savings over time. 2018-19 was the first full year of operation of the shared service and it should be acknowledged that the scale and complexity of transitioning to the new arrangement has presented some technical and operational difficulties, both of which are being addressed. Overall, costs largely remain as predicated in the original business model, albeit some variations have emerged in terms of the spend profile and split between capital and revenue funding streams.
41. **Corporate Facilities Management (CFM)** - The council has an extensive operational estate to which CFM provide a comprehensive facilities management service to ensure buildings are compliant with health and safety regulations and fit for purpose for both staff and service users. Budget realignment in previous years has addressed long-standing resource pressures, which has enabled the service to operate within budget during 2018-19. However, the co-termination of FM service contracts and re-procurement from 2020 could give rise to additional cost pressure going forward given current industry uncertainty.

42. **Human Resources (HR) and Organisation Transformation (OT)** - one of the key responsibilities for HR is the administration and management of the corporate contract for the provision of temporary staff across the council. Activity fluctuates in line with changing circumstances and capacity shortfalls but the council remains committed to reducing its reliance on agency usage through greater workforce planning and permanent recruitment. For 2018-19 contracts fee income has remained higher than planned which has helped to mitigate the impact of one-off severance and redundancy costs across the department following restructuring.
43. OT is responsible for the corporate L&D programme in partnership with services across the council, along with member development and activities such as the staff survey, IIP accreditation and project support for critical cross-cutting improvement programmes, which has given rise to some additional costs during the year.

Central Services

44. Centrally managed budgets predominantly of a corporate overhead nature which underpin the wider provision of front-line services within H&M. SCR costs are uncontrollable at a local level and aligned with budgets corporately. There are also minor operational budgets for insurance and legal costs that are not directly attributable to a specific service area. Windfall variances in these areas, reflecting lower than anticipated activity have positively contributed to the outturn position.

Place and Wellbeing

45. The Place and Wellbeing department's final outturn, excluding the ring fenced public health grant areas, was £3.642m against a budget of £3.773m resulting in a favourable variance of £0.131m.
46. There were some cost pressures in the replacement of the IT software system which manages the council's statutory functions of planning, building control and local land charge. However, this has been mitigated by robust monitoring of departmental budgets and maintaining favourable variances in other areas resulting in final favourable variance of £0.131m.
47. In addition to this, the department has also been able to achieve the 2018-19 total savings target of £0.875m consisting of £0.330m and £0.545m of efficiency and increased income targets respectively.
48. The public health division within the department also achieved savings of £0.725m in line with the reduction in the ring fenced public health grant for 2018-19.
49. The 2016-17 revenue outturn report to cabinet on 18 July 2017 noted an adverse variance of £1.9m on the public health grant which was transferred to a negative reserve against future ring-fenced public health grant. New contract arrangements within the public health service areas together with robust budget management resulted in a favourable variance of £0.160m for 2017-18 which was offset against this negative reserve. An additional favourable variance of £0.026m in the public health grant budgets for 2018-19 has also been used to reduce the negative reserve further.

Chief Executive's Department

50. The Chief Executive department's final outturn was £3.395m against a budget of £3.396m, resulting in a favourable variance of £1,000.

Finance and Governance

51. The Finance and Governance department is reporting a favourable variance of £1.014m prior to the application of reserves. This is largely a consequence of under budget staffing costs from vacancies and turnover of staff. The department has also successfully achieved a better than expected rate of debt collection. This underspend has allowed the department to increase reserve balances to prepare for known future challenges, including cost and uncertainty associated with the rollout of universal credit and the administration of the EU Parliament Election in May 2019.

Strategic Finance

52. Strategic Finance is reporting a favourable variance of £0.183m, after the application of reserve movements.
53. The favourable variances arising from unused provisions (one-off), additional in year grant announcements, additional rental income from commercial property acquisitions and savings on capital financing budgets were applied to increase strategic financial risk reserves. This improves the councils overall financial standing and resilience as we enter a period of significant financial uncertainty.

Contingency

54. The £4m contingency budget was fully utilised to offset budget pressures in Temporary Accommodation and No Recourse to Public Funds, as detailed above.

Housing Revenue Account (HRA) outturn 2018-19

Table 2: HRA outturn position for 2018-19

HRA Outturn 2018-19	Full Year Budget 2018-19	Outturn 2018-19	Variance 2018-19	Month 8 Forecast 2018-19	Movement
Asset Management	50,029	60,522	10,493	3,754	6,739
Communities	9,028	8,741	-287	38	-325
Resident Services	38,938	39,676	738	100	638
Customer Services	8,421	9,150	729	795	-66
Central Services	31,445	27,884	-3,561	-3,249	-312
Debt Financing	33,319	22,677	-10,642	-105	-10,537
Depreciation	53,000	50,752	-2,248	0	-2,248
Exchequer Services	13,244	12,471	-773	-794	21
Tenant's Rents & Service Charges	-225,185	-225,649	-464	-808	344
Homeowner Service Charges	-30,984	-29,117	1,867	2,882	-1,015
Revenue Contribution to Capital	18,745	22,019	3,274	0	3,274
Appropriations to /(from) Reserves	0	874	874	-2,613	3,487

Total HRA	0	0	0	0	0
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55. The HRA has been subject to a number of exceptional service commitments and budget pressures throughout the year, as highlighted in previous monitoring reports to Cabinet, along with the measures being taken to mitigate the position. The final outturn shows improvement with costs being contained within the overall resource pool available. It has also been possible to increase the level of revenue support for the investment programme and maintain borrowing at its existing level. The key headlines/issues are outlined below.
56. The need to spend on landlord responsibilities for the repair, maintenance and renewal of the housing stock is relentless and consumes the greatest proportion of HRA resources (£50.6m during 2018-19). Management and monitoring of high volume, high value contracts are critical to delivering greater value for money and remain a key priority, but demand consistently outstrips the budgeted resources available given the rental income foregone since 2016. This is manifested by negative budget variations across the asset management division totalling £4m. Moreover, the service has been subject to substantial upheaval during the year with the cessation of the Mears contract in October 2018 and move to in-house provision by Southwark Building Services (SBS). As expected, the close-out of the Mears contract and the transition to SBS, including the settlement of the long-outstanding holiday pay claim, have given rise to higher costs as predicated in the original business model totalling £6m. Moving into 2019-20, much remains to be done to fully embed the new working arrangements, not least of which is the implementation of new terms and conditions and achievement of greater operational efficiency and reduction in costs through the price per property (PPP) and void equivalent (PPV) cost models.
57. With the introduction of self-financing in 2012, all central government financial support for local authority housing provision ceased and the HRA became entirely reliant on its income streams, primarily tenant rents and service charges, homeowner service charges, garages and commercial property and other fees and charges and miscellaneous sources to sustain its business plan over a 30 year planning horizon. However, since then there has been a succession of changes in government policy, all detrimental to the rental stream, culminating in the imposition of the four-year rent reduction policy (2016-17 to 2019-20). Estimates at the time indicated the compounded rental loss over the period to be in the order of £62.5m, but in reality it will be greater as inflation (as measured by CPI) has generally run at a higher rate than the original business plan assumptions. Extrapolated over the life of the 30 year business plan, this represents a profound loss of resources for housing provision, not only in Southwark but nationally which can never be recovered under a regime of rent control. Government has confirmed that rents will revert to CPI+1% increases from April 2020.
58. Given the critical importance of rent income to the HRA, the debit raised, void loss and collection rates are all key indicators of performance and are closely monitored throughout the year. Overall, the cumulative residential debit raised was £0.4m higher at £225.6m against budget, which demonstrates robust budget planning/forecasting. Collection performance was 99.61% overall, which represents good performance given the challenges presented by the transition to Universal Credit and direct payment, which impact on arrears. Revised operational measures including the use of arrears management software help

to maximise performance and restructuring of the council's income function during 2019-20 will provide the required capacity and resilience to sustain improvement going forward. Whilst arrears present a moderate risk going forward, the HRA maintains a prudent level of bad debt provisions to meet potential losses of this nature.

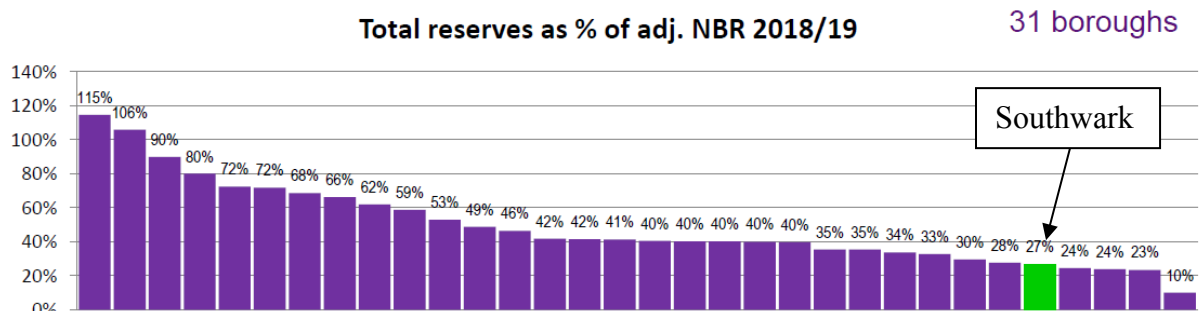
59. Homeowner service charges represent the costs relating to council stock sold under the Right to Buy (RTB), that are fully recoverable under the terms of the lease in order to prevent cross-subsidy from tenants. The value of rechargeable capital works is linked to the investment programme and nature of capital works being undertaken and the unprecedented level of investment in recent years has been reflected in higher homeowner billing. However, present and future works programmes are not of the same magnitude and are more focused on internal works which are not germane to homeowners. Net billing for 2018-19 including prior-year account actualisations was lower than budget at £1.9m, but £1m better than earlier forecasts suggested and collection performance again exceeded target (£30.4m vs £29.6m). Going forward, this risk has been significantly reduced through the budget setting process, with the income target being re-aligned to reflect the lower budget baseline.
60. Capital investment in the council's housing stock during 2018-19 was higher than previously forecast as a result of a late site acquisition for new homes. Otherwise it was broadly as expected at £143.8m, comprising £65.9m on investment in the existing stock, £61.9m on the new build programme including the acquisition of land for future development and £16m on wider regeneration schemes, which also delivers affordable housing. The mainstream maintenance/renewal programme was funded from HRA revenue/reserves (£64.9m) and receipts/other contributions (£17m). Funding for the new build programme comprised RTB receipts and S106 developer contributions (£50.8m), and grants/revenue of £11.1m.
61. In October 2018, the council were awarded £88m grant funding from the Greater London Authority (GLA) to support delivery of its new homes programme. Furthermore, government lifted the HRA borrowing cap for local authorities, primarily to stimulate new home building. Borrowing has been almost exclusively reserved for the provision of new homes and over the long-term will be fully consumed in delivering the council's commitment to build 11,000 properties. Whilst the council welcomes the borrowing freedom, it is not without risk and should not be seen as a panacea, as the revenue financing costs of servicing the debt must be sustainable over the long-term (thirty to fifty years on average). Borrowing remains subject to the provisions of the Local Government Act 2003 which requires local authorities to have due regard to the CIPFA's 'Prudential Code' when determining how much it can prudently afford to borrow. Consideration of borrowing along with other financing sources remains part of any scheme appraisal and is assessed on a case-by-case basis. Whilst it wasn't necessary to borrow during 2018-19 to fund the programme, this is likely to change during 2019-20 as other resources decline and the use and mix of capital funding streams remains subject to strict criteria/restrictions.
62. Central services comprise non-service specific budgets such as departmental and corporate overheads, debt financing and major projects, CERA, depreciation and arrears provisions. Given the budget pressures referred to elsewhere, it has been necessary to defer any debt repayment this year. Unlike

the general fund, there is no requirement to make a minimum revenue provision (MRP) in the HRA which has provided the flexibility to manage budgets across the piece and mitigate exceptional demands and one-off pressures as they arise. In addition, there were a number of other positive variations including the lower requirement for provisions, higher rent debit, homeowner service billing and interest receivable, which have contributed to the better than previously forecast outturn position.

63. In the same way as the council's general fund, the HRA holds reserves for specific purposes and as contingency against operational deficits, unforeseen events and to mitigate future risks in line with the council's medium-term resource strategy (MTRS). At 31 March 2019 reserve balances stood at £20.8m (against £19.9m in 2017-18). Whilst this upward movement is to be welcomed, the size of the council's HRA and HIP is such that balances remain below the optimal level considered prudent and represents a moderate degree of risk. This will be managed over the medium-term with a view to building a greater level of sustainability going forward.

General Fund Balance

64. Unallocated reserves are a key indicator of an authority's ability to cope with financial shocks. The CIPFA Financial Resilience Index places the council as 'high risk' on this metric.
65. London Councils also conducts an annual financial stress survey across London that includes reviewing the levels of reserves. As demonstrated by the graph below, the council's levels of reserves are low relative to the council's budget requirements and other councils.



The council's auditors, Grant Thornton, commented in their latest annual Value for Money assessment:

'it is concerning that the council is ranked so lowly when the level of reserves are compared to the council's gross revenue spend on an annual basis, where you are ranked in the bottom five London Boroughs on this metric'

66. The strategic director of finance and governance has reviewed the level of the general fund balance and recommends that this unallocated reserve should be maintained at a level of 2.5% of gross revenue expenditure (net of internal recharges). Gross revenue expenditure in 2019-20 is estimated at £846m indicating a required general fund balance of £21m, an increase of £2.2m.

Earmarked Reserves

67. In addition to the general fund balance, the council retains a level of earmarked

reserves which are reported each year within the annual statement of accounts. These reserves are maintained to fund:

- invest to save opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings;
- investment in regeneration and development where spend may be subject to unpredictable market and other factors;
- exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.

68. Reserves are categorised as:

- **Corporate projects and priorities** - reserves held to fund those future activities that will enable the council to operate more efficiently and effectively. They include resources held to meet the cost of ongoing reorganisation and restructuring that the council must undertake to modernise and improve service levels and operational efficiency of the council's activities;
- **Service reviews and improvements** - represent resources held that can be directly linked to services provided;
- **Capital programme and other capital investment** - reserves held to fund one off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects;
- **Technical liabilities and smoothing reserves** – reserves held in respect of uninsured risks, risks arising as a result of unavoidable changes in accounting practice, equalisation of liabilities where costs are likely to vary year to year;
- **Strategic financial risk reserves** - reserves held to mitigate and manage future financial risks. Such risks include legislative and funding changes as well as the additional risk arising from increased reliance on local taxation, e.g. business rate retention growth.

69. For a number of years previously, the council had planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures especially during the period of austerity. Not only did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies. Whilst there was no budgeted contributions from reserves for 2018-19 (or 2019-20), looking forward to 2020-21 and beyond the council is entering a period of considerable financial uncertainty. It is vital that the council enters this period with sufficient reserves to mitigate and manage funding shocks and financial risks and to ensure a smooth transition over the forthcoming medium term financial planning period.

70. In closing the 2018-19 accounts the council was able to increase reserves, principally financial risk reserves, by a net £17.552m:

	£m
Increase in General Fund Balance	2.200
Increase in earmarked reserves	<u>22.756</u>
Net reserve movements as Table 1	24.956
Decrease in DSG Reserve (increased deficit)	<u>-7.404</u>
Net increase in reserves	<u>17.552</u>

71. In 2018-19, London Councils entered into a pilot arrangement for the retention of business rate growth through pooling. The agreement set out the principles and method for distributing any net financial benefits generated by the pool. Latest figures from the London Councils indicate that Southwark's share of the Pool growth in 2018-19 is £10.2m, subject to audit.
72. Recognising that this additional income is 'one-off', the receipts were not included in the base budget with the benefits being ring-fenced in a London devolution reserve until Cabinet approves their use for specific one-off initiatives. Allocations approved to date include:
- £0.5m for the Positive Futures Fund, approved by Cabinet December 2018;
 - Funding for the Southwark Pioneers Fund (the amount to be agreed in a forthcoming report to Cabinet);
 - £1m support for the London Counter Fraud Hub over the next seven years, as approved by Council Assembly February 2019;
 - A Brexit risk reserve of £2m to protect the council against the negative effects of Brexit, as approved by Council Assembly February 2019;
 - A £2m fund in support of the council's Health and Wellbeing Board commitment to mental health, specifically prevention and early help for Southwark's children, as approved by Council Assembly February 2019;
 - £1m over four years to support the implementation of the Libraries and Heritage Strategy, as approved by Council Assembly February 2019;
73. It has also been necessary to create a pooling reserve to manage the timing differences of payments and receipts within the Pool and statutory accounting arrangements for the collection fund
74. The total movement in earmarked reserves are detailed in Appendix D:

Collection fund

75. The collection fund represents the accumulated surplus or deficit for business rates and council tax. Both taxation schemes are designed to be self balancing; an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. Any difference between estimated and actual outturn will be received or borne by taxpayers in the following year.

76. Monies received into the collection fund are distributed between the council and its preceptors based on their respective shares.
77. Whilst the collection fund is a single entity, for reporting purposes it is split between council tax and business rates. In-year performance is set out below (all figures are Southwark's share only).
78. **Council Tax.** The surplus carried forward for the council tax element of the collection fund at 31 March 2019 is £3.9m. £3.8m was factored into the 2019-20 budget setting. The difference will be taken into account in setting the level of council tax for 2020-21. This surplus is principally due to an increase in the tax base as new homes are built, a decrease in the number of council tax support claimants and maintenance of collection levels.
79. **Business Rates.** Overall there was a deficit on the business rate collection fund of £6.5m. The difference between the estimated surplus (£1.1m) and the actual deficit will be factored into 2020-21 budget setting. Whilst there was underlying growth in the number of properties and rateable values, a deficit arose due to:
- Changes to the rating list in the latter part of the financial year arising from successful appeals and challenges (which were then back dated a number of years);
 - an increase in mandatory reliefs, notably empty property relief.

The London Business Rate Pooling arrangements for 2018-19 meant that 100% of the business rates income generated within London was retained within the city.

Implications for 2019-20 budgets

80. 2018-19 outturn highlights the growing pressures on temporary accommodation and no recourse to public fund budgets. These pressures were considered as part of the 2019-20 budget setting process with a net growth in temporary accommodation budget of £3.2m and £0.6m for no recourse to public funds. Further, budget pressures arising in 2019-20 for no recourse to public funds and temporary accommodation, over and above the commitment proposed, will be mitigated by the use of the £4m contingency set aside within the council approved policy and resources strategy for 2019-20. The 2019-20 budget assumed the implementation of £19.6m of savings across the council and the delivery of these savings will continue to be monitored.
81. The policy and resources strategy for 2019-20 assumes no use of reserves to underwrite the budget. The level of balances remains subject to the scrutiny of the section 151 officer who must ensure that any one-off contributions to the budget are appropriate and affordable.
82. Further, as set out in this report, £11.5m has been borrowed against future years DSG allocations. Given the on-going structural pressures on the high needs block which continue into 2019-20 and beyond, together with strict regulations on movement between blocks, a deficit position on the DSG is likely to persist for a number of years.

Treasury management

83. As at 31 March 2019 the outstanding debt held by the council was £677m (£563m as at 31 March 2018), an in year increase of £114m.
84. The council's debt management strategy since 2011-12 has been to pursue a policy of internal borrowing, which is the use of existing reserves and balances to temporarily fund capital expenditure rather than the use of external borrowing. By doing so, the council has been able to minimise net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The savings for the council from deferring external borrowing in this way are in excess of £20m. This policy continues.
85. However, since 2017-18, it has also been necessary to undertake new external borrowing in order to maintain target cash balances. During the course of the financial year 2017-18 the council borrowed £110m in short term loans from other local authorities. The level of short term borrowing at 31 March 2019 was £120m.
86. In addition, and in accordance with the approved treasury management strategy, the council borrowed £117m from the public works loans board (part of HM Treasury) in 13 separate loans, with maturity terms ranging from 35 to 49 years at an average interest rate of 2.49%. Whilst short-term interest rates are currently lower than long-term rates, the extent of the council's capital financing requirement, the prospect for future interest rates and the need for long-term financial stability determined the need for long-term fixed rate borrowing with a view to keeping future interest costs low.
87. The council maintains sizable investment balances, representing income received in advance of expenditure plus balances and reserves held. Investments as at 31 March 2019 were £126m (£125m at 31 March 2018).
88. Council resources that are not immediately required for current expenditure are invested in money market instruments in accordance with the MHCLG guidance on local authority investments and the approved investment strategy. The MHCLG guidance gives priority to security and liquidity and the council's aim is to achieve a yield commensurate with these principles.
89. The rate of return for council treasury management assets for the 2018-19 financial year was 0.81%. Uncertainty surrounding the UK planned exit from the EU alongside mixed economic data for the UK impacted on short term market interest rates.
90. To assess the treasury management portfolio performance, the council measures the return against a composite investment benchmark of three month LIBID and one to three year gilt index. For the equivalent period of the financial year the benchmark index annualised return was 0.77% indicating a small outperformance of the council portfolio versus the benchmark.
91. The rate of investment return generated by the treasury management portfolio is a consequence of the council's prudent, low risk approach to treasury management investing. This is in line with the requirements of the statutory guidance for local government treasury investment issued by MHCLG.

Community impact statement

92. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2017, and HRA budget agreed in January 2017. Although as a monitoring report this report has been judged to have no direct impact on local people and communities, the expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy 2018-19 – revenue budget: Council Assembly 21-02-2018	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s74042/Report%20PR%20Budget%202018-19.pdf		
Policy and Resources Strategy 2019-20 – revenue budget: Council Assembly 27-02-2019	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s80705/Report%20Policy%20and%20Resources%20Strategy.pdf		
Housing Revenue Account: Final Rent-Setting and Budget report 2018-19: Cabinet 24-01-2018	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s79784/Report%20Housing%20Revenue%20Account%20Final%20Rent-Setting%20and%20Budget%20Report%202019-20.pdf		

APPENDICES

No.	Title
Appendix A	Interdepartmental movements to be approved for month 9 onwards
Appendix B	Analysis of Reserve Movements by Category
Appendix C	Analysis of Reserve Movements – withdrawals and additions
Appendix D	Total Movement in Earmarked Reserves in 2018-19

AUDIT TRAIL

Cabinet member	Councillor Victoria Mills, Finance, Performance and Brexit	
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report author	Rob Woollatt, Interim Departmental Finance Manager	
Version	Final	
Dated	30 May 2019	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	n/a	n/a
Cabinet Member	Yes	Yes
Date final report sent to constitutional team		6 June 2019

Appendix A - Interdepartmental Budget Movements month9 onwards

Interdepartmental movements to be approved for month 9 onwards

Department From	Amount £	Department to	Amount £	Description of the budget movement
Housing and Modernisation	(413,661)	Children and Adults' Services	1,591,165	Depreciation
Place and Wellbeing	(2,471,517)	Environment and Leisure	1,245,268	
		Strategic Finance	48,745	
Strategic Finance	(1,071,730)	Children and Adults' Services	1,071,730	Funding for early retirement at reshaped day nursery provision
Children and Adults' Services	(531,116)	Strategic Finance	531,116	Schools' contribution to capital
Strategic Finance	(1,014,864)	Children and Adults' Services	1,014,864	Academy conversion balances

Interdepartmental movements to be noted for month 9 onwards

Department From	Amount £	Department to	Amount £	Description of the budget movement
Strategic Finance	(95,653)	Children and Adults' Services	95,653	Transfer budget for Free Healthy School Meals
Strategic Finance	(245,794)	Children and Adults' Services	100,563	Match NNDR budgets with charges
		Housing and Modernisation	145,231	
Strategic Finance	(71,000)	Environment and Leisure	71,000	Transfer budget for cost of tree pruning work
Strategic Finance	(1,051)	Housing and Modernisation	1,051	Dog Kennel Hill water leak repairs
Strategic Finance	(16,509)	Children and Adults' Services	16,509	Transfer budgets for NNDR at day nurseries
Strategic Finance	(78,611)	Children and Adults' Services	78,611	Match movement of actuals in school balances

Net movement in reserves to be approved

APPENDIX B

From	To	Amount £	Analysis of Appropriations by Category									Total £
			Buildings/ Regeneration/ Capital £	Social Care/ BCF £	DSG £	Welfare/ Hardship/ SESS £	Corporate and Modernisation £	London Devolution Reserve £	Technical/ Smoothing Reserves £	Strategic Financial Risks £	General Fund Balance £	
Appropriations	Children's and Adults'	6,726,033	-	(1,826,515)	-	-	-	-	-	(4,899,518)	-	(6,726,033)
Appropriations	DSG	(7,403,973)	-	-	7,403,973	-	-	-	-	-	-	7,403,973
Housing and Modernise	Appropriations	(575,893)	104,897	-	-	-	470,996	-	-	-	-	575,893
Environment and Leisure	Appropriations	(471,283)	471,283	-	-	-	-	-	-	-	-	471,283
Chief Executive	Appropriations	(282,020)	251,320	-	-	-	30,700	-	-	-	-	282,020
Appropriations	Public Health	26,692	-	(26,692)	-	-	-	-	-	-	-	(26,692)
Finance and Governance	Appropriations	999,000	-	-	-	357,399	43,596	-	-	(1,399,995)	-	(999,000)
Appropriations	Corporate	18,533,242	(800,000)	-	-	-	(800,000)	-	-	(14,734,242)	(2,199,000)	(18,533,242)
Appropriations	Corporate (London Business rates Pool)	18,912,107	-	-	-	-	-	(10,186,409)	(8,725,698)	-	-	(18,912,107)
Total Appropriations		36,463,904	27,500	(1,853,207)	7,403,973	357,399	(254,708)	(10,186,409)	(8,725,698)	(21,033,755)	(2,199,000)	(36,463,904)

APPENDIX C

Movements to and from reserves in 2018-19

Department	Total Added to Reserves £000	Total Taken from Reserves £000	Net Movement £000
Children's and Adults' Services (Core)	(8,134)	1,408	(6,726)
DSG funded services	-	7,404	7,404
Environment and Leisure	-	471	471
Housing and Modernise	(1,026)	1,601	575
Public Health	(27)	-	(27)
Chief Executive's Department	-	282	282
Finance and Governance (excluding Corporate)	(1,400)	401	(999)
Other Corporate Budgets	(7,524)	8	(7,516)
Total	(18,111)	11,575	(6,536)
In year transactions taken direct to reserves	(11,017)	-	(11,017)
London Business Rates Pooling	(18,912)	-	(18,912)
Total Reserve Movements at Outturn	(48,040)	11,575	(36,465)

APPENDIX D

Total Movement in Earmarked Reserves 2018-19

	Balances as at 31 March 2018 £000	Net movement £000	Balances as at 31 March 2019 £000
CORPORATE PROJECTS AND PRIORITIES			
London Devolution Reserve	-	3,686	3,686
Southwark emergency support scheme	2,483	(357)	2,126
Homelessness Prevention	703	179	882
Modernisation, service & operational improvement	650	76	726
Southwark scholarship fund	402	65	467
Voluntary sector transition fund	391	-	391
Internal audit & anti fraud	200	-	200
Neighbourhood fund	206	(12)	194
Revenue grants	124	-	124
Community engagement & Links development	118	-	118
Artefacts replacement & security reserve	117	-	117
Community safety schemes	106	-	106
Total	5,500	3,637	9,137
CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT			
Aylesbury development	6,000	-	6,000
Planned preventative maintenance & building compliance	4,409	(105)	4,304
Regeneration & development	3,261	800	4,061
IT and customer service development	2,195	-	2,195
BSF PFI transition	1,623	-	1,623
Modernisation, service & operational improvement	1,356	-	1,356
Schools capital programme contribution	1,293	-	1,293
Capital contingency	1,287	-	1,287
Public Realm	600	(50)	550
Legal case management system	264	100	364
Canada Water	214	-	214
Digital Innovation Fund	-	171	171
Total	22,502	916	23,418
SERVICE REVIEWS AND IMPROVEMENTS			
Adult Social Care resilience	-	3,000	3,000
H&W Board commitment to Mental Health (Devo Reserve)	-	2,000	2,000
Southwark Pioneers Fund (Devo Reserve - TBD)	-	-	-
Adult Social Care Homes	1,500	-	1,500
New Homes Bonus Funded LEP Programme	1,642	(252)	1,390
Libraries and Heritage Strategy (Devo Reserve)	-	1,000	1,000
London Counter Fraud Hub (Devo Reserve)	-	1,000	1,000
Cycling Safety	1,000	-	1,000
Highways	746	-	746
Adult Social Care Transformation Fund	1,500	(774)	726
Local Economy	719	(30)	689
Rough Sleeping Initiative	-	615	615
Highways winter maintenance	576	-	576
Care Leavers' Innovation Grant	964	(455)	509
Positive Futures Fund (Devo Reserve)	-	500	500

	Balances as at 31 March 2018 £000	Net movement £000	Balances as at 31 March 2019 £000
SERVICE REVIEWS AND IMPROVEMENTS (CONTINUED)			
Local flood risk	628	(205)	423
Organisational development	371	(47)	324
Homelessness Training Academy	615	(395)	220
Schools Improvement - traded services	-	200	200
Blackfriars trust allocation	138	-	138
Member development	115	(18)	97
HR transformation	94	-	94
Prevention of illegal tobacco distribution	91	-	91
Workforce development (adults services)	20	64	84
Youth service	70	-	70
SEND internships coordination	-	57	57
Temporary Accommodation Strategy	98	(65)	33
LEA Music Service	63	(49)	14
Tree Recovery Works	216	(216)	-
Public Health	(1,747)	26	(1,721)
Total	9,419	5,956	15,375
STRATEGIC FINANCING RISK			
Business rate retention risk	7,704	4,796	12,500
Financial risk & future liabilities	6,369	5,131	11,500
Spending review risk reserve	-	7,050	7,050
Pensions Liability risk	-	2,500	2,500
Brexit Risk Reserve (Devo Reserve)	-	2,000	2,000
Schools in financial difficulties, schools closures and academies	252	648	900
Total	14,325	22,125	36,450
TECHNICAL LIABILITIES AND SMOOTHING RESERVES			
Business Rates Pooling - Adjustment Reserve	-	8,726	8,726
Insurance	7,600	-	7,600
Interest and debt equalisation	3,500	-	3,500
Council tax and housing benefits subsidy equalisation	3,000	-	3,000
Waste PFI equalisation reserve	2,921	-	2,921
Universal Credit Implementation	997	(31)	966
Election Reserve	888	(111)	777
Contractual Risk reserve	-	450	450
Total	18,906	9,034	27,940

Item No. 16.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Outturn Capital Monitoring for 2018-19 and Capital Programme Refresh for 2019-20 to 2027-28	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Finance, Performance and Brexit	

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

As ever, the Council has continued to deliver major investments and improvements into our borough through the capital programme. A refreshed capital programme for the period 2018-19 to 2028-29 was approved by council assembly in February 2019.

At the end of the financial year the work funded by the Housing Investment Programme meant that a record 98.3 per cent of our council homes hit the decent homes standard. Investment in General Fund assets during the year was over £215m including investments in school expansions, highways and infrastructure improvements, investment in environment and leisure, in addition to investment in our existing operational assets and IT infrastructure. The council also invested in strategic income generating assets, notably Courage Yard, principally to secure long-term revenue income to replace revenues foregone from assets released into home building, regeneration and disposal programmes. This is a vital source of income which supports our highly valued public services in this period of decreasing government funding.

This investment is additional to the major regeneration projects at Canada Water, Aylesbury, Elephant and Castle, Camberwell and other parts of the borough, all aimed to make Southwark a great place to live, work and study and to improve the opportunities and outcomes for all residents.

RECOMMENDATIONS

That cabinet:

1. Notes the outturn and resources for 2018-19 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D;
2. Approves the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C;
3. Approve the inclusion in the programme of the capital bids set out in Appendix E;
4. Notes the substantial funding requirement of £425m for future years which needs to be identified for the general fund programme in order for this to be fully delivered, as summarised in Appendix A;

5. Notes the significant funding requirement of £477m which needs to be identified for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix B.

BACKGROUND INFORMATION

6. On 4 February 2019, the month 8 2018-19 capital monitoring report was presented to the cabinet. This reported the capital forecast position of £440.9m and financing requirement (i.e. borrowing) of £134.3m on the general fund programme and a fully financed £122.6m housing investment programme for the financial year 2018-19.
7. The total programmed capital expenditure over the ten year period 2018-19 to 2027-28 is £807m for general fund and £1.385m for the housing investment programme.
8. The scale of the capital programme is immense, representing a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and do business in the borough.
9. Due to the size and scale of the programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Actual resources may also vary to the plan, due to, for example, a delay in the sale of a property, or an external development with s106 or CIL obligations not being brought forward as quickly as anticipated.
10. Historically the capital programme has been over-programmed in year to compensate for these variations, whilst retaining a balanced programme over the entire ten year life of the programme. However, the council now faces a position where planned spend is considerably in excess of forecast resources, not only in year, but also over the life of the programme.
11. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. On 20 February 2019 the council assembly agreed a refreshed 10 year general fund capital programme and housing investment programme (HIP) for the period to 2027-28. Cabinet will consider and approve the refresh of the capital programme on a regular basis through capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.

KEY ISSUES FOR CONSIDERATION

12. In meeting the council's fairer future promises, in 2018-19 the council made a total capital investment of £359m. This comprised £215m investment in General Fund and £144m in the Housing Investment Programme.
13. The outturn expenditure position was lower than the month 8 forecast by 18% (General Fund was £103m lower than forecast, Housing Investment Programme was £21m greater than forecast). Due to the size and scale of the programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend.

Capital Expenditure in 2018-19 by Service Department:

Department	Budget £'000	Actual £'000	Re-profiling to future years £'000
Children's and Adults' Services	49,715	34,401	-15,314
Southwark Schools for the Future	9,066	344	-8,722
Place & Wellbeing	219,825	147,716	-72,109
Environment & Leisure	29,352	24,024	-5,328
Housing & Modernisation	15,612	9,102	-6,510
Housing Investment Programme	122,597	143,781	21,184
Total capital expenditure	446,167	359,368	-86,799

Programme outturn position 2018-19**General Fund**

14. The total-spend for 2018-19 for general fund is £216m against a plan of £324m (67% of total forecast spend). The variance between spend and available resources was £59.4m, which was funded from borrowing.
15. A summary of the general fund programme position is attached at Appendix A. The summary position and the programme by department are reflected in the narrative below and in Appendices A (overview) and D (project detail).
16. Appendix C shows the budget virements and variations for approval by cabinet.
17. Appendix E details a list of capital programme bids to support the delivery of the refreshed council plan to deliver a fairer future for all. Departmental narratives provide further detail on these bids.

Housing Investment Programme

18. The total expenditure for 2018-19 is £143.8m, against a forecast at Month 8 of £122.6m. Appendix B provides a summary of the housing investment programme outturn position for 2018-19; with further detail provided below.
19. The total forecast spend for the programme to 2027-28 is £1.385m, against total resources of £908m. This variance will need to be monitored and reviewed over the course of the programme.

Financing 2018-19 capital spending

20. Capital expenditure is financed through a variety of sources, typically receipts from the sale of capital assets, capital grants, external contributions such as S106 or Community Infrastructure Levy (CIL), from reserves or from revenue budget contributions. Any capital expenditure that is not financed by available capital resources must be financed by borrowing.
21. The strategy for financing the capital programme is to utilise grants, before using council receipts and reserves, thereby minimising any requirements for borrowing which will impact on the council's revenue budget.

22. The council can temporarily utilise other resources in lieu of using external borrowing to fund capital expenditure. This is referred to as internal borrowing. Whilst internal borrowing is a useful treasury management facility to minimise debt financing costs, it merely defers the timing of external borrowing rather than obviating the need.
23. Financing of 2018-19 capital expenditure is set out below:

	General Fund £'000	HIP £'000	Total £'000
Total Spend	215,587	143,781	359,368
Financed by:			
Capital Receipts	111,161	51,164	162,325
Capital Grants and contributions	34,278	3,267	37,545
Section 106 Funds	10,794	16,579	27,373
Major Repairs Reserve	-	50,752	50,752
Revenue contributions and reserves	-	22,019	22,019
Borrowing	59,354	-	59,354
Total financing	215,587	143,781	359,368

24. The shortfall in available capital resources is financed from borrowing and will be funded from revenue contributions to support the debt costs over the life of the debt repayment.
25. The treasury management strategy has been to defer external borrowing, borrowing only when needed for liquidity purposes. Whilst this strategy has worked well for the council, saving over £20m since 2011, the increase in capital spending can no longer be financed entirely from internal borrowing. Accordingly since 2017-18 the Council has needed to borrow externally to finance previous capital spending and to maintain target cash balances.

Resourcing the 2019-20 programme onwards

26. The make up of the capital programme is significantly influenced by the scale of resource availability from grants, s106, community infrastructure levy (CIL) and capital receipts and their timing. Over the life of the programme, all commitments must be met from anticipated resources. In the event of any shortfall in resources to fund the programme in any particular year the council would need to consider the use of prudential borrowing to bridge the gap. The cost of servicing the debt will be a charge to the revenue budget and funded from savings and/or returns on investments.
27. In the current ten year programme included within this report, there is a shortfall of available funds of £425m to meet the planned general fund capital commitments and £477m to fund the ambitious housing investment programme.
28. In addition, proceeds from capital receipts are continually kept under review especially for sales and development agreements. Financing will require careful monitoring of commitments and a drive to secure the forecast capital receipts

and other resources as planned over the rest of the financial year. As part of work to review capital financing, a review of s106 has been undertaken to identify where contributions can appropriately be utilised to support the capital programme, subject to the agreement of the planning committee.

29. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources. Beyond 2018-19, there are likely to be future demands for borrowing and these will be assessed as necessary at the time as part of our Treasury Management Strategy. In accordance with the approved strategy, £150m is planned to be borrowed externally in 2019-20 with further external borrowing expected in 2020-21. The timing of any decision to borrow will be mindful of cash flows and risk/probability of future interest rate increases.

Departmental Updates

30. The sections below provide commentary on the budget outturn position by department for 2018-19.

GENERAL FUND (APPENDIX A)

PLACE AND WELLBEING

31. The total value of the capital programme for the department over the period 2018-19 to 2027-28 is £404.3m. Project managers have reviewed the progress of the various schemes and budgets have been re-profiled in line with anticipated spend. Total expenditure incurred to end of March 2019 amounted to £147.7m with the remaining budgets profiled to spend in the following years.

Regeneration Division

32. The regeneration division (comprising of four project areas namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) has a combined budget of £387.2m with actual expenditure of £141.7m in 2018-19 and the remaining spend profiled across future years.

Walworth Road Town Hall, new library and heritage centre

33. Following an extensive marketing process to gain third party investment into the town hall, two bids were received outlining proposals for employment, arts and culture hubs. In March 2019 cabinet approved General Projects as the successful bidder to take forward the Walworth Town Hall project. Over the coming months, General Projects will be undertaking community engagement to help develop the proposals and specifically the Community arts and culture space.
34. In January 2019 cabinet agreed to lease 145-147 Walworth Road in the new Elephant Park development for a new Library and Heritage Centre. The design and fit out of these units are being progressed by Southwark Council with Lendlease. Community engagement on the project is underway and will continue throughout design delivery.

Elephant & Castle Open Spaces

35. Consultation on the final design for Dickens Square Park completed in April 2019. Detailed design is underway in preparation for planning submission in July 2019. Geraldine Mary Harmsworth Masterplan - site investigation completed. Programme revised: Design development and consultation will now commence in July 2019 with a view to construction in early 2020. A detailed review of the approved S106 funding towards the project has been completed and the budgets have been updated accordingly.

Canada Water Leisure Centre

36. In March 2018, cabinet agreed to enter into a Master Development Agreement with British Land (BL) to regenerate the shopping centre, former print works and Mast Leisure sites. Cabinet further agreed that "plot A2" within this large site would be the preferred location for the new Canada Water leisure centre. The high level specification for the project incorporates an 8 lane 25m swimming pool, learner pool, 4 court sports hall, gym, dance studio's, spin studio's and changing facilities. BL have subsequently submitted a detailed planning application for phase 1 [which includes Plot A2] and public consultation on this proposal is underway.
37. Cabinet in March 2018 also endorsed a framework for taking forward the project which includes agreement on a council budget cap of £35m meaning the council's contribution to the scheme from its capital programme will not be greater than this figure. The Capital Programme Refresh for 2018-19 to 2027/8 which was approved in the cabinet meeting held on 24 July 2018 included a £35m allocation for the project. Governance arrangements to oversee the coordination of the project internally have been put in place and the council team is now engaging with BL to develop design of the scheme to RIBA stage 3 at which point, the costs for the project will be rebased. This phase of the project has extended beyond the original programme as the statutory planning process is continuing. The rebasing of the project and budget finalisation of the specification is now expected to be completed by summer 2019.

Top Quality Playground - Mint Street

38. The works are complete and the adventure playground and building, together with the public playground, are in operation. The project is now in the defects period. All internal defects and snags have been addressed and the team is working closely with parks and leisure to address remaining defects to the playground.

New Nunhead Community Centre

39. Provision has been made for the settlement of the final account for the new Nunhead community centre. The overall cost was £1.5m which represents good value for money for a high quality centre building which is well used by the local community for a range of activities and bookings.
40. The final account on this project was £1.5m against the initial budget of £1.216m and therefore required additional budget of £283,000. This was met by a budget virement from Acquisition of Properties project budget within in Regeneration division. This is reflected in Appendix C for cabinet approval.

Aylesbury Plot 18 – £38m over the period 2019-20 to 2021-22

41. The Plot 18 scheme delivers a range of new high quality community facilities at the heart of the Aylesbury estate underpinning the regeneration programme. The scheme will be delivered under the development partnership with Notting Hill Genesis and a capital allocation of £35m was included within the capital programme in February 2017 for the community facilities, including new library and community trust space, health centre and GPs surgery, early years nursery and civic square. Following a competitive tender exercise for a principal contractor undertaken in 2018, firm construction costs for the project have now been obtained. Based on these tender returns, the council budget requirement has been revised and an additional allocation of £3m is required for the community facilities portion of the scheme. Appointment of the principal contractor is due to take place to allow development works to start on site in 2019 and hence cabinet funding approval is sought for the £3m additional funding requirement for this project. If approved, the additional funding will be drawn down from the capital reserve set aside for the Aylesbury development. This is reflected in Appendix C for cabinet approval.

London Bridge Portfolio

42. Potential addition of income generating assets and their addition replaces revenues foregone from the commercial portfolio, where other assets have been released into home building, regeneration and disposal programmes. In so doing poorer quality assets are being replaced with significantly better ones in investment terms.
43. On 11 December 2018 cabinet agreed the addition of a mixed use asset at Courage Yard, SE1 in the vicinity of Tower Bridge to the portfolio. The purchase price was £89m, exclusive of costs and tax (c. £5.2m) making a total value of £94.2m

Planning and transport division

44. The planning division (comprising of 2 project areas, namely transport planning and planning projects) has a combined budget of £17.05m with £6.05m actual spend in 2018-19 and the balance profiled over future years.
45. The transport planning budget of £9.90m is largely funded by Transport for London (TfL) to deliver transport improvement programme as contained within the borough's transport plan. Planning Projects budget of £7.15m is funded mainly by s106 to deliver various projects to mitigate the impacts of new developments, improve public realm, parks and open spaces as well as supporting the commercial viability of local shopping areas.

Planning Projects

46. A number of projects totaling nearly £1.3m are currently on site or have been completed by the Regeneration Teams which promote the council's programme for supporting high streets. The schemes for East Street (the "What Walworth Wants" programme) and Harper Road have been completed while the; Walworth Road; Lower Road, Tower Bridge Road and Rye Lane are currently on site or well advanced in the design phase. The first phase of the part HLF funded

Peckham Townscape Heritage Initiative is complete and the second phase of the programme has been tendered and shortly to start on site.

47. Schemes funded by Neighbourhood CIL are also being developed with colleagues in Highways, Parks and the Regeneration divisions. These include Surrey Docks Farm improvements, pedestrian improvements in Camberwell and Dulwich and parks in the Bankside area.

TfL-funded works

48. A number of key projects have been initiated and developed including Lordship Lane and Long Lane which will continue to be progressed in the following financial year. Over 81 lamp post charging points have been installed, with the council well on the way to achieving the target of 150 charging points.)
49. The Bus Improvements Programme has been particularly successful in 2018-19 with additional funding having been approved by TfL to cover all schemes. There have been a number of underspends in the financial year and TfL have agreed to carry forward funding into the next FY where appropriate.
50. The capital programme also includes the remaining s106/CIL contribution of £41.3m (part of the total £63m) agreed by the council towards the strategic transport improvements project in Elephant & Castle.

Cycle Super-Highway 4 Lower Road

51. The outline design for the project is now complete, and we will be consulting this summer. We are still negotiating TfL contribution, which should be concluded mid June.

CHILDREN'S AND ADULTS' SERVICES

52. The total value of the departmental capital programme for the period 2018-19 to 2027-28 is £186m. The final departmental capital outturn for 2018-19 was £34.7m.

Adult Social Care

53. The capital programme budget for the period 2018-19 to 2028-29 is £44.1m, the main projects being; £10.7m in respect of a programme of improvements to existing care settings, £10m for the provision of an additional bed-based care facility, £7.9m for an essential lifecycle capital programme for four residential care homes, £5.2m for the Cator Street older peoples' hub and day centre and £1.8m for new office accommodation in Castlemead. No additional capital requirements for Adult Social Care are identified in this report.
54. Preparatory work is under way on the Cator Street 2 site, where the new older people's hub and day centre are to be sited. This new facility will be adjacent to, and integrated with, the existing Extra Care housing at the Cator Street 1 site and this second phase of the build will incorporate a further 42 Extra Care flats. Design work has commenced and will continue throughout the first part of 2019-20 with onsite work anticipated in December 2019.
55. The main contract has been awarded for the remodelling and refurbishment of

Castlemead, 232 Camberwell Road as office accommodation for the service's mental health teams. Work commenced as scheduled in October 2018 and is due to be completed by summer 2019; the mental health teams are expected to move into their new office accommodation by August 2019.

56. In addition to the £7.9m essential lifecycle capital programme for the four residential care homes which has been programmed in from 2019-20, some urgent remedial works were undertaken throughout 2018-19. These were completed in February 2019. Some fire safety work will continue into 2019-20.

Children's Services

57. The capital programme budget for 2018-19 to 2027-28 is £128.0m. This consists mainly of the £48.8m schools expansion programme to ensure the availability of school places and the £26.4m Primary Schools Refurbishment programme to ensure that pupils can study in a safe environment to support learning. Other major projects including the extension for London South Bank University (LSBU) £5.0m and Beormund primary school redevelopment totals £11.6m.
58. The primary expansion programme comprises Bessemer Grange, Dulwich Wood, Lyndhurst, Ivydale, Keyworth, Crawford, Phoenix, Bellenden, Grange, Charles Dickens, Robert Browning, The Belham, Albion, Cherry Garden (SEN) and Rotherhithe schools. The new buildings have been handed over and are in use at fourteen out of fifteen schools, including Cherry Garden (SEN) School which opened in January 2019. The one remaining is Rotherhithe School, which was submitted for planning approval in November and targeted for completion by August 2020. Ivydale, Grange and Charles Dickens schools were each awarded a 2018 RIBA Regional Award. In addition, Albion School won 'Best Educational Building' at the 2018 Local Authority Building Control (LABC) Regional Building Awards and was also awarded a National Commendation from the recent LABC National Awards, the largest business to business awards in the building control sector. Southwark Council was also recognised in the Building Design 2018 Architect of the Year Awards where it was awarded "Client of the Year" mainly for the work on the primary school programme. Further schools are under review for possible expansion, to meet the potential uneven demand for pupil places in future years arising from the Old Kent Road regeneration. These may be the subject of a future capital bid.
59. Excellent progress is also being made with the secondary expansion programme. Works at St Michael's Catholic College to provide one additional form of entry which completed in September 2018. Work at the Dulwich Hospital site to provide the permanent home for The Charter School – East Dulwich, have completed the handover of the main teaching building and the school moved out of its temporary accommodation into their permanent site in January 2019. Phase 2, which includes the 6th form centre, is dependent on the NHS relocation and will be scheduled to start on site in April 2020 and complete by September 2021.
60. The Primary Schools Refurbishment programme for 2018-19 programme is underway, with works to 17 primary schools being undertaken mainly over the summer holiday period in order to minimise disruption to school operations. The programme for 2019-20 is being prepared and schools have been identified to include in the programme with works anticipated to start over the holiday periods.

61. The council is investing £5m in a partnership with London South Bank University. This has been for the creation of the Passmore Centre as the hub of a new Institute for Professional and Technical Education (IPTE). This opened recently and is in use by the LSBU. In return, LSBU will assist in delivering commitments made in the Council Plan relating to education, employment and training.
62. Additional SEND capital grant of £1.15m for 2019-20 was announced and funding will be directed at priorities driven by the Budget Recovery Board.
63. As a result of a decision made by the Office of the Schools Adjudicator (OSA), Phoenix Primary School, the school finds itself with a published admissions number (PAN) for reception in 2019-20 of 120 pupils and insufficient classroom space to accommodate them. Therefore two additional classrooms will be required to accommodate the additional pupils generate by 2019-20's four forms of entry. There was no capacity within the existing school estate to accommodate the additional pupils, and were unable to source appropriate alternative accommodation in the vicinity, or existing (unused) temporary buildings or classrooms elsewhere within the borough. The cost for purchase and installation of the classrooms with the necessary permissions and connections would likely run to a maximum of £0.4m, as they would be needed for seven years, and acquisition in these circumstances would be more cost effective than rental over the same time period, although a cheaper refurbished unit could possibly be procured and installed for a sum lower than this c £0.3m. Provision of adequate school places is a statutory duty of the LA, and, whilst we have explored a range of other courses of action (such as bussing schools offsite, or hiring space in nearby accommodation), there is no credible cost effective alternative option. This can be funded from the earmarked reserve for schools capital programme contribution.

ENVIRONMENT AND LEISURE

Summary

64. The total value of the departmental capital programme for the period 2018-19 to 2027-28 is £112.6m. The final 2018-19 outturn was £24m against the latest revised budget of £29.4m. The budget for future years has been re-profiled in line with the projected expenditure.
65. The progress of major schemes is outlined below.

Highways

66. The Highway Asset Investment Programme (non-principal and principal roads) has delivered 46 schemes in 2018-19, representing 105% of the forecasted schemes as two additional schemes were brought forward from 2019-20. This, in combination with the devolved highways programme delivered £6.784m of highway improvements.
67. Principal Roads programme has been completed with improvements being made to Lordship Lane, South Croxted Road and Southwark Park Road.

68. S106 Crown St works were cancelled due to adjacent development site coming on line which will affect the safety of site operatives. Works are being programmed following completion of development
69. Consultation issues around Sydenham Hill have been resolved and 20MPH Zone review programme can now be reforecast. Actual spend of £58,000 is tracking forecast spend of £133,000 as it is approximately three months behind profile.
70. Junction improvement works for Rotherhithe New Rd were cancelled at a late stage due to receiving late objections from the Police. Proposal to be revisited in order to resolve the issues.
71. Minor design change has lead to a slight delay on St Saviours Dock footbridge but this will be complete by the end of June 2019 and within budget.

Asset Management

72. Lamp column replacement on the basis of structural integrity and lantern replacement for energy consumption reduction continues as per programme.

Flood Prevention

73. Coleman Road Flood Alleviation project completed within 2018-19 with work ongoing as planned for the gulley replacement programme.

Parks and Leisure

74. Implementation of the Parks and Leisure Capital Programme has continued at pace, with the completion of 13 projects. The majority of the construction work on significant large scale projects at Burgess Park, Southwark Park and Camberwell Old Cemetery was delivered during 2018-19 and this is reflected in over £9m spent during 2018-19. A detailed review of the approved S106 funding towards the various departmental capital programme has been completed and the budgets have been updated accordingly.
75. Delivery of the cemetery strategy continues in order to create further burial space and make associated infrastructure improvements. Procurement is underway for the Area Z phase 2 landscaping contract with bids received and currently being evaluated. Camberwell New Cemetery small lodge refurbishment completed. Nunhead Cemetery lodge enabling works have been tendered and are due to commence in quarter 1 of 2019-20.
76. Major Parks: Burgess Park West involving major landscaping and the creation of a new playground is now complete. Construction of the iconic new café building and associated landscaping work at Southwark Park will complete in quarter 1 of 2019-20.
77. Southwark Athletics Centre: Detailed design in progress with planning submission on track for June 2019.
78. Design development and consultation is underway for Burgess Park Urban Games and Burgess Park and Brimington Sports Hubs.

79. Design development and consultations has begun for Cossall Park, Leathermarket Gardens and Pelier Park. Landscaping improvements at One Tree Hill and Green Dale have reached the end of the defects liability period.
80. Works at Dulwich Leisure Centre air cooling was delayed due to the contractor going into administration. This has now been resolved with a new contractor currently on site and the project is due to complete in June 2019.
81. All projects currently in delivery are on budget within the parks and leisure capital programme. Additional cemetery costs approved for Area Z soil imports have been reconciled and will be met from the project's contingency budget.

Culture

82. Grove Vale Library: Internal fit-out of new Grove Vale library completed and the library opened on schedule in December 2018.
83. Kingswood House: The final phase 3 works completed in April 2019 subject to snagging.

HOUSING AND MODERNISATION

HOUSING GENERAL FUND

84. The total value of the Housing and Modernisation general fund capital programme up to 2027-28 (10 years) is £104.3m and comprises a diverse range of activity, mostly of a corporate nature. Spend for 2018-19 was £9.1m; lower than budget due primarily to slippage and re-profiling of critical corporate programmes in order to deliver optimum service outcomes and best value. The key headlines are outlined below.

Queens Road 4

85. Queens Road 4 represents a critical element in the council's office accommodation strategy by rationalising existing office provision in to a two-hub model at Tooley Street and the Queen's Road complex. This enables the disposal of a number of buildings that are at or near the end of their useful life which will either generate cash receipts for the wider capital programme or provide development opportunities for the council's new homes programme. Cabinet approved an indicative programme budget of £14.4m in November 2017, based on preliminary estimates for demolition, design and build. Work undertaken since then has highlighted a number of physical constraints associated with the site which complicate its construction. Detailed workspace planning that supports modern ways of working, the need to address local resident's concerns and planning considerations have necessitated a thorough project re-appraisal and re-design of the building, which has inevitably put the project timeline back and contributed to an increase in cost. The revised cost estimate is £19.750m, including allowance for building inflation and contingency of £2.568m, to allow for any price variation at contract award stage in early 2020. The capital budget variation is reflected in Appendix E for cabinet approval.

Traveller sites

86. Reconstruction works to the railway embankment at the Ilderton Road site have been completed and reconfiguration and improvement works to address health and safety and compliance issues are well progressed. Upgrading works to the other sites are included in the capital programme at an estimated cost of £3.5m, for which the council has been successful in securing 50% grant funding from the Greater London Authority (GLA). The works are expected to be completed in 2019-20.

Information Technology and Digital Services (ITDS)

87. Investment in IT has continued to focus on the upgrading and renewal of systems and applications, particularly telephony and mobile working. Expenditure in-year at £1.8m is below what was previously forecast and has been constrained to some extent by the need to stabilise and embed 'business as usual' (BAU) in the Shared Service in its first full year of operation. Consequently, slippage in planned capital projects has been re-profiled to the current year. Further review and assessment of the council's strategic options for data centre provision have also taken place which has impacted on planned activity elsewhere. This remains critical to the council's strategy for the provision of a secure, resilient and sustainable IT platform to support services going forward.

Corporate Facilities Management (CFM)

88. The focus for CFM remains the targeted investment in the council's operational estate to ensure that all necessary regularity standards for compliance are met and that buildings remain safe for both council employees and visitors alike. Inspection and assessment regimes remain on track followed by the remedial works programme. Aligned with this is the planned preventative programme based on a building life-cycle approach to investment in the council's operational assets to prolong and enhance their life and maintain asset value. Spend in both areas is slightly behind earlier forecasts but is expected to catch up in the current year.

Modernise

89. The 'modern ways of working' capital programme budget exists to support investment in the delivery of smart working environments, which enable council employees to work in much more flexible and efficient ways to deliver services. While there was no significant expenditure in 2018-19, plans are in place to upscale usage in the current year and over the medium-term to drive out greater efficiencies and improve service outcomes.

Housing Renewal

90. This comprises a range of initiatives that principally support private sector housing and council tenants. The largest component is in relation to adaptations to residents' homes with spend of £1.7m in-year, of which £1.5m was funded by the Disabled Facility Grant (DFG), received via the Better Care Fund (BCF). Following restructuring and consolidation of functions the service has delivered a

fully committed disabled facilities grants programme this year, with only minor slippage of £0.3m across remaining support programmes, which will be recycled in the current year. Going forward, it is anticipated these programmes will be fully spent as part of plans to increase the take up of grants and loans available to property owners and landlords in the private sector.

HOUSING INVESTMENT PROGRAMME (HIP)

91. Capital investment in the council's housing stock during 2018-19 was higher than previously forecast as a result of a late site acquisition for new homes. Otherwise it was broadly as expected at £143.8m, comprising £65.9m on investment in the existing stock, £61.9m on the new build programme including the acquisition of land for future development and £16m on wider regeneration schemes, which also delivers affordable housing. The mainstream maintenance/renewal programme was funded from HRA revenue/reserves (£64.9m) and receipts/other contributions (£17m). Funding for the new build programme comprised RTB receipts and S106 developer contributions (£50.8m), and grants/revenue of £11.1m.

Quality Homes Investment Programme (QHIP)

92. QHIP is the principal strand in the council's asset management strategy for the maintenance and renewal of the existing housing stock and is the successor to Warm, Dry, Safe (WDS). Since 2011, the WDS programme has invested over half a billion pounds bringing the housing stock up to the 'Decent Homes Standard'. All residual programme works are committed and expected to complete by the end of this financial year. Whereas the focus of WDS was generally on the external fabric, QHIP recognises the need for a cyclical approach to maintenance and aims to address wider investment needs including internal works, such as kitchens and bathrooms. Spend in 2018-19 was £45.2m, which is very close to forecast. Any slippage is carried forward and preparation of subsequent year's programmes is underway, but it should be recognised that given the scale, age and nature of Southwark's housing stock and the many other competing capital priorities/commitments, it remains subject to review and re-profiling in line with resource availability.

Other Major Works

93. The programme covers those estates identified as high need/high cost requiring extensive repair and refurbishment. The schemes by their nature are complex and resource intensive and require bespoke funding solutions outside of the main QHIP programme. Spend of £9.6m was achieved in 2018-19 with the new build scheme at Lakanal and works at Portland on site and works at Maydew, Tustin, Chilton Grove and Damory and Thaxted programmed to commence during 2019.

New Council Homes

94. The council aims to deliver 2,500 new council homes by 2022, of which 635 have so far been built and 1,865 still required to be delivered. The delivery programme also includes shared ownership and private sales units. The homes are being delivered through a combination of direct delivery, the Southwark Regeneration in Partnership Programme (SRPP), hidden homes and the acquisition of privately developed new build affordable homes.

95. The council has recently been awarded £88m of 'Building Council Homes for Londoners' grant from the GLA, which will help support the delivery programme (the third highest award in London). Achieving the longer-term commitment to build 11,000 homes by 2043 will require more land for development than is currently available and with this in mind, the council has been successful in acquiring sites for development, with a total spend of £39.8m in 2018-19.
96. Furthermore, government lifted the HRA borrowing cap for local authorities, primarily to stimulate new home building. Borrowing has been almost exclusively reserved for the provision of new homes and over the long-term will be fully consumed in delivering the council's commitment to build 11,000 properties. Whilst the council welcomes the borrowing freedom, it is not without risk and should not be seen as a panacea, as the revenue financing costs of servicing the debt must be sustainable over the long-term (thirty to fifty years on average). Borrowing remains subject to the provisions of the Local Government Act 2003 which requires local authorities to have due regard to the CIPFA's 'Prudential Code' when determining how much it can prudently afford to borrow. Consideration of borrowing along with other financing sources remains part of any scheme appraisal and is assessed on a case-by-case basis. Whilst it wasn't necessary to borrow during 2018-19 to fund the programme, this is likely to change during 2019-20 as other resources decline and the use and mix of capital funding streams remains subject to strict criteria/restrictions.
97. In relation to SRPP, the council and its partners, Clarion Housing Group and Latimer Developments mutually agreed to terminate their development agreement for the Lot B contract. Work is currently underway to carry out site re-appraisals to ensure the most effective and fastest delivery route for the provision of new homes and making best use of public funds.

Regeneration schemes

98. Regeneration of the Aylesbury Estate is planned in four phases. Spend in 2018-19 on the first development site was £5.3m, with a further £8m spent on leaseholder acquisitions and home loss payments and £1.8m on associated construction works of the Approved Premises Facility (APF) which is due to complete next financial year. The project has been subject to unavoidable delays arising from the rejection of the council's original CPO application resulting in a slower acquisition completion rate for phases 1 and 2. Given the continued uncertainty further revisions to the current forecast and the overall acquisition programme are possible and will be kept under review.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

99. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.

100. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital programme refresh for 2018-19 to 2027-28	Southwark Council Finance and Governance 160 Tooley Street London SE1 2QH	Rob Woollatt, Interim Departmental Finance Manager, Finance and Governance
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s80724/Report%20-%20Capital%20Refresh.pdf		

APPENDICES

No.	Title
Appendix A	General fund Outturn Position 2018-19 and Refresh for 2019-20 to 2027-28
Appendix B	Housing investment programme summary outturn 2018-19 and Refresh for 2019-20 to 2027-28
Appendix C	Budget virements and variations at 2018-19 outturn
Appendix D	General fund programme detail at 2018-19 outturn and Refresh for 2019-20 to 2027-28
Appendix E	New bids for approval at 2018-19 outturn

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Finance, Modernisation and Performance	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Rob Woollatt, Interim Departmental Finance Manager, Finance and Governance	
Version	Final	
Dated	6 June 2019	
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 for Finance and Governance.	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	6 June 2019	

General Fund capital programme 2018-19 outturn report

Department	2018/19			2019/20			2020/21+			Total Programme 2018/19-27/28		
	Revised Budget	Final Outturn	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults' Southwark Schools for the Future Environment and Leisure	49,715	34,401	(15,314)	44,003	60,952	16,949	82,686	81,051	(1,635)	176,404	176,404	-
Housing General Fund	9,066	344	(8,722)	564	9,286	8,722	-	-	-	9,630	9,630	-
Places and Wellbeing	29,352	24,024	(5,328)	34,093	38,789	4,696	49,153	49,785	632	112,598	112,598	-
	15,612	9,102	(6,510)	22,938	24,040	1,102	65,766	71,175	5,409	104,316	104,316	-
	219,825	147,716	(72,109)	88,990	161,098	72,108	95,480	95,480	-	404,295	404,295	-
TOTAL EXPENDITURE	323,570	215,587	(107,983)	190,588	294,165	103,577	293,085	297,491	4,406	807,243	807,243	-
FUNDED BY:												
Corporate Resource Pool	111,161	111,161	-	24,425	24,425	-	40,000	40,000	-	175,586	175,586	-
Reserves	150	-	(150)	1,119	1,269	150	3,562	3,562	-	4,831	4,831	-
Capital Grants	36,981	26,563	(10,418)	17,995	28,414	10,419	14,617	14,616	(1)	69,593	69,593	-
Section 106 Funds	15,889	10,794	(5,095)	6,726	11,813	5,087	33,003	33,011	8	55,618	55,618	-
External Contributions	12,741	7,715	(5,026)	4,274	9,300	5,026	-	-	-	17,015	17,015	-
TOTAL RESOURCES	176,922	156,233	(20,689)	54,539	75,221	20,682	91,182	91,189	7	322,643	322,643	-
Financing to be identified (borrowing in 2018-19)		59,354			218,944			206,302		484,600		-

*In the event that there is a shortfall in funding in any particular year, that gap will need to be bridged by borrowing.

HRA capital programme 2018-19 outturn report

Project description	2018/19			2019/20			2020/21			2021/22 - Future Years			Total Programme 2018/19-27/28		
	Revised Budget	Actual	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Warm Dry and Safe															
WDS 2-year programme	3,125	3,125	-	-	-	-	-	-	-	-	-	-	-	3,125	-
WDS 2012 major works	-	265	265	-	-	-	-	-	-	-	-	-	-	265	265
WDS 2013 major works	100,170	(100,170)	(100,170)	20,000	20,000	20,000	-	-	-	-	-	-	100,170	20,000	(80,170)
WDS 2014 major works	(24,271)	(48,809)	(24,538)	50,352	(50,352)	(50,352)	89,631	89,631	89,631	89,631	89,631	89,631	26,081	(48,809)	(74,890)
WDS 2015 major works	5,124,371	3,673,629	(1,450,742)	3,393,558	4,388,344	994,786	3,393,558	4,388,344	994,786	3,393,558	4,388,344	994,786	9,306,672	9,306,672	-
M&E heating	185,434	122,512	(62,922)	236,365	299,307	62,922	-	-	-	-	-	-	421,819	421,819	-
M&E electrical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WDS Leathermarket JMB	2,703,681	2,261,260	(442,421)	2,703,681	2,703,681	-	2,703,681	2,703,681	-	362,876	805,297	442,421	8,473,919	8,473,919	-
	8,092,510	6,011,982	(2,080,528)	6,383,976	7,411,332	1,027,356	2,793,312	2,793,312	-	1,061,988	1,960,365	898,377	18,331,786	18,176,991	(154,795)
Special Schemes/HINE															
Chilton Grove Wall - Decent Homes	677,850	(609,535)	(1,287,385)	620,776	663,244	42,468	396,314	1,573,908	1,177,594	-	67,323	67,323	1,694,940	1,694,940	-
Tustin	6,476,967	6,476,967	-	20,354,976	19,795,980	(558,996)	12,049,365	12,049,365	-	-	-	-	36,881,308	36,322,312	(558,996)
Portland	2,048,564	1,620,416	(428,148)	20,000	448,148	428,148	-	-	-	506,196	506,196	-	2,574,760	2,574,760	-
Demory/Thaxted externals	424,134	104,845	(319,289)	1,205,164	1,000,000	(205,164)	169,509	443,962	274,453	-	250,000	250,000	1,798,807	1,798,807	-
Maydew	2,773,004	1,009,762	(1,763,242)	11,308,981	1,154,984	(10,153,997)	-	11,917,239	11,917,239	-	-	-	14,081,985	14,081,985	-
Four Squares (HINE)	-	28,788	28,788	-	-	-	-	-	-	-	-	-	28,788	28,788	-
Lakanal House refurb	436,575	546,705	110,130	299,396	189,266	(110,130)	-	-	-	-	-	-	735,971	735,971	-
Ledbury Emergency Works	500,000	459,780	(40,220)	-	-	-	-	-	-	-	-	-	500,000	459,780	(40,220)
	13,337,094	9,637,728	(3,699,366)	33,809,293	23,251,622	(10,557,671)	12,615,188	25,984,474	13,369,286	506,196	823,519	317,323	60,267,771	59,697,343	(570,428)
QHIP (Inc. Kitchens & Bathrooms & LD2)															
Asset Management Strategy 2016/17 (QHIP)	14,711,559	13,243,448	(1,468,111)	10,807,835	12,583,894	1,776,059	458,208	488,271	30,063	367,210	29,199	(38,011)	26,344,812	26,344,812	-
Asset Management Strategy 2017/18 (QHIP)	11,013,356	9,443,177	(1,570,179)	12,612,351	18,201,945	5,589,594	13,072,591	9,206,749	(3,865,842)	164,709	11,136	(153,573)	36,863,007	36,863,007	-
Asset Management Strategy 2018/19 (QHIP)	17,935,529	18,178,514	242,985	17,878,564	17,635,579	(242,985)	14,207,512	14,207,512	-	2,009,222	2,009,222	-	52,030,827	52,030,827	-
Asset Management Strategy 2019/20 (QHIP)	1,614,342	4,308,999	2,694,657	60,079,134	8,570,703	(51,508,431)	7,341,269	26,910,722	19,569,453	292,720	29,537,041	29,244,321	69,327,465	69,327,465	-
Asset Management Strategy 2020/21 (QHIP)	146,746	25,464	(121,282)	243,118	265,782	22,664	42,249,966	39,437,603	(2,812,363)	31,082,354	33,993,335	2,910,981	73,722,184	73,722,184	-
Asset Management Strategy 2021+ Future years (C)	-	-	-	-	-	-	-	-	-	519,688,193	519,688,193	-	519,688,193	519,688,193	-
Installation of LD2	715,321	37,232	(678,089)	1,954,626	2,632,715	678,089	2,000,000	2,000,000	-	16,497,221	16,497,221	-	21,167,168	21,167,168	-
FRA Contingency Budgets	-	-	-	792,000	792,000	-	1,188,000	1,188,000	-	-	-	-	1,980,000	1,980,000	-
	46,136,853	45,236,834	(900,019)	104,367,628	60,662,618	(43,685,010)	80,517,546	93,438,857	12,921,311	570,101,629	601,765,347	31,663,718	801,123,656	801,123,656	-
Regeneration															
Aylesbury Estate regeneration	11,750,000	15,085,016	3,335,016	10,275,000	7,442,775	(2,832,225)	10,276,401	10,276,401	-	3,596,011	3,596,011	-	35,897,412	36,400,203	502,791
Bermondsey Spa refurbishment	20,592	10,149	(10,443)	-	10,443	10,443	-	-	-	-	-	-	20,592	20,592	-
East Dulwich Estate	307,809	179,889	(127,920)	1,572,205	1,700,125	127,920	667,111	667,111	-	300,000	300,000	-	2,847,125	2,847,125	-
Elmington Estate	132,204	150,304	18,100	383,871	365,771	(18,100)	-	-	-	-	-	-	516,075	516,075	-
Heygate Estate	270,000	222,480	(47,520)	116,104	163,624	47,520	-	-	-	-	-	-	386,104	386,104	-
Local authority new build	157,640	35,972	(121,668)	1,000,000	121,668	121,668	-	-	-	-	-	-	157,640	157,640	-
Woodsdene - Acorn Plant Reprovision	1,292,344	235,885	(1,056,459)	630,420	1,000,000	369,580	1,000,000	1,000,000	-	1,056,459	1,056,459	-	3,292,344	3,292,344	-
Regeneration Commercial properties	175,000	113,367	(61,633)	630,420	692,053	61,633	-	-	-	-	-	-	805,420	805,420	-
	14,105,589	16,033,062	1,927,473	13,977,600	11,496,459	(2,481,141)	11,943,512	11,943,512	-	3,896,011	4,952,470	1,056,459	43,922,712	44,425,503	502,791
New Builds															
Hostels new build	-	125,019	125,019	393,123	393,123	-	-	-	-	-	-	-	393,123	518,142	125,019
Hidden Homes	2,150,974	1,274,295	(876,679)	5,180,440	6,082,863	902,423	94,296	81,722	(12,574)	4,400,000	3,030,000	-	7,425,710	7,438,880	13,170
SRPP	316,397	1,256,408	940,011	10,425,747	10,425,747	-	4,400,000	4,400,000	-	3,030,000	3,030,000	-	18,172,144	19,112,155	940,011
SRPP Development Cost- Lot B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Delivery - New Council Homes Phase 1	4,887,659	4,887,659	-	8,752,592	8,752,592	-	9,348,570	9,348,570	-	1,215,520	1,215,520	-	24,204,341	24,204,341	-
Direct Delivery - New Council Homes Phase 2	10,674,823	7,555,785	(3,119,038)	98,323,749	94,220,551	(4,103,198)	104,033,918	109,130,738	5,096,820	116,576,781	118,702,434	2,125,653	329,609,271	329,609,508	237
	18,029,853	15,099,166	(2,930,687)	123,075,651	119,874,876	(3,200,775)	117,876,784	122,961,030	5,084,246	120,822,301	122,947,954	2,125,653	379,804,589	380,883,026	1,078,437

Funded virements and variations 2018-19 outturn										APPENDIX C
Project Name	Children's	Adult Social Care	Children's and Adults'	Southwark Schools for the Future	Environment and Leisure	Housing General Fund	Places and Wellbeing	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
	£	£	£	£	£	£	£	£	£	
CURRENT PROGRAMME AS AT Month 8 2018	131,898,000	44,106,000	176,004,000	9,630,000	109,271,949	83,846,500	416,437,638	795,190,087	1,305,151,143	2,100,341,230
Month 12 virements to be approved										
Housing General Fund										
Works(QR4)			-			1,495,739		-		-
Premises Fit-Out(QR4)			-			10,043,348		10,043,348		10,043,348
Premises fit out			-			2,576,700		2,576,700		2,576,700
			-							
Adult Social Care										
LD 26 Therapia road		(422,000)	(422,000)					(422,000)		(422,000)
LD 49 Mount Adon Park		(585,248)	(585,248)					(585,248)		(585,248)
LD 52-60 Grosvenor		(1,120,000)	(1,120,000)					(1,120,000)		(1,120,000)
Adult PSS Capital Allocations		2,860,613	2,860,613					2,860,613		2,860,613
OP Anchor Blue		(36,861)	(36,861)					(36,861)		(36,861)
OP Anchor Green		269,887	269,887					269,887		269,887
OP Anchor Rose		(280,837)	(280,837)					(280,837)		(280,837)
OP Anchor Water		47,811	47,811					47,811		47,811
LD Dover Lodge, 41 Wood Vale		(768,000)	(768,000)					(768,000)		(768,000)
LD Kimmins Court		2,366	2,366					2,366		2,366
ASC Orient Street		20,330	20,330					20,330		20,330
OP Southwark Resource Centre		10,686	10,686					10,686		10,686
OP Expansion of Telecare		1,253	1,253					1,253		1,253
			-					-		-
			-					-		-
Environment and Leisure										
Southwark Park					(22,714)			(22,714)		(22,714)
OLF Southwark Athletics Centre					(85,731)			(85,731)		(85,731)
Burgess Park Urban Games					(15,949)			(15,949)		(15,949)
Cemetery Burial Strategy					124,394			124,394		124,394
Infrastructure & Inv					(101,000)			(101,000)		(101,000)
Cemetery Burial Strategy					101,000			101,000		101,000
S106 Rotherhithe New Road					(15,217)			(15,217)		(15,217)
S106 TMOs & Traffic Projects(Rotherhithe & Surrey Quays)					15,217			15,217		15,217
								-		-
								-		-
Places and Wellbeing										
Canada Water Development							(35,000)	(35,000)		(35,000)
East Street Library							35,000	35,000		35,000
Canada Water Development							(42,309)	(42,309)		(42,309)
Canada Water Anciliary Costs							(3,802)	(3,802)		(3,802)
Bermondsey Spa EIP - Regen.							(1,335)	(1,335)		(1,335)
Southwark War Memorial							(104,374)	(104,374)		(104,374)

Project Name	Children's	Adult Social Care	Children's and Adults'	Southwark Schools for the Future	Environment and Leisure	Housing General Fund	Places and Wellbeing	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
Peckham Townscape He							151,820	151,820		151,820
Void Shops & Council Owned Parade							(52,000)	(52,000)		(52,000)
Holyrood Street Project							52,000	52,000		52,000
Tooley St - Fair Street Housing							(1,991)	(1,991)		(1,991)
Holyrood Street Project							1,991	1,991		1,991
Tooley St - Triangle Site							(23,422)	(23,422)		(23,422)
Holyrood Street Project							23,422	23,422		23,422
Bermondsey Streetscape -Greenwood Bridges							(22,652)	(22,652)		(22,652)
Holyrood Street Project							22,652	22,652		22,652
New Nunhead Community Centre							283,550	283,550		283,550
Acquisition of Properties							(283,550)	(283,550)		(283,550)
Hatfields Green Open							3,200	3,200		3,200
Hatfields Public Realm							(3,200)	(3,200)		(3,200)
Construction Skills Centre for South London(NHB)							(108,000)	(108,000)		(108,000)
Works(QR4)							(1,495,739)	(1,495,739)		(1,495,739)
Premises Fit-Out(QR4)							(10,043,348)	(10,043,348)		(10,043,348)
							(2,576,700)	(2,576,700)		(2,576,700)
							-	-		-
HRA										
Chilton Grove Wall - Decent Homes									(1,139,333)	(1,139,333)
Asset Management Strategy 2018/19 (QHIP)									120,125	120,125
Asset Management Strategy 2021+Future years (QHIP)									1,139,333	1,139,333
Installation of LD2									(120,125)	(120,125)
Regeneration Commercial properties									108,000	108,000
Direct Delivery - New Council Homes Phase 2									(373,370)	(373,370)
Acquisitions									344,776	344,776
Sceaux Gardens Assistance with moving costs									28,594	28,594
									-	-
									-	-
Total virements to be approved at Month 12	-	-	-	-	-	14,115,787	(14,223,767)	(108,000)	108,000	-
Month 12 - Variations to be approved										
Children's										
Phoenix (refurbishment)	400,000		400,000					400,000		400,000
Environment and Leisure										
Public Art Projects					54,501			54,501		54,501
S106 Astley & Coopers ball court					6,458			6,458		6,458
Public Art Projects					8,000			8,000		8,000
Southwark Park					22,714			22,714		22,714
OLF Southwark Athletics Centre					85,731			85,731		85,731
Burgess Park Urban Games					15,949			15,949		15,949
Newington Ward Park Improvements					108,069			108,069		108,069
COSSALL PARK PROJ.					8,843			8,843		8,843
Leathermarket Garden					34,258			34,258		34,258
Leathermarket Garden					220,215			220,215		220,215
Infrastructure & Inv					1,492			1,492		1,492

Project Name	Children's	Adult Social Care	Children's and Adults'	Southwark Schools for the Future	Environment and Leisure	Housing General Fund	Places and Wellbeing	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
North Peckham Healthy Streets			-		98,605			98,605		98,605
Flood Prevention (Highways drainage gully replacement) Programme			-		345,000			345,000		345,000
Dulwich CGS			-		2,000			2,000		2,000
Grove Vale Library			-		99,000			99,000		99,000
Peckham Pulse Option 1 & 2			-		194,423			194,423		194,423
Southwark Park			-		287,308			287,308		287,308
Major Parks - Burgess			-		1,644,729			1,644,729		1,644,729
LITTLE DORRIT PARK			-		65,800			65,800		65,800
LEATHERMARKET JMB			-		207			207		207
Leisure centres Lifecycle maintenance			-		12,909			12,909		12,909
OLF SSG disability multi-sports court			-		8,515			8,515		8,515
Cemetery Burial Strategy			-		1,139			1,139		1,139
Housing General Fund										
Springtide settlement			-			1,004,108		1,004,108		1,004,108
Queens Rd 4 Professional fees			-			558,415		558,415		558,415
Queens Rd 4 Works			-			4,791,585		4,791,585		4,791,585
Places and Wellbeing										
Elephant & Castle Regeneration(REFCUS)			-				(2,485,501)	(2,485,501)		(2,485,501)
East Street Library			-				248,624	248,624		248,624
Newington Gardens			-				48,352	48,352		48,352
Peckham Townscape Heritage			-				493,670	493,670		493,670
GMH Bldgs, Brook Dri			-				107,050	107,050		107,050
Surrey Docks Farm			-				511,000	511,000		511,000
Walworth Road South(Missing bit of the Jigsaw)			-				(850,000)	(850,000)		(850,000)
Holyrood Street Project			-				12,152	12,152		12,152
Holyrood Street Project			-				10,500	10,500		10,500
RMP 252 Lower Road			-				29,000	29,000		29,000
RMP 419 - 192 Lower Road			-				8,000	8,000		8,000
RMP 420 Junction of Rotherhithe New Rd			-				41,000	41,000		41,000
Green Links			-				620,378	620,378		620,378
Holyrood Street Project			-				15,000	15,000		15,000
Elephant & Castle Open Spaces			-				89,645	89,645		89,645
Harper Road			-				800	800		800
Southwark War Memorial			-				150,000	150,000		150,000
Community Playspace			-				27,601	27,601		27,601
Community Masterplan			-				2,337	2,337		2,337
Great Suffolk St BUP			-				1,648	1,648		1,648
Aylesbury - Plot 18			-				3,000,000	3,000,000		3,000,000
HRA										
Tustin			-						30,469,572	30,469,572
Regeneration Commercial properties			-						347,420	347,420
Hostels new build			-						393,123	393,123
Direct Delivery - New Council Homes Phase 1			-						(5,147,833)	(5,147,833)
Direct Delivery - New Council Homes Phase 2			-						13,085,166	13,085,166
Acquisitions			-						39,999,000	39,999,000
Fire Damage Reinstatement			-						300,000	300,000

Project Name	Children's	Adult Social Care	Children's and Adults'	Southwark Schools for the Future	Environment and Leisure	Housing General Fund	Places and Wellbeing	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
SRPP			-					-	18,072,305	18,072,305
SRPP Development Cost- Lot B			-					-	(19,347,000)	(19,347,000)
			-					-		-
			-					-		-
Total variations to be approved at Month 12	400,000	-	400,000	-	3,325,865	6,354,108	2,081,256	12,161,229	78,171,753	90,332,982
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT MONTH 12 2018/19	400,000	-	400,000	-	3,325,865	20,469,895	(12,142,531)	12,053,229	78,279,753	90,332,982
REVISED BUDGETS	132,298,000	44,106,000	176,404,000	9,630,000	112,597,814	104,316,395	404,295,107	807,243,316	1,383,430,896	2,190,674,212
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:										
Corporate Resources			-		1,798,343	20,098,311	(10,687,102)	11,209,552	45,962,181	57,171,733
Major Repairs Allowance			-					-	30,469,572	30,469,572
Reserves	400,000		400,000				(108,000)	292,000	108,000	400,000
Revenue			-					-	300,000	300,000
Capital Grants			-		417,258	77,766	(28,339)	466,685	1,440,000	1,906,685
Section 106			-		1,077,494	239,491	(1,573,168)	(256,183)		(256,183)
External Contributions			-		32,770	54,327	254,078	341,175		341,175
			-							-
TOTAL RESOURCES	400,000	-	400,000	-	3,325,865	20,469,895	(12,142,531)	12,053,229	78,279,753	90,332,982

General Fund capital programme 2018-19 detail outturn report

Description of Programme / Project	2018/19			2019/20			2020/21+			Total Programme 2018/19-2027/28		
	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000
Environment and Leisure Total	29,352	24,024	(5,328)	34,093	38,789	4,696	49,153	49,785	632	112,598	112,598	0
Cleaner Greener Safer	2,001	1,863	(138)	2,862	2,999	138	8,897	8,897	0	13,759	13,759	0
Other PR Projects	2,634	1,911	(723)	7,817	8,539	723	1,330	1,330	0	11,780	11,780	0
StreetCare	9,092	9,740	648	10,400	9,896	(504)	28,341	28,196	(144)	47,832	47,832	0
Environmental Services	1,500	88	(1,412)	1,070	2,482	1,412	525	525	0	3,095	3,095	0
Street Metal Works	540	433	(106)	500	606	106	2,000	2,000	0	3,040	3,040	0
Culture	1,123	1,040	(83)	557	641	83	7,884	8,660	776	26,560	1,680	0
Parks	11,005	7,864	(3,141)	7,672	10,036	2,364	176	176	0	4,055	4,055	0
South Dock Marina	125	110	(15)	670	685	15	176	176	0	796	796	0
Leisure	1,333	975	(358)	2,546	2,904	358						
Environment and Leisure Total	29,352	24,024	(5,328)	34,093	38,789	4,696	49,153	49,785	632	112,598	112,598	0
Places and Wellbeing												
PLANNING	1,939	965	(973)	5,209	6,183	973	0	0	0	7,148	7,148	0
TRANSPORT POLICY & PLANNING	8,498	5,081	(3,416)	1,400	4,816	3,416	0	0	0	9,898	9,898	0
REGENERATION NORTH	5,403	748	(4,656)	41,374	46,030	4,656	25,000	25,000	0	71,777	71,777	0
REGENERATION SOUTH	31,626	15,930	(15,696)	17,558	33,255	15,696	16,978	16,978	0	66,162	66,162	0
REGENERATION CAPITAL	4,316	2,839	(1,478)	18,259	19,736	1,478	12,500	12,500	0	35,075	35,075	0
PROPERTY SERVICES	168,042	122,153	(45,889)	5,189	51,078	45,889	41,003	41,003	0	214,234	214,234	0
Places and Wellbeing Total	219,825	147,716	(72,108)	88,990	161,098	72,108	95,481	95,481	0	404,295	404,295	0
Children's and Adults'												
Castlemead, 232 Camberwell road	1,192	1,192	0	599	599	0	0	0	0	1,791	1,791	0
Centre of Excellence	89	89	0	2,921	2,921	0	2,149	2,149	0	5,159	5,159	0
Anchor Blue Grove	278	278	0	249	249	0	0	0	0	527	527	0
Anchor Greenhiv	966	966	0	0	0	0	0	0	0	966	966	0
Anchor Rose court	334	334	0	26	26	0	0	0	0	360	360	0
Anchor Waterside	207	207	0	0	0	0	0	0	0	207	207	0
49 Mount Adon Park	33	33	0	0	0	0	0	0	0	33	33	0
26 Therapia road	0	0	0	0	0	0	0	0	0	0	0	0
Dover Lodge, 41 Wood Vale	0	0	0	0	0	0	0	0	0	0	0	0
52-60 Grosvenor terrace	0	0	0	0	0	0	0	0	0	0	0	0
Adult PSS Capital Allocations	0	0	0	500	500	0	5,191	5,191	0	5,691	5,691	0
Telecare expansion	1	1	0	143	143	0	0	0	0	144	144	0
Southwark Resource Centre	204	204	0	0	0	0	0	0	0	204	204	0
ICT	312	312	0	0	0	0	0	0	0	312	312	0
Lifecycle capital prog- Anchor homes	0	0	0	2,500	2,500	0	5,388	5,388	0	7,888	7,888	0
Lifecycle capital prog- ASC properties	0	0	0	1,068	1,068	0	9,608	9,608	0	10,675	10,675	0
Kimmins Court	2	2	0	0	0	0	0	0	0	2	2	0
Orient Street	89	89	0	0	0	0	0	0	0	89	89	0
Half Moon Lane	44	44	0	14	14	0	0	0	0	58	58	0
Bed Based Care	0	0	0	0	0	0	10,000	10,000	0	10,000	10,000	0

General Fund capital programme 2018-19 detail outturn report

APPENDIX D

Description of Programme / Project	2018/19			2019/20			2020/21+			Total Programme 2018/19-2027/28		
	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2018/19 Primary Schools refurbishment programme	3,429	3,132	(297)	1,582	1,879	297	0	0	0	5,011	5,011	0
Autism Spectrum	0	0	0	1,800	1,800	0	0	0	0	1,800	1,800	0
Booround Primary School Redevelopment	28	28	0	11,618	11,618	0	0	0	0	11,646	11,646	0
Healthy Pupils Programme	201	0	(201)	0	201	201	0	0	0	201	201	0
Iliderton School	35	0	(35)	305	340	35	10	10	0	350	350	0
LSBU Passmore	5,000	4,181	(819)	0	819	819	0	0	0	5,000	5,000	0
Maintenance Programme for Schools	1,569	603	(966)	0	966	966	0	0	0	1,569	1,569	0
Nursery Buildings	200	0	(200)	0	200	200	0	0	0	200	200	0
Permanent Expansion	29,846	21,815	(8,031)	3,084	12,750	9,666	16,470	14,836	(1,634)	49,400	49,400	0
Primary Schools refurbishment programme	1,886	0	(1,886)	3,500	5,386	1,886	21,000	21,000	0	26,386	26,386	0
Riverside Primary School	0	0	0	500	500	0	3,000	3,000	0	3,500	3,500	0
Retention	2,055	11	(2,045)	31	2,075	2,045	0	0	0	2,086	2,086	0
Rotherhithe Primary School Expansion	550	707	157	8,500	8,343	(157)	8,499	8,499	0	17,549	17,549	0
SEND and disabilities development	550	172	(378)	550	928	378	550	550	0	1,650	1,650	0
SILS 3 (PRU)	336	0	(336)	1,343	1,679	336	821	821	0	2,500	2,500	0
Southwark Inclusive Learning Service KS4	0	0	0	3,000	3,000	0	0	0	0	3,000	3,000	0
Alternative provision accommodation at STAC	30	0	(30)	170	200	30	0	0	0	200	200	0
Troubled Families	250	3	(247)	0	247	247	0	0	0	250	250	0
Children's and Adults' Total	49,715	34,401	(15,314)	44,003	60,952	16,949	82,686	81,051	(1,634)	176,404	176,404	0
Southwark Schools for the Future												
St Michael's PFI	67	12	(55)	0	55	55	0	0	0	67	67	0
SMAA - Ark All Saints	484	0	(484)	0	484	484	0	0	0	484	484	0
KS3 SILS	7,088	291	(6,797)	240	7,037	6,797	0	0	0	7,328	7,328	0
ICT	505	42	(463)	0	463	463	0	0	0	505	505	0
Contingency and retention payments	922	0	(922)	324	1,246	922	0	0	0	1,246	1,246	0
Southwark Schools for the Future Total	9,066	344	(8,722)	564	9,286	8,722	0	0	0	9,630	9,630	0
Housing General Fund												
Brayards Improvement Zone	9	0	(9)	0	9	9	0	0	0	9	9	0
Housing Renewal	3,426	2,343	(1,083)	12,119	12,924	805	23,180	23,458	278	38,725	38,725	0
Iliderton Rd boundary	0	2	2	0	0	0	0	0	0	0	0	0
Iliderton travellers site wall	0	10	10	0	0	0	0	0	0	0	0	0
Gypsy and Travellers Site Fire Safety Reconfiguration	3,290	2,715	(575)	573	1,136	563	0	0	0	3,863	3,851	(12)
IT Investment Schemes	5,718	1,822	(3,896)	3,382	3,382	0	12,708	16,604	3,896	21,808	21,808	(0)
Leathermarket - Kipling Garages	898	800	(98)	0	98	98	0	0	0	898	898	0
Modern Ways of Working	50	12	(38)	1,395	1,008	(387)	540	965	425	1,985	1,985	0
Planned Preventative Maintenance	1,689	1,369	(320)	4,439	4,439	0	21,100	21,420	320	27,228	27,228	0
PPM & Compliance Programme (CRP)	503	14	(489)	1,030	1,030	0	8,238	8,727	489	9,771	9,771	0
Springtide Close travellers site	29	15	(14)	0	14	14	0	0	0	29	29	(0)

General Fund capital programme 2018-19 detail outturn report

APPENDIX D

Capital Programme 2018/19-2026/27 Description of Programme / Project	2018/19			2019/20			2020/21+			Total Programme 2018/19-2027/28		
	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000
Housing General Fund Total	15,612	9,102	(6,510)	22,938	24,040	1,102	65,766	71,174	5,408	104,316	104,316	(0)
Total General Fund Programme												
Capital Programme 2018/19 - 2027/28	2018/19			2019/20			2020/21+			Total Programme 2018/19-2027/28		
	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000	Revised Budget £'000	Forecast £'000	Variance £'000
Total Expenditure	323,570	215,588	(107,982)	190,588	294,165	103,576	293,085	297,491	4,406	807,243	807,243	0
Total Resources	176,922	156,233	(20,689)	54,539	75,221	20,682	91,182	91,189	7	322,643	322,643	0
Forecast variation (under)/over	146,648	59,355	(87,293)	136,049	218,944	82,894	201,903	206,302	4,399	484,600	484,600	0

Capital programme 2018-19 outturn - New bids for approval

Paragraph	Service	Project/Programme Description	2019/20 £'000	2020/21+ £'000	Total Programme £'000	Financing	
						Funded (S106, Grant etc) £'000	Resources to be identified £'000
para 41 para 63 para 85	Places and Wellbeing Children's and Adults' Housing General Fund	Aylesbury Plot 18 Phoenix Primary School Queens Road 4	3,000 400 -	- - 5,350	3,000 400 5,350	- 400 -	3,000 - 5,350
			3,400	5,350	8,750	400	8,350

Item No. 17.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		A Food Security Plan for Southwark	
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

Over 2 million Londoners are living below the poverty line and Southwark, like many boroughs, is seeing that many residents are struggling to afford basic food items, especially people who rely on benefits and people in work who are struggling to make ends meet due to insufficient salaries. Food insecurity can also be an issue for people who have mobility problems, health concerns or lack of confidence to get to local shops and prepare food for themselves.

National estimates suggest that one in five over 16 year olds in England are food insecure to some degree. That is 53,000 of our residents. One in 12 people in England aged over 16 are estimated to be moderately to severely food insecure. This means that over 20,000 of our residents may be skipping meals because they cannot afford to eat and are experiencing real hunger.

As a responsible local authority we do not want to sweep this problem under the carpet. While it is hard to accept that people in 21st century Britain are going hungry, we must use our resources and collective will to tackle the problem head on. As part of the Fairer Futures Commitment, we promised our residents a healthier life where health inequalities are reduced so whatever your background you can live a healthy life. Access to nutritious, affordable food is key to this.

Producing a Food Security Plan shows that we take this commitment seriously. We want our residents to do more than just survive, but to thrive. We want to use policy to tackle the problems that make people food insecure in the first place and create a food-resilient borough with a strong community food network. A network where surplus, unused food gets used wisely, and where we support people to develop their skills in healthy eating, cooking and food growing as well as doing what we can to address barriers to employment, income maximisation and equality.

The Mayor of London recently published the Capital's first food strategy in 12 years, and reducing household food insecurity is one of the six key areas that he is committed to. With Southwark's first ever action plan, we can put creating food security onto our agenda, into our conversations and into our policies, creating a powerful and coordinated approach to ensure a fairer food future for all.

Recommendations for the cabinet

That the cabinet:

1. Approves the approach to supporting food security in Southwark, looking beyond the foodbank to a fairer food future for all.
2. Approves a partnership with the Southwark Food Action Alliance to develop and implement the Southwark food security plan and requests a progress report in 12 months.

BACKGROUND INFORMATION

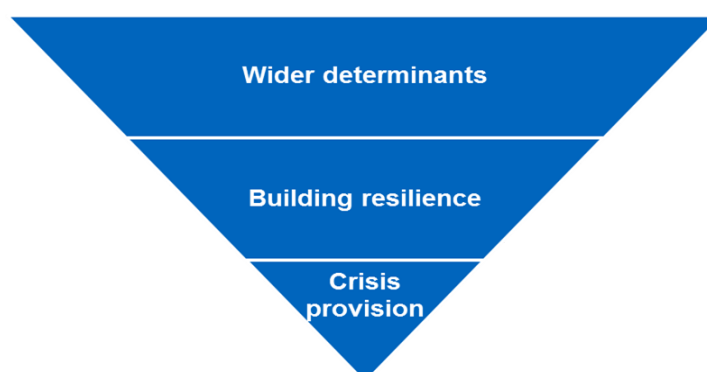
3. Food security is defined by the Food Foundation (2016) as “being sure of your ability to secure enough food of sufficient quality and quantity to allow you to stay healthy and participate in society.” The ‘beyond the foodbank’ model empowers people with a strong emphasis on prevention, dignity and resilience building. In March 2018, the Council was awarded GLA funds to support the development of an action plan to address food insecurity partnering with the Southwark Food Action Alliance (SFAA).
4. Stakeholder workshops have been held with representatives from across the Council and other agencies. SFAA member organisations have also been consulted throughout the process.
5. In addition to addressing the fundamental links with poverty and low income, the Action Plan also supports the implementation of the Southwark Healthy Weight Strategy. There is a well-established association between obesity and deprivation. People on a very low income may rely on cheap, calorie dense foods to fill them up. For example, 67% of the Camberwell Green ward population is in the most deprived quintile nationally. The ward also has the highest prevalence of child obesity in London and the 2nd highest in England for those in Year 6 (2015-16).

KEY ISSUES FOR CONSIDERATION

6. Across London and the UK, there is growing recognition of how food insecurity affects local communities and the role that local authorities have to play in preventing and mitigating the impact of food insecurity on their residents. To date, 13 London boroughs either have, or are working on, a food insecurity action plan, including Lambeth, Lewisham, Greenwich and Tower Hamlets.
7. Currently, there is no standardised national measures for food insecurity, so various proxies are used in its place, such as demand for food aid. There has been a significant increase in demand over recent years. The main reason cited for foodbank referrals in Southwark during 2017-18 is changes to the benefits system, including the introduction of Universal Credit. However, it is estimated that foodbank users represent only 20% of those experiencing food insecurity. More than 2.3 million Londoners currently live below the poverty line and many people do not have good access to local shops selling affordable, healthy food.
8. In September 2017, the Southwark Food Action Alliance (SFAA) was established. It is an alliance of 60 local member organisations including

Southwark Council, Guys and St Thomas' NHS Foundation Trust, the Department of Work and Pensions, national charities such as Fareshare, as well as local grassroots, community, faith and voluntary sector organisations.

9. The action plan is informed by the Joint Strategic Needs Assessment (JSNA) on household food insecurity, which is to be published summer 2019. Some key findings from the JSNA include:
- 53,000 Southwark residents aged over 16 may be affected by food insecurity, 20,000 moderately or severely so – for example, skipping meals due to a lack of money.
 - Only 20% of those who are food insecure will go to a foodbank. In Southwark, 4,674 referrals were made in 2017-18 by professional and statutory services for emergency food aid. These figures are per household, so the number of individuals receiving food aid will be higher.
 - In Southwark, the main reasons given for referrals to foodbanks in 2017-18 included delays with benefit payments (41%), in employment but on a salary that is insufficient to cover food bills (16%) and having no recourse to public funds (16%).
 - Approximately 45% of those fed by Southwark foodbanks were children. There are noticeable spikes in users during summer holiday months.
 - Nationally, 50% of households using foodbanks have a disabled member and 75% have a member with poor health. 33% of families with a disabled child had relied on a loan to purchase food.
10. The Southwark action plan approach adopts three tiers of intervention to tackle food insecurity.



- A. Wider determinants:** This tier is preventive and includes structural and policy interventions to improve equality, economic wellbeing, food access and food security.

Some of these areas are highlighted in the annual London Food Poverty Profile published by the GLA and Sustain which looks at 10 areas where local authority policy can improve food security. The areas it focuses on include the London Living Wage, affordable child care, free school meals, the Healthy Start voucher scheme, free school holiday meal provision, physical access to good food through planning and regeneration and local economy levers.

Southwark scored 60 out of a possible 100 points in the 2017/18 profile. Some of the areas that the borough excels in include its offer of universal free healthy school meals to primary children and being a London Living Wage Borough.

B. Resilience building: This tier is also preventive. It takes an asset-based approach and works at individual, community and systems levels.

- **Building individual resilience:** there are various programmes to educate and upskill individuals with food skills and to help them improve their incomes and wellbeing. For example, the Local Support Team helped residents access £6.2m in unclaimed benefits during 2017-18. Various organisations teach basic cooking and growing skills to food insecure people. The Council has contracted some of them to do this work. The Council's Local Support Team refers clients to Bags of Taste, and the Public Health team uses Be Enriched to deliver cooking classes to Council Estate residents who have recently had their kitchen refurbished. Guys and St Thomas' Early Years Dietician Team runs 'Cook and Eat Well' classes at Children's Centres. Garden Organic has run growing projects on 24 estates.
- **Building community resilience:** the Southwark Food Action Alliance aims to support a more networked approach to food in Southwark with the eventual hope of making Southwark into a Sustainable Food City. Here, tackling food insecurity will form part of a much broader food vision for the borough, which also encompasses health, sustainability, food systems and food culture.
- **Building systems resilience:** at least 23 tonnes of surplus food are redistributed monthly in Southwark to organisations who work with the food insecure.

C. Crisis provision: this tier is reactive. It provides a safety net for those at the extreme end of need requiring emergency food aid.

The Southwark Emergency Support Scheme offers food parcels from ASDA to those who are struggling with food (1,295 households received a package during 2017-18). The borough's two largest foodbank providers (The Trussell Trust and Central Southwark Community Hub) operate from ten sites in the borough. Organisations, such as faith groups, may offer their own smaller, independent food aid schemes.

When the location of known foodbanks and free meal providers was mapped against areas of high potential need, it became apparent that there are some gaps in provision, for example in Kingswood Estate in Dulwich, Camberwell Green, Faraday and South Bermondsey wards also appear underserved, given their relatively high levels of deprivation.

11. Key priorities for development in Southwark include:

- Adopting a 'beyond the foodbank' model which empowers people and focuses on prevention, dignity and resilience building.
- Developing a more systematic approach to a local food security offer and coordinated service pathway.

- Strengthening the place-based approach through social regeneration to tackle poverty, low paid employment and to ensure good access to affordable healthy food.
12. Consultation with key stakeholders including political cabinet have flagged some specific opportunities for the Council to explore including:
- Explore with education colleagues the development of a more sustainable approach to holiday programme and meal provision in the borough to support families relying heavily on free school meals during term time. This can support retention of learning/ educational attainment over holiday periods. A network of providers is now linked through to the Education team to explore potential for a consortium approach to funding and sharing resources, as well as understanding some of the wider issues faced e.g. appropriate referrals, volunteer recruitment and ensuring good nutritional standards.
 - Explore ways to support people and families with NRPF to access free and affordable food. There are several actions in the plan to take this forward through engaging NRPF leads in ongoing work to explore needs, to map the food aid offer that is accessible to people with NRPF and to ensure key services are aware of how to signpost people.
 - Embedding work on food security into the Great Estates programme. This will provide a natural progression for the action proposed to work with housing providers including the Council as a social housing landlord.
 - Linking the Food Security plan to the Council's sustainability agenda waste reduction / zero carbon initiatives which can be explored through support for water fountains and food redistribution services, including initiatives such as the community fridge model and Peckham Pantry.
 - Working with our local economy team and food standards team to support initiatives with the business community – this will be taken forward through actions to increase access to affordable healthy food via supermarkets, convenience stores and markets in the borough. Supporting the uptake and wider roll out of voucher schemes, which provide free healthy food to low-income pregnant women and children under 4, such as the Healthy Start and Alexander Rose schemes.
 - Ensuring that Council programmes supporting access to employment are well aligned with food security initiatives. The plan advocates development of 'wraparound' support services in food aid projects, and clear signposting to a range of opportunities and services to help with income maximisation.

Policy implications

13. These proposals are in line with the principles and objectives set out in the Southwark Social Regeneration framework, the Health and Wellbeing Strategy, Healthy Weight Strategy and reflect issues highlighted in the Southwark Conversation. The proposals also reflect and further develop local approaches to the London Health Inequalities Strategy and the London Food Strategy.

Community impact statement

14. The action plan seeks to address the food insecurity of those experiencing disadvantage and vulnerability in the borough. It will identify approaches to better meet their food insecurity needs.

Legal implications

15. Please see the director of law and democracy's supplementary advice below.

Financial implications

16. There is no specific resource implication attached to this report. As the action plan is implemented there may be consequential impacts on how resources are planned and these will be presented to cabinet as required.

Consultation

17. The development of this plan has been informed by a wide range of stakeholders inputting at different stages of the work through surveys, interviews, partnership meetings and workshops. These have engaged people with lived experience of food insecurity, key professionals in services across the food, health, social and business sectors, the SFAA including the many VCS organisations it represents, several key council departments as well as key representatives of the CCG (including a GP commissioner) and hospital trusts' nutrition and dietetics team.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

18. Section 2B of the National Health Service Act 2006 places a duty on the council to take such steps as it considers appropriate for improving the health of the people in its area. The steps that may be taken under subsection include:
- (a) providing information and advice;
 - (b) providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way);
 - (f) providing or participating in the provision of training for persons working or seeking to work in the field of health improvement;
 - (g) making available the services of any person or any facilities.
19. The plan set out here assists the council in carrying out this duty. Any specific proposals in the plan can be made in accordance with this duty and arising from the powers of general competence in section 1 of Localism Act 2011.
20. Under section 149 of the Equality Act 2010, in making this decision, the Cabinet must comply with its public equality duty which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who

do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

21. The equalities analysis appended to the report indicates any likely negative impacts on those with protected characteristics arising from food and the proposed actions to mitigate these impacts. These are all relevant matters that the Cabinet should give due regard to, in considering this report.
22. The establishment of this plan is an executive function which can be determined by the Cabinet in accordance with the Local Government Act 2000 and Part 3B of the council's Constitution.

Strategic Director of Finance and Governance

23. This report requests cabinet approval of the approach to supporting food security in Southwark and also requests approval of a partnership with the Southwark Food Action Alliance, to develop and implement the Southwark food security plan.
24. The strategic director of finance and governance notes there are no specific finance resource impacts at this stage, however this may change as the plan proceeds and notes this will be considered by cabinet as the new approach is implemented.
25. Staffing and any other costs connected with these recommendations are to be contained within existing departmental revenue budget

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Food Security Action Plan 'Fairer Food Southwark' (circulated separately)
Appendix 2	EIA for Food Security Action Plan (circulated separately)
Appendix 3	Stakeholder Engagement List for Food Security Plan (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Community Safety and Public Health	
Lead Officer	Professor Kevin Fenton, Strategic Director of Place and Wellbeing	
Report Author	Rosie Dalton-Lucas, Head of programmes (healthy place)	
Version	Final	
Dated	5 June 2019	
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
Assistant Director Public Health	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 June 2019

Item No. 18.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Introducing a Council advertising policy in Southwark	
Wards 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

Fast food advertising and ads targeting children specifically have increased dramatically over the years, at the same time, the levels of obesity has also skyrocketed. It is difficult to deny the link between increased fast food advertising and childhood obesity. Greater exposure to the advertising of unhealthy foods will increase the consumption of these foods. As one of the boroughs with increasing child obesity rates, I want to tackle this head-on by making the healthier choice the easier choice for everyone.

I want to reduce unhealthy food advertising and at the same time encourage children and young people and families and carers to buy healthier options as well as cook more healthily. I am not banning food and drink brands nor the advertising by restaurants and takeaways. What I want to see is the promotion of healthier products rather than the advertising of sugary drinks and high fat, sugar and salt items. I am also introducing a ban on the advertising of alcohol. The banning of the advertising of unhealthy products will support my commitment to create a healthier Southwark. I strongly welcome the introduction of the new healthier advertising policy for Southwark.

RECOMMENDATIONS

That the Cabinet:

1. Agree the adoption of the proposed new advertising policy for Southwark Council (Appendix 1) for all council sold advertising opportunities within the borough, including through any council letting or leasing arrangements.
2. Note that there will be a phased implementation, that is, as and when existing contractual arrangements come up for renewal.
3. Note that officers will also be contacting existing contract holders to voluntarily adopt the new policy before their contracts come up for renewal.
4. Request a report back in twelve months time to provide an update on the advertising policy and the impacts.

BACKGROUND

5. Advertisements influence the lifestyle choices individuals make. A report published in 2018 by Cancer Research UK found young people who recalled

seeing junk food adverts every day were more than twice as likely to be obese¹. The same study identified 87% of young people found adverts for high fat, salt and sugar products appealing, with three quarters tempted to eat a product after seeing such an advert. As a borough, we want to ensure advertisements promote healthy lifestyle choices to all our residents.

6. On the 25 February 2019, Transport for London (TfL), with the support of the Greater London Authority, implemented a junk food advertising ban. The ban is for advertisements of all food and non-alcoholic drink products that are high in fat, salt or sugar (HFSS). It has been implemented across the whole TfL estate, including the Underground, buses, Overground, Docklands Light Railway, taxi wraps and all TfL owned bus stops. This accounts for approximately 40 per cent of London's out of home advertising by revenue.
7. A public consultation by the Greater London Authority, launched in May 2018, found 82% of Londoners support a junk food advertising ban.
8. There is momentum across London boroughs to adopt a similar advertising policy to TfL. In addition the government is currently consulting on a television and online watershed for HFSS adverts aimed at children.
9. Similar junk food advertising policies have already been successfully implemented in other countries. For example, since January 2018, Amsterdam has banned the advertisement of unhealthy products aimed at children and young people across all 58 subway stations in the city. In Sao Paulo, all outdoor advertising has been banned since 2007 under the Clean City law. Sao Paulo viewed outdoor advertisements as 'visual pollution' that had the potential to be detrimental to the city's health. Preventing the advertisement of HFSS products is a recommendation of the World Health Organisation.
10. The proposed council advertising policy builds on the London momentum and ensures that advertising in Southwark, that may have a negative influence on health and wellbeing, is not placed through the council. It is an example of how the 'health in all policies' approach is being implemented across the council.
11. Additionally, advertisements through the council's advertising opportunities must not cause offence, be contrary to the Council Plan commitments and strategic aims and must uphold and not be detrimental to the council's reputation and corporate identity.
12. The new proposed advertising policy in Southwark reflects the Public Services (Social Value) Act 2012. The Act states that all public bodies are required to consider how their services impact on the economic, social and environmental well-being of the area.
13. Banning the advertising of unhealthy foods will reduce demand, de-normalise unhealthy foods and create a healthier urban environment. Comparison can be made with the banning of the advertising of tobacco products by the Tobacco Advertising and Promotion Act 2002. The latter has contributed to the de-normalisation of smoking and the reduction of smoking².

¹ <https://www.cancerresearchuk.org/about-us/cancer-news/press-release/2018-01-15-teens-likely-to-crave-junk-food-after-watching-tv-ads>

² <https://www.legislation.gov.uk/ukpga/2002/36/contents>

The Southwark advertising policy

14. The proposed policy (Appendix 1) states that Southwark Council will not accept advertisements that conflict with the promotion of an active and healthy life. Advertisements must also not have any adverse impacts on achieving the commitments within the Council Plan.
15. The proposed new advertising policy will apply but not be limited to the advertising opportunities across the borough as listed in Appendix 2.
16. Southwark's current guidelines on advertising in public places (Appendix 3) will still be upheld alongside the new policy.
17. The proposed advertising policy has been informed by guidance from Transport for London (TfL) for foods with high fat, sugar, salt (HFSS) content and the Advertising Standards Agency for more responsible advertising relating to broader advertising categories.
18. Southwark is adopting the TfL guidance on HFSS. Southwark has amongst the highest rates for childhood obesity nationally. Almost 40% of 10-11 year olds in Southwark are overweight or obese. This continues into adulthood, with just under 60% of the adult population overweight or obese. Creating an environment where the healthier option is the easier choice is an important part of a whole systems approach to promoting healthy weight in Southwark, as detailed in the Southwark Healthy Weight Strategy. The new advertising policy complements other initiatives in Southwark that work with local caterers and retailers to provide affordable, good quality, healthy options across the borough. Such initiatives include the Good Food Retail Plan and the Healthier Catering Commitment.
19. Southwark has amongst the highest alcohol related hospital admissions due to accident and injury, high prevalence of alcohol related disease and alcohol related cause of deaths. For this reason, alcohol is included in the advertising ban.
20. The council retains the right to decline advertisements from any organisation, individual, event or campaign that it considers inappropriate. Specifically, the following advertisement categories will not be permitted by the council:
 - Nudity, pornography, prostitution or sexual messaging services
 - Gambling and betting
 - Weaponry advertisements including knives
 - 'No win, no claim' services, payday lenders or pyramid promotional schemes
 - Advertisements with discriminatory and hate-related content
 - Illegal substances
 - Alcohol and tobacco products
 - HFSS food and HFSS non-alcoholic drink products.

Exemption process for considering appeals for high fat, sugar, salt (HFSS) products

21. The Southwark advertising policy, like TfL's, uses the Nutrient Profiling Model (NPM) to identify food and drink products that are HFSS. The NPM does not differentiate between products on the basis of typical portion size or manner of consumption. Southwark Council recognises that the adoption of NPM could lead to unintended consequences, in that some products that are not believed to make a contribution to childhood obesity could become restricted.
22. Therefore, in line with the TfL guidance, it is proposed that Southwark follows an exemption process for considering appeals relating to HFSS food and non-alcoholic drink products. This exemption process is described in more detail in the policy (Appendices 1 and 4).
23. It is the responsibility of the advertiser or brand to demonstrate that the product meets the exemption process. Any potential exemptions will be reviewed by the council on a case by case basis but will be informed by TfL guidance to ensure consistency for brands.
24. In addition, the exemption process will allow for dialogue with advertising agencies in reviewing and updating this policy.

Policy implications

25. The new advertising policy directly supports three key council Fairer Future Commitments:
 - A healthier life
 - A great start in life
 - A safer community
26. The advertising policy operates within and supports the delivery of the Health and Wellbeing Strategy, the Healthy Weight Strategy, the Tobacco Control and Smoking Cessation Strategy, the Mental Health and Wellbeing Strategy and the Early Years Foundation Stage Framework.
27. Southwark is also one of the boroughs piloting superzones – a healthier 400m radius around schools. The schools involved in the pilots have discussed that unhealthy advertising is addressed as part of the superzones approach.
28. The advertising policy has been developed with cross departmental input and support, including from Culture and Events, Communications, Property, Planning and the Chief Executive's Office.

Community impact statement

29. It is envisaged that this policy will have a positive impact on a wide range of groups and the wider community. There are no specific negative equality implications arising directly from this policy.
30. The advertising policy aims to improve the health and wellbeing of Southwark's communities and residents by reducing the exposure to potentially detrimental lifestyle choices.

31. The advertising policy specifically bans discriminatory and hate related content and will take into consideration any advertisements that impact negatively on age, disability, faith, gender, ethnicity or sexual orientation.

Legal implications

32. In the acknowledgement of contracts already in place, this policy will only come into effect for all new or renewals of leases and advertising contracts from 1st July 2019. This will also reduce any financial impacts the policy has on revenue. All current advertising providers within the borough will be contacted and encouraged to adopt the new advertising policy in advance of their contract renewal date.
33. As implementation will be phased due to varying contract renewal dates (Appendix 4), it will be possible to monitor the commercial impact of the policy and agree any revisions as appropriate.
34. The policy follows the Advertising Standards Agency guidelines and TfL's policy to remove any ambiguity amongst advertising agencies that could render the media estate unviable.
35. Officers will continue to work with the GLA, to learn from the implementation of the TfL policy and from their evaluation.
36. More broadly, a recent Ofcom report calculated that a HFSS ban on primetime television would have a 'modest' impact on food manufacturers' advertising revenue.

Financial Implications

37. There are five large hoarding sites in the borough, which generate approximately £155,000 annually and there are nineteen JC Decaux screens across the borough that generate approximately £110,000 every year (Appendix 2). The total income of £265,000 received from such advertising opportunities is directed to fund Council services and priorities.
38. While the financial impact of this new advertising policy cannot be quantified at this stage, there is a risk that the proposals may reduce the current advertising income received by the council. This potential risk will be mitigated by Officers working with the advertising providers to ensure the sites can still be marketable and commercially viable.
39. The financial impact of this proposal will be monitored and reported as part of the council's revenue budget monitoring process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

40. The council as a landowner is able to generate income from advertising displays that are situated across the borough. The report identifies how an advertising policy in relation to these displays will support the council in carrying out its statutory functions, particularly in relation to public health. Section 111 of the

Local Government 1972 gives a local authority powers to do “any thing ...which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions”.

41. The report also refers to the Public Services (Social Value) Act 2012 and notes that all public bodies are required to consider how their services impact on the economic, social and environmental well-being of the area. This policy will assist the council in performing this duty.
42. Under section 149 of the Equality Act 2010, in making this decision the Cabinet must comply with its public equality duty which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
43. The community impact statement set out in the report indicates that no negative impacts on those with protected characteristics have been identified and positive impacts are noted and these are relevant matters to be taken into account in discharging that duty.
44. The establishment of this policy is an executive function which can be determined by the Cabinet in accordance with the Local Government Act 2000.
45. It is noted that this policy will sit alongside the guidelines attached in appendix 3 which are in place to ensure the relevant highways and planning regulations are adhered to when dealing with requests to advertise in public spaces.

Strategic Director of Finance and Governance (FC19/001)

46. This report is requesting cabinet to agree to adopt the new advertising policy for Southwark Council as reflected in paragraphs 1-4. Full details and background are provided within the main body of the report.
47. The strategic director of finance and governance notes that there is a potential risk that this new approach may result in the reduction of advertising income currently achieved by the council but officers will be working with the advertising providers to mitigate such risks.
48. It is noted that close and robust monitoring will be required to evaluate the financial impact of this new policy and this will be incorporated within the council's budget monitoring process.
49. Staffing and any other costs connected with these recommendations to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Healthy Weight strategy: Everybody's business 2016-2021	Public Health 160 Tooley Street London SE1 2QH	Jin Lim Jin.lim@southwark.gov.uk
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s63091/Appendix%201%20Healthy%20Weight%20Strategy%202016%20-%202021.pdf		
Transport for London's advertising policy	Greater London Authority City Hall, SE1 2AA	
Link (please copy and paste into your browser): http://content.tfl.gov.uk/tfl-advertising-policy-250219.pdf		

APPENDICES

No.	Title
Appendix 1	Advertising policy
Appendix 2	Advertising opportunities in Southwark
Appendix 3	Advertising in public spaces: Guidelines for using outdoor advertising in Southwark
Appendix 4	Exemption process diagram

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Community Safety and Public Health	
Lead Officer	Kevin Fenton, Strategic Director of Place and Wellbeing	
Report Author	Becky Steele, Public Health Policy Officer (Obesity & Physical Activity)	
Version	Final	
Dated	7 June 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
		Comments included
	Director of Law and Democracy	Yes
	Strategic Director of Finance and Governance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	7 June 2019

APPENDIX 1

Southwark Council advertising policy

Policy context

Southwark Council does not support advertising that is contrary to the [Council Plan](#) aims and commitments. Of particular relevance to the advertising policy is the council commitment to promote a healthier and great start in life³.

The advertising policy reflects both the Advertising Standards Authority⁴ (ASA) guidelines on prohibited categories as well as Transport for London's (TfL) guidelines on advertising food and non-alcoholic drink products that are high in fat, salt and sugar (HFSS).

Advertising policy

This policy is applicable to all advertising opportunities through the council, including through any third party letting or leasing arrangements.

Advertisements of any of the following products or services will not be permitted by Southwark Council:

- Alcohol and tobacco products
- Food and non-alcoholic drinks that are high in fat, salt and sugar (HFSS)
- Drugs/ illegal substances
- Nudity, pornography, prostitution or sexual messaging services
- Gambling and betting
- Weaponry including knives
- No win, no claim services, payday lenders or pyramid promotional schemes
- Hateful or discriminatory content.

With regards to alcohol, this includes any 'incidental' references to alcohol, even if the alcoholic drink is not the subject of the advertisement. Alcohol-free alternatives can be promoted.

With regards to HFSS, the policy does not ban whole brands or organisations from advertising, as they are able to promote healthier alternatives. Further information is provided below.

All advertisements also need to comply with the council's broader [guidelines](#) on advertising in public spaces.

The council retains the right to decline advertisements from any organisation, individual, event or campaign that it considers inappropriate.

Policy implementation

This policy will come into effect for all new leases from **1st July 2019*** and for all current leases as they come up for renewal.

All current advertising providers within the borough will be contacted and encouraged to adopt this policy, in advance of their contract renewal date.

The advertising policy will be reviewed annually.

*This date may change to be the start of the next month, following cabinet approval.

³ <http://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-future-commitments?chapter=7>

⁴ https://www.asa.org.uk/type/broadcast/code_section/10.html

HIGH FAT, SALT, SUGAR (HFSS) PRODUCTS

Young people who recall seeing junk food adverts every day are more likely to be obese⁵. Southwark has amongst the highest rates for childhood obesity nationally. Almost 40% of 10-11 year olds in Southwark are overweight or obese. This continues into adulthood, with just under 60% of the adult population overweight or obese⁶.

In February 2019, Transport for London (TfL) introduced an advertising ban on all food and non-alcoholic drink products that are high in fat, salt and sugar (HFSS). This ban is across all advertising opportunities on the TfL estate (including bus stops, taxi wraps and stations). The ban focuses in particular on products that contribute to childhood obesity.

To ensure consistency across London and to remove any ambiguity of what can be advertised, with regards to food products and non-alcoholic drinks, the HFSS elements of this policy is based on TfL's advertising ban. TfL developed their policy with the Greater London Assembly (GLA). More information can be found [here](#).

1. Advertisements of food and/or non-alcoholic drink products rated high in fat, salt and/or sugar (HFSS) will not be permitted
 - This includes advertisements where there is a range of food/non-alcoholic drinks featured, and at least one is a non-HFSS product. For example, when promoting a meal within a restaurant or from a delivery service
 - All products within the advert need to be non-HFSS
2. All food and non-alcoholic drink brands, service companies or ordering services can advertise providing it is their healthier options, consisting of non-HFSS products only.
 - Brand only adverts must promote healthier options (i.e. non-HFSS) as the basis of the copy
3. Advertisements cannot show or feature HFSS products 'incidentally', even if they are not the subject of the advertisement
 - This can include being referenced through text or graphic
 - Additionally, this includes any products that are not specifically identifiable but can still be assessed for a HFSS status
 - Where a food or non-alcoholic drink item is featured incidentally and does not relate to a specific identifiable product, which can be assessed for its HFSS status, advertising copy may be rejected by Southwark Council on the basis that the advertisement still promotes the consumption of HFSS products

The UK Nutrient Profiling Model (NPM), developed by the Food Standards Agency, is to be used to identify HFSS products that contribute to childhood obesity. The NPM is available [here](#).

Potential exemptions on HFSS products

The council retains the right to decline advertisement from any organisation, individual, event or campaign that it considers inappropriate.

If a food or non-alcoholic drink product within an advertisement is rated HFSS, it will not be permitted. However, if an advertiser or brand does not believe the product contributes to childhood obesity, they can complete an exemption form for the council to review.

⁵ <https://www.cancerresearchuk.org/about-us/cancer-news/press-release/2018-03-15-obesity-risk-doubles-for-teens-bombarded-with-junk-food-adverts>

⁶ Public Health Outcomes Framework

Any potential exemptions will be reviewed by the council on a case by case basis, with all decisions being made in accordance with TfL's guidance.

A HFSS food or non-alcoholic drink product will be permitted by the council if it is not contributing to childhood obesity and can demonstrate this through the following criteria:

- The product must not be on Public Health England's sugar or calorie reduction [list](#). The list categorises foods and drinks of concern for obesity prevention. For example:
 - Breakfast cereals
 - Yoghurts
 - Sweet spreads and sauces
- The product must be the healthiest option available by the organisation or brand
- The product must not generally be consumed by children
- The presentation of the product or the advert should not be intended to appeal to children. For example:
 - Include a toy, gift or prize
 - Use licensed characters, cartoons, animals or fairy tales
 - Have a child-friendly product name
 - Use colourful exaggerated graphics

It is the responsibility of the advertiser or brand to demonstrate that the product meets the above criteria.

The exemption form is available on the council's website. A separate exemption form will need to be completed for every HFSS product within the advertisement. An exemption form can only be resubmitted if new evidence is presented.

Reviewed 24th April 2019

APPENDIX 2

Advertising opportunities in Southwark

Large hoarding and digital sites:

- Five hoarding sites in the borough, with different contracts:

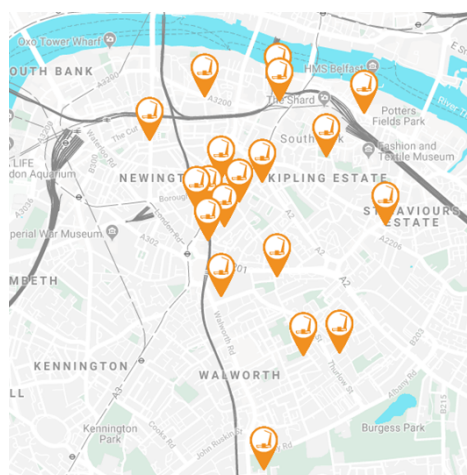
Address	Operator	Contract expiry date
Seven Islands leisure Centre	Roadside Media Ltd	23.06.20
563 Old Kent Road	Primesight Ltd	24.03.20
709 Old Kent Road	Maxx Media	N/A
182 Tower Bridge Road	Daylight Media	11.06.20
West Lane	Primesight Ltd	03.11.21

22 electronic displays

- The displays and advertisements are all managed by JCDecaux
- The contract with JCDecaux ends 31st March 2021
- The displays are located:
 - Waterloo Road
 - Newington Causeway
 - Southwark Park Road (x3)
 - Camberwell Road (x3)
 - Lower Road
 - Rotherhithe New Road (x3)
 - Newington Causeway (x2)
 - Borough Road
 - Southampton Way (x2)
 - Walworth Road
 - Lower Road

29 smart benches

- Contract with the Strawberry Smart benches network



One bus shelter

- The council only owns one bus shelter. The rest are owned by TfL
- The one bus shelter is on South Croxted Road, Dulwich and is not used for advertising

There are no advertisements on the council website and Southwark Life only uses council generated or NHS advertisements.

APPENDIX 3

Advertising in public spaces: Guidelines for using outdoor advertising in Southwark

This set of guidelines is to assist groups in the community as well as departments of the council to appropriately advertise events and activities lawfully.

With hundreds of events, festivals and activities happening across Southwark every year we are always looking for ways to advertise to the public. Different types of marketing ensures that as many people as possible become aware of them as possible. We use posters, leaflets, flyers, postcards, texting, social network sites and websites and street banners to get our message across.

The Town and Country Planning Control of Advertisements Regulations 2007 says that all posters, banners or flags require advertisement consent unless they fit under a number of categories where there is automatic or “deemed” consent. This is national legislation, which Southwark is required to comply with, and is responsible for enforcing.

Southwark Council has implemented a green action plan and sustainability policy 2004 and with partners are influencing a reduction in carbon dioxide emissions, improvement in air quality, reductions in the use and waste of water and implementing a climate change strategy. When advertising in Southwark organisations are required to ensure that they are green and that they recycle waste appropriately.

Priorities

Southwark Council has a series of priorities for the borough. The advertising in public spaces policy should positively contribute to our core priority of making Southwark a cleaner, greener and safer borough whilst supporting the promotion of community focussed activities and events in a safe and lawful manner.

Making Southwark Cleaner and Greener through the enhancing and improving the quality of the urban environment, promoting the use and enjoyment of Southwark’s built heritage, green and open spaces, and local areas.

Community Cohesion

As a Council we are committed to ensuring all communities are represented and active in the life of the borough. Through arts, culture and heritage communities can connect through shared activities and sharing experiences. The policy allows equal access to communities to advertise in public spaces.

Criteria for advertising in a public space

Organisations must apply for written advertisement consent for any poster, banner or flag which does not come under one of these categories before it can be displayed. These categories are within the Town & Country Planning Control of Advertising Regulations 2007.

Category 1

Exemptions for Flags

You don’t need permission if you want to display the country’s national flag, the flag of the Commonwealth, the EU or the UN or of an English County or a saint (e.g. St George’s Cross).

A flag must be displayed by itself. Neither the flag nor the flagpole can display additional advertisement or subject matter (e.g. a Union Flag and an advertisement for a sporting event would require advertisement permission).

Category 2**Exemption for advertisements of local authorities and partners**

Southwark Council is able to display an advertisement in relation to any of its services that helps the success of those services.

If the event or activity is funded by, supported by or in partnership with Southwark Council then it is included in this category.

Any banners displayed under this exemption must not exceed 1.55m² in area (e.g. 1 metre by 1.55 metres or 0.5 metres by 3.10 metres).

Category 3**Exemption for miscellaneous advertisements relating to the premises on which they are displayed**

An advertisement can be displayed for the purposes of identification, direction or warning with respect to the land or building on which it is displayed.

These signs must not exceed 0.3m² in area (e.g. 0.1 metres by 0.3 metres).

Category 4**Exemption for temporary advertisements announcing local events**

This exemption applies to religious, educational, cultural, political, social or recreational activities. Advertisements must be temporary to be exempt. Events and activities under this exemption must not be promoted or carried out for commercial purposes.

An advertisement under this category must not exceed 0.6m² in area (e.g. 0.2 metres by 0.3 metres) and cannot be displayed more than 28 days before the first day of the event and must be removed within 14 days of the last day of the event. There is no limit on the number of such advertisements that can be displayed.

Category 5**Exemption for balloons**

An advertisement can be displayed on a balloon providing the balloon is not more than 60m above ground level and providing there is not more than one balloon on the site. Balloons cannot be displayed in conservation area, such as Dulwich Park. This type of advertisement cannot be displayed for more than 10 days in any calendar year on any one site. If you are thinking about using balloon to advertise your event you will also need to speak to the Civil Aviation Authority.

If the advertiser fits in one of the 5 categories they must follow the guidance notes below.

1. No advertisement shall be displayed at road junctions, as this will cause distraction to drivers, cyclists and pedestrians and increase the likelihood of road traffic accidents.
2. It is unacceptable for anyone to advertise at a road junction, on a crossing or on traffic lights. Advertisements posted here will be removed.
3. No advertisements are to be displayed without the permission of the owner of the site or any other person with an interest in the site entitled to grant permission.
4. No advertisement shall be sited or displayed so as to:

- a. endanger persons using any highway, railway, waterway, dock, harbour or aerodrome (civil or military);
 - b. obscure any traffic sign, railway signal or aid to navigation by water or air;
 - c. hinder the operation of any device used for the purpose of security or surveillance or for measuring the speed of any vehicle.
5. Any advertisement displayed, and any site used for the display of advertisements, shall be maintained in a condition that does not impair the visual amenity of the site.
 6. Any structure or hoarding erected or used principally for the purpose of displaying advertisements shall be maintained in a condition that does not endanger the public.
 7. Where an advertisement is required under these regulations to be removed, the site shall be left in a condition that does not endanger the public or impair visual amenity.
 8. The co-ordination of applications will be through the public realm division.

If the advertisement does not fit into one of the 5 categories the advertiser will need to apply for advertisement consent and obtain that consent before the advert is displayed.

This involves submitting an application form and plan, along with the current application fee of £335 per site. The application form is available at <http://www.southwark.gov.uk/YourServices/planningandbuildingcontrol/planningapplications/planningapplicationformsfees.html> or by contacting the planning department on 020 7525 5403.

An application could cover multiple displays on a single site. The council has eight weeks to make a decision on the application, after which the applicant can appeal if a decision has not been made. The applicant can also appeal if advertisement consent is refused.

In addition to the Advertising Regulations the council will also take account of its Unitary Development Plan when deciding if planning permission can be granted. This states that advertisements will only be permitted where they:

- do not harm amenity or compromise safety, including security: and
- do not obscure highway sightlines and allow the free movement along the public highway by all its users including people with disabilities, especially the visually impaired: and
- are designed (including size, type and any illumination) to be appropriate within the context of the site and to be an integral and unobtrusive part of the character and appearance of the site and surrounding area: and do not cause light pollution.

Penalties

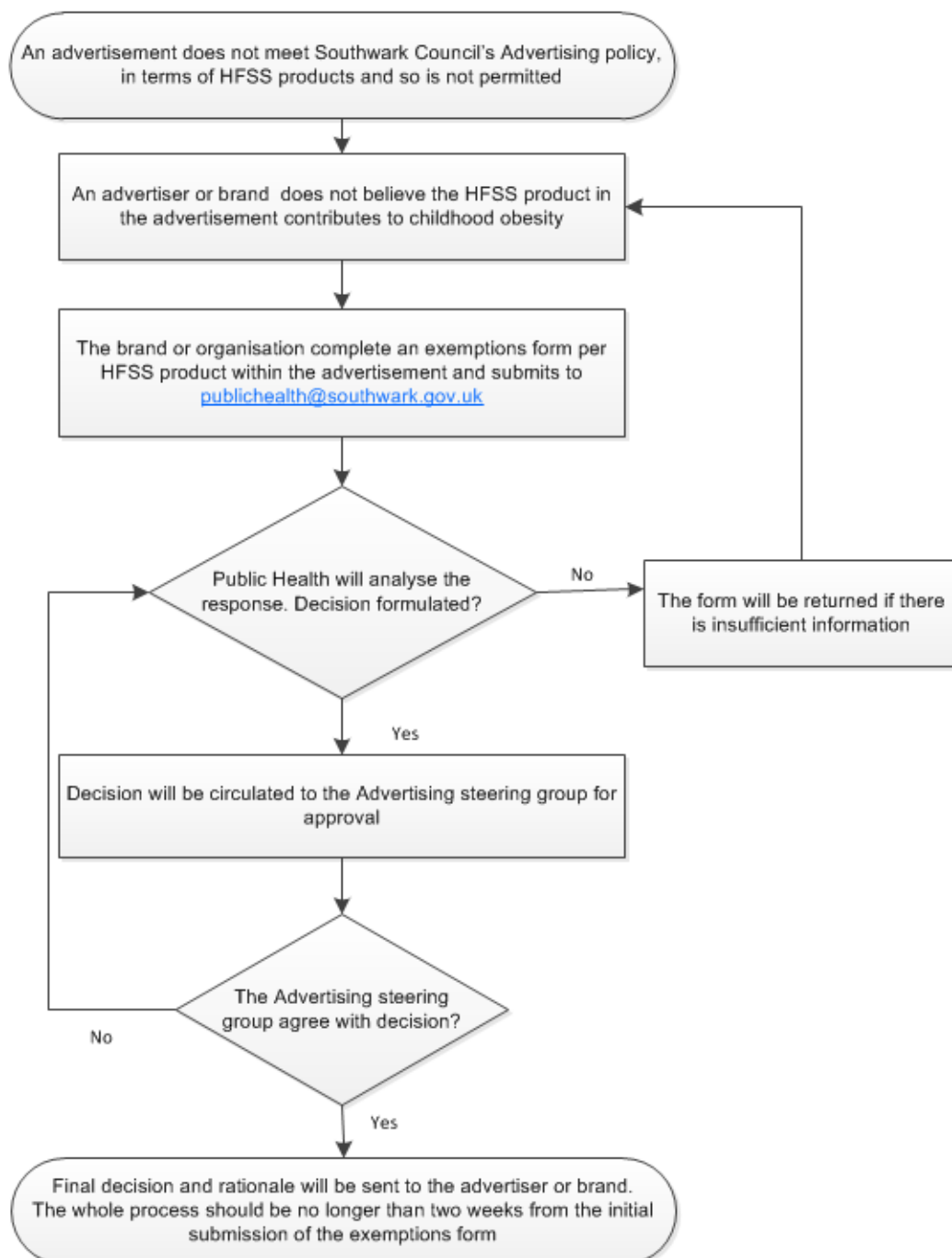
Any person who displays an advertisement without the correct permissions is guilty of an offence. As a result they may be liable to a fine. Such a fine will be a maximum of £1000. In the case of a continuing offence the maximum fine is currently £100 for each day it continues.

Further advice

For further information on the control of advertisements view "Outdoor advertisements and signs: A guide for advertisers" at <http://www.communities.gov.uk/publications/planningandbuilding/outdooradvertisements>

APPENDIX 4

Exemption process diagram



Item No. 19.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Digital Public Health in Southwark: Our Strategic Approach	
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 and COUNCILLOR RICHARD LEEMING, DEPUTY CABINET MEMBER FOR DIGITAL INCLUSION

Our 2018/19 – 2021/22 council plan talks about our ambitions to have ‘responsive, digitally enabled services that adapt well to change’. Digital technology is revolutionising every aspect of people’s lives, and expectations of how shopping, banking and the way we connect with family and friends have fundamentally changed as a result. Now, we must meet those expectations in the delivery of health care.

Southwark has always been at the cutting edge in using technology to enhance health; we are the first borough in London to have a Digital Public Health Programme and it is important to build upon our strong track record of innovation in this space, in order to lead nationally.

This strategy allows us to take a strategic approach to investing in digital public health and provides an opportunity to work with the Health Innovation Network and NHSE London who are developing strong digital health platforms and opportunities. Most importantly, it provides us with an opportunity to understand the opportunities and challenges of scaling up digital public health programmes in a diverse borough such as ours, with particular emphasis on opportunities to reduce inequalities, and develop culturally competent digital programming.

We want all residents and businesses in the borough to have the digital tools and skills they need. We will continue to work with partners to improve Southwark’s digital infrastructure, and we will support residents and community groups to improve their skills so they are able to access everything the digital world has to offer.

RECOMMENDATIONS

Recommendations for the Cabinet

That the Cabinet:

1. Approves the overarching approach to delivering digital public health in Southwark, with an ambition of making the borough the nation's most digitally enabled borough for public health and wellbeing.
2. Notes that a further report detailing the proposed Southwark digital health hub and campaign (#TakeCareSouthwark) will be brought to cabinet for approval later in 2019.

3. Approves the Southwark public health division to explore a potential collaboration with Public Health England (PHE) to trial a novel digital health improvement programme utilising incentives.

BACKGROUND INFORMATION

4. As a young, diverse, and rapidly evolving inner London borough, Southwark is a patchwork of communities from leafy Dulwich in the south, to bustling Peckham and Camberwell, while towards the north, Borough and Bankside are thriving with private investment and development.
5. However, Southwark is the 40th most deprived of 326 local authorities in England and 8th most deprived out of 32 local authorities in London. An estimated 39% of Southwark residents live in communities ranked in the 20% most deprived areas nationally, and only 2% of residents live in communities considered least deprived nationally. Around 15,000 children (28%) in Southwark aged under 16 live in low-income families.
6. Deprivation has an important impact on health, as more deprived areas have higher prevalence of behavioural risk factors. Many factors that increase the risk of chronic illness and co-morbidity are present in the Southwark population, including:
 - Smoking: There are approximately 30,300 residents that smoke.
 - High risk drinking: It is estimated that 32,900 residents binge-drink, and 55,000 residents drink more than the recommended number of units of alcohol per week.
 - Inactivity and sedentary lives: Just under 50,000 residents get less than 30 minutes of exercise each day.
 - Poor mental health and wellbeing: There are over 4,000 people living in Southwark that have been diagnosed with a severe mental illness, and between 2015 and 2017, there were 65 suicide deaths in the borough.
 - Nationally, 70% of adults will have two or more unhealthy lifestyle behaviours, with prevalence increasing with deprivation. In addition, national data shows that as many as 30% of adults are living with two or more long term conditions.
7. Supporting populations to initiate and sustain a healthy lifestyle behaviour change is complex. An individual's behaviour is influenced by their capabilities, opportunities and motivation. All of these need to come together in order for a behaviour change to occur. Public health interventions are designed to influence one or more of these factors, depending on the need of the target population.
8. There is a growing evidence base that digital technology can provide a consistent, high quality and targeted approach to supporting individuals changing their behaviour. Interventions, such as apps, online programmes and websites, complimented with wearable devices either standalone or blended with traditional face-to-face approaches, are well placed to help people to achieve healthy lifestyle changes. Supporting residents to reduce their risk of developing, or helping them to better manage, chronic conditions. They are more likely to live independently, stay in work and engage more in their community.
9. There is also now growing evidence on the use of digital platforms to complement existing health and care services, providing bespoke patient support, improved patient engagement and activation, and facilitating disease

management. Digital approaches have also been used to channel shift patients to effective and less costly services. In this respect, digital approaches are not stand alone, but allow providers to deliver the more costly and intensive face-to-face interventions services to those with the greatest need, whilst those who have high digital literacy and levels of motivation can access digital support services, or a blended approach.

10. The value of digital approaches has been noted in recent national policies by the Department of Health and Social Care, Department for Digital, Culture, Media and Sport, NHS England and Public Health England. The Department of Health and Social Care has recently promoted precision public health and predictive prevention. This involves the careful, targeted and consensual use of data to provide digitally-enabled health improvement interventions in a way people are most likely to engage with and act on.
11. This type of digital engagement is a sophisticated and unobtrusive approach that is widely and effectively used in other sectors to connect people with the services and products they are most likely to want and need. It's only natural to consider how this technology can be harnessed in public health. It fits very well with the general trend in public health as we take advantage of better data and scientific evidence to be more precise and efficient in everything we do.
12. Predictive prevention does not replace existing public health interventions at population or community level – but it does build on existing data-driven targeting techniques and channels to add another dimension of deeper customer engagement. By continuing to combine behavioural science and digital innovations, we can actively encourage people to make healthier choices and take greater responsibility for their wellbeing.
13. Southwark Council's existing Digital Strategy articulates the organisation's vision to use technology – through more efficient, effective and user-centric service delivery models – to improve outcomes for residents. It features five priority areas:
 - A transformed Southwark website
 - Making best use of our business systems and tools
 - Smarter ways of working through business intelligence and analytics
 - Ensuring digital inclusion
 - Increasing pride and engagement via digital communication channels

This is underpinned by three principles:

 - Start with user needs
 - Do less
 - Build digital services, not websites
14. There are existing digital programmes in development across the council, including in children's services. This programme is initially focused on the wellbeing of adults. The Southwark Council approach to digital public health is in line with these principles and the council's Digital Strategy, with a specific focus on health-related behaviours.

DIGITAL PUBLIC HEALTH STRATEGY - KEY ISSUES FOR CONSIDERATION

15. Digital public health tools offer new ways for residents to engage with Southwark Council, improve their awareness and engagement with health and wellbeing,

and promote greater access to and uptake of services to improve outcomes and address inequalities.

16. A digital public health approach will not necessarily or immediately replace traditional public health services nor programmes, but rather, aims to enhance these in order to address three key challenges in the borough:
- **The need to transform traditional public health services:** Budgetary pressures, exiting and emerging health threats, changing patient and public needs require us to continually adapt and evolve public health programmes. Digital transformation of traditional public health programmes (eg. SH:24, online sexual health services) can help us improve access, quality, coverage, scale and impact, patient experience and help reduce costs.
 - **The need to increase health literacy and activation:** In an environment where conflicting health messaging, fake news and misinformation are on the rise, digital approaches (e.g. Change4Life, OneYou, NHS choices) can help maximise opportunities to provide consistent, engaging, accurate and accessible information on health and wellbeing to all members of our community, when they need it, and in the formats that work best for them.
 - **The need to increase the uptake of tools to promote prevention, wellbeing and resilience:** The high burden of chronic diseases in the borough requires an expansion of efforts to promote and support behaviour change and improve access to preventive services. Recent declines in the uptake of preventive programmes e.g. smoking cessation, cancer screening, vaccinations are of great concern. Digital public health approaches (e.g. Active10 to promote physical activity) can provide new ways to promote prevention and resilience, encourage more supported self-management and ultimately reduce the burden on health services.

OUR APPROACH TO DIGITAL PUBLIC HEALTH

17. Additional detail on these challenges, our ambitions for addressing them, and the approaches to be adopted are summarised in the table below.

Three ambitions form the pillars of our digital public health approach. These ambitions are not sequential, but represent three strands of the work being planned and delivered concurrently, to embed and scale digital approaches in our public health practice.

Table: Southwark's Digital Public Health Approach			
Ambition	Objective	Target group	Opportunities
I. Transform public health services	Redesign existing statutory public health services to include digital service components where this adds value.	Specific cohorts of residents, as per clinical need being addressed.	<ul style="list-style-type: none"> ▪ Many public health programmes and services are delivered using models dating back decades. Digital first allows new ways of designing and commissioning public health and prevention services. It also allows us to think differently about existing mandated services. For example: <ul style="list-style-type: none"> - Digital NHS Health Check programme - Sexual Health London e-

			service for self-STI testing - SH:24 collaboration to improve knowledge of and access to contraception
II. Promote population-wide digital activation to support health and wellbeing	Increase access to information, advice, tools and services that promote health awareness, health literacy and promote wellbeing through facilitating sustained behaviour change.	All residents aged 18-74.	<ul style="list-style-type: none"> ▪ Maximise use of Southwark's digital interactions with residents to promote health and wellbeing. ▪ Promote programmes to increase digital health literacy across the life course, e.g. in schools, workplaces, community settings ▪ Work with digital and technology partners to monitor and evaluate key digital uptake and effectiveness.
III. Deliver innovative digital support for adopting healthier behaviours	Scale-up use of evidence based digital tools to target priority behavioural risks, as a blended approach with existing service offerings, to influence behaviour change.	Cohorts of residents with suboptimal health behaviours or at increased risk of disease or disability.	<ul style="list-style-type: none"> ▪ Scale up promotion and engagement with pan-London digital tools and interventions to promote active, healthy living and wellbeing. For example: Active 10, Thrive, Good Thinking, smoking cessation and sleep management tools

Ambition 1: Transform public health services

18. Through this pillar of the digital public health programme, we will build upon digital public health successes to date and accelerate transformation of other traditional public health services.
19. This element of the programme is currently best developed in Southwark, and we are seen as national leaders in this space. We are keen to identify other traditional public health services that can benefit from digital transformation to improve quality, coverage, impact and cost-savings for the council. We will ensure that all new projects are done in partnership with the council's digital team, based on robust evidence and evaluation, and combine digital service design with behavioural science theory.
20. Examples of the transformation to date pioneered by Southwark include:
 - Sexual health e-services: Creation of online STI self-testing services for low-risk, asymptomatic people (working with SH:24 and now Sexual Health London). Along with Lambeth, Southwark provided proof of concept from 2016 for embedding a digital service as a major part of an effective local sexual health system. This digital transformation created additional capacity in oversubscribed sexual health clinics and contributed to the delivery of significant cost reductions in the delivery of sexual health services. Online STI testing has proven popular with residents.
 - Physical activity: Beat the Street was implemented in Southwark in 2018, and is an example of gamification, i.e. making physical activity fun by using game design principles.
 - Digital NHS Health Check: The NHS Health Check is a 5-yearly check at GP surgeries for adults aged 40 – 74, to identify and prevent early signs of cardiovascular disease. The check acts as a signposting and referral

opportunity, however around half of those invited for the check do not attend. Southwark Council was accepted onto the Design Council's *Design in Public Sector* programme to explore digital solutions to this issue. This includes building an online Health Check tool, and improving the invitation schedule for non-responders utilising text messaging and quick access to online checks using QR codes. These launched in early 2019.

- Child death overview function: The council has a statutory duty to review the death of any child or young person with a range of partners. Since 2018, the council has adopted an electronic system (eCDOP) to electronically process child death reviews which has streamlined data collection, allows easier sharing of information for panel meetings and automatically feeds into the National Child Mortality Database (NCMD). This has saved a significant amount of officer time and allows officers to focus on disseminating learning from deaths to prevent future incidents.

21. Future areas of development in this workstream will include:

- Sexual health:
 - Create an online information resource and eligibility checker for different types of contraception for patients and professionals.
 - Create an online central booking system for long-acting reversible contraception (LARC) across SE London to improve patient access.
 - Work with key stakeholders (e.g. clinicians, patients) to identify additional opportunities to leverage digital services to improve the patient journey and cost effectiveness.
- Physical activity: Utilising open data, which (like holiday comparison sites) will enable people to easily find and book activities that suit their personal needs. This will be a partnership with London Sport and local activity providers, lead by Leisure.
- NHS Health Checks: Expanding implementation of the digital health check and evaluating its effectiveness at increasing uptake of the NHS Health Check.

Ambition 2: Deliver population-wide digital support to enable behaviour change to improve health and wellbeing

22. In this pillar of our digital public health approach we aim to use and expand digital approaches to health promotion and primary prevention, linking those in the borough to digital health resources including information, tools, activities, services and community assets that promote wellbeing and support behaviour change.

23. The key identified initiative to deliver this ambition will be the development and evaluation of a bespoke digital health hub for Southwark currently referred to as #TakeCareSouthwark. The digital hub will be developed in partnership with colleagues from across the council, the NHS, Guys and St Thomas' Charity, and community partners and aims to provide:

- a 'one stop shop' for information the health and wellbeing offer for all residents and
- a platform to access digital health tools to support individual behaviour change.

24. The development of the health hub will follow a digital design process (discovery: understanding user need and reviewing the evidence; alpha: scoping solutions and rapidly testing with residents and key stakeholders; beta: building the solution and testing with the public, making rapid improvements; live). Evaluation will run throughout.
25. The #TakeCareSouthwark hub will be underpinned by a social marketing campaign that will signpost residents to the site and to promote available digital resources. The hub and campaign will create a digital health promotion brand for Southwark, which over time will be evaluated to determine its coverage, penetration, acceptability and utility to local residents. Including promotion by professionals linking to initiatives such as making every contact count, and social prescribing.
26. A #TakeCareSouthwark steering group will be established to oversee the development of the programme and its timescales, including public health, communications, digital officers and key external experts, including Southwark CCG, NHS London, PHE London, and the South London Health Innovation Network (HIN).
27. The steering group advised by expert communications officers, will agree the approach to developing the brand, and developing the communications plan including month by month opportunities for co-branding Southwark campaigns, health stories, and promotion of health resources and tools. Partners will also endorse and promote the campaign.
28. The content of the digital health hub will be curated by the steering group, and will build upon resources already available from PHE, NHS England and London, but customised and relevant to those in Southwark. Given the Council's focus on promoting mental wellbeing in the current Council Plan, it is proposed that the initial focus is on mental health and wellbeing and with monthly promotional content and activities.
29. There will be a launch event in 2019/20 to kick-start the new digital campaign and hub and celebrate the Council's commitment to applying and using digital approaches in all we do. The launch will not be rushed, as there is only one chance to launch a campaign.
30. The draft objectives of the #TakeCareSouthwark digital health hub are to:
 - Develop a new overarching digital brand for Southwark's health promotion campaigns and health marketing activities. The brand proposition and social marketing campaign assets will be developed using in-depth insight research with target residents and key stakeholders.
 - Co-brand all health and wellbeing-related content from the council under the brand, creating a more cohesive approach to our health promotion activities and work.
 - Increase knowledge and awareness of important health and wellbeing issues through the social marketing campaign, and develop a call to action that directs residents to the digital hub. Leveraging Southwark's strong digital assets including Facebook, Twitter, Instagram and the Southwark website.
 - Develop the digital health promotion hub following digital design principles, in partnership with key stakeholders and service users.
 - Ensure this hub promotes ready access to information, resources, tools

and services that increase the individual's intention to change their health behaviours and maximises the potential for actual sustained behaviour change. Consider interoperability and role in a blended approach with more traditional face to face services.

- Launch and test "Beta" phase, undertake rapid improvement for borough wide launch of "live" stage.
- Evaluate the degree to which this approach is effective, including understanding who engages in this type of programme and the benefits and risks of this approach compared to other methods of engagement.

Ambition 3: Deliver innovative digital support for adopting healthier behaviours

31. The third pillar our digital health programme aims to expand the local use of evidence-based digital tools to target priority behavioural risks. The NHS app library and Public Health England already provide access to a range of accredited digital tools to help support healthy behaviours including physical activity, sleep, mental wellbeing, smoking cessation, oral health and mindfulness.
32. We will work with local health and care partners, and our local communities, to identify the most relevant digital interventions and actively promote their availability and utility. Our partnership with digital companies and academic partners will enable us to evaluate whether this active marketing is effective, with whom and with what impact. This approach will be embedded within our digital health hub and associated campaigning.
33. One of the novel opportunities in this pillar is a potential collaboration with Public Health England to develop, evaluate and implement an innovative digital health incentives programme. PHE have partnered with Greater Manchester to test digital methodologies for creating and sustaining healthier behaviours, using a tool they have commissioned. Southwark Council have been invited to be part of the exploratory work to examine the feasibility and utility of this approach at no cost to Southwark.
34. This new digital tool has been tested at a large scale internationally, and engages users in health improvement by incentivising behaviour change with meaningful reward points. Users pick their preferred reward points (e.g. Boots Advantage, Tesco Clubcard, Sainsbury's Nectar), complete quizzes that allow them to improve their knowledge of key wellness topics, make small, meaningful changes to their behaviour (i.e. achieving personal walking goals), and are rewarded with a number of points.
35. Detailed discussions with PHE are yet to commence. We believe that this may provide another channel to engage and support people in Southwark to adopt healthier behaviours. If effective, this platform could potentially be offered to support local residents in five areas:
 - Digital health assessment
 - Physical activity
 - Mental wellbeing
 - Tobacco cessation
 - Alcohol moderation
36. PHE is still very early in this process, and as lessons are learnt from

development and implementation in Manchester, we will have an opportunity to build upon these locally. If feasible and acceptable, the provider will work in partnership with Southwark Council and PHE to tailor the platform for Southwark.

Digital Public Health: Maximising the benefits, minimising the harm

37. While providing an exciting new opportunity for public health in Southwark, we recognise the challenges with developing and implementing digital health solutions and will work with partners within and outside of the council to mitigate these. Risks we have identified to date, that we will be working to mitigate during programme development include:

- Ensuring that we utilise digital technology in a way that actively reduces inequalities, and avoids further exacerbation.
- Design services that incorporate digital technology that are centred on the needs and views of residents.
- Takes into account the emerging evidence of the impact of excessive screen time on physical and mental health. Ensures that services that have a digital component are designed to take these issues into account.
- Establish a quality assurance process for digital tools which we are making available to the public?
- Understand and manage effectively the potential concerns about data ownership, privacy, data sharing, and intellectual property in the current and future environment?
- In a rapidly changing world, how do we ensure sustainability of our programmes and engagement?
- What will good look like and how will we know we have achieved it?

38. Each of these will be explored and addressed during the development phase of the programme and will be considered in depth by the steering group.

39. Other considerations that will be taken forward as part of our digital public health approach include:

- Explore and evaluate the most effective ways to reach and engage all sectors of our community, using digital approaches. Ensuring our approach is inclusive.
- Work with a broad range of clinical and community partners to ensure wide engagement and support those in greatest need to take up these approaches.
- Explore the opportunities to link with our local IT community and partners who are developing innovative and approved digital tools, supporting our local economy.
- Explore what works in promoting engagement with digital health tools and their ongoing use.

Policy implications

40. These proposals are in line with the objectives set out in the following internal and external policies:

- Southwark Council's three relevant strategies: *IT Strategy*, *Digital Strategy*, and *Digital Infrastructure Strategy*
- *Southwark Health and Wellbeing Strategy*
- UK Government's *Digital Strategy*

- Public Health England's *Digital First Strategy*
- Greater London Authority's *London Plan for Digital: Smarter London Together*.

Community impact statement

41. There is a risk that digital health initiatives may widen health inequalities between people who are more or less comfortable with digital technology. This digital divide may be stronger for the following protected characteristics: older age; disability; race (in cases where this correlates with income and deprivation). This creates the risk that those with the largest health needs (older people from disadvantaged backgrounds with health conditions and disabilities) will uptake services less than younger, potentially healthier people from advantaged backgrounds with lower health needs. However, it is envisaged that this programme will enable the targeting of face-to-face services towards those who need them most (as has been observed in sexual health service transformation and the introduction of e-services).
42. There are three primary mitigations against this risk:
- This programme has been designed to complement and amplify the effects of traditional health services, not replace them.
 - Lead officers will monitor uptake of these programmes including protected characteristics, and inequalities arising, with services as they are developed. In cases where early signs of inequalities are noted, it will be appropriate to adapt services.
 - The Digital Infrastructure Strategy is developing a programme of upskilling and support that will enable Southwark residents to take advantage of opportunities like Southwark Health Incentives Programme.
43. An Equalities Impact Assessment will be undertaken as part of implementing each component of the strategy.

Resource implications

44. A new officer post has been created and appointed to, which will lead the Southwark approach to digital public health.
45. This officer will manage the implementation and evaluation of the entire programme described in this report, calling on other officers as required.

Legal implications

46. Under Regulation 6 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, local authorities have a duty to provide, or to make arrangements to secure the provision of a range of public health services, including those described in this report. The Regulations do not prescribe how the services should be provided.

Financial implications

47. Participation in the digital incentives trial with PHE is at no cost to Southwark Council. However, officers have approached the Guys and St Thomas' Charity as collaborating partners as the trial is adapted to and enhanced in Southwark, with a particular focus on evaluation. If successful, officers will explore how

investments could be sustained using other sources of funding as part of the commitment to health improvement in the borough.

48. It is expected that there will be modest costs associated with the development of the new #TakeCareSouthwark website, which will be scoped in detail at the next stage of this programme, including the engagement strategy, and detailed in a relevant cabinet report.
49. It is not anticipated that there will be new investments required as part of this initial programme; any spend would be managed within existing budgets (e.g. as part of transforming services from a traditional model to a mixed traditional/digital model).
50. Any future spend under this programme would follow the contract standing orders authorisation processes.

Consultation

51. This approach has been developed in consultation with various officers, including physical activity, communications, digital, and public health.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

52. This report seeks approval by Cabinet of the approach to delivering digital public health in Southwark in partnership with PHE.
53. The trial stage of the report is at no cost to Southwark Council, there will be some modest cost detailed in paragraph 48 regarding development of the website and all other costs will be managed within existing Council budgets.
54. Dependant on the value of the digital health services the necessary gateway reports will need to be complete or comply with the Council's contract standing orders.

Director of Law and Democracy

55. This report seeks approval of the approach to delivering digital public health in Southwark and to enter into a partnership with PHE. The decision to agree this is one that can be taken by the Cabinet.
56. As stated in paragraph 46 the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 require local authorities to make arrangements to secure the provision of a range of public health services, including those described in this report.
57. The implementation of this will need to ensure that the council comply with relevant legislation such as Data Protection Act and GDPR.
58. In addition the implementation will need to have regard to the council's duties regarding best value.

59. The cabinet should have regard to the council's duty under the Equality Act 2010 ("the Act") which requires the council to have due regard when taking decision to the need to:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - Foster good relations between those who share a relevant characteristic and those that do not share it.
60. Of particular regard are issues of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Strategic Director of Finance and Governance (FC18/041)

61. The strategic director of finance and governance notes that there no new financial implications arising from this report as all related expenditure are expected to be funded within existing budgets.
62. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Other officers: Director of Modernise

63. This initiative aligns with both the Digital and Digital Infrastructure Strategies of the council. As detail emerges around the digital and technology requirements for this initiative, further engagement with IT & Digital Services will be required.

Other officers: Head of Communications

64. The Digital Health project is identified as a priority campaign in the External Affairs (EA) strategy (2018-2022), and is in line with the council's wider ambitions to find innovative digital solutions for services and messages. The digital hub will provide a home for engaging content to influence resident behaviour in other key council plan and EA priority areas such as tackling childhood obesity, reducing STIs, and encouraging active, healthy lives. It will also enhance Southwark's reputation as an innovator and leader in public health and digital innovation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Community Safety and Public Health, and Councillor Richard Leeming, Deputy Cabinet Member for Digital Inclusion	
Lead Officer	Professor Kevin Fenton, Strategic Director Health and Wellbeing	
Report Author	Sigrid Blackman, Jo Stead	
Version	Final	
Dated	7 June 2019	
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
Head of Procurement	Yes	Yes
Director of Modernise	Yes	Yes
Head of Communications	Yes	Yes
Cabinet Members	Yes	Yes
Date final report sent to Constitutional Team	10 June 2019	

Item No. 20.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Appointments to Outside Bodies 2019-20	
Ward(s) or groups affected:		Not applicable	
From:		Proper Constitutional Officer	

RECOMMENDATION

1. That the cabinet consider and agree appointments to the outside bodies listed in Appendix A of the report for the 2019-20 municipal year.

BACKGROUND INFORMATION

2. Each year the council makes appointments/nominates individuals to outside bodies.

KEY ISSUES FOR CONSIDERATION

Appointments to outside bodies

3. It is for the cabinet to affiliate to and appoint representatives to outside bodies where such appointments are a function of the cabinet.
4. Attached as Appendix A is a list of the outside bodies the cabinet are being recommended to consider appointing to for the 2019-20 municipal year.

Legal implications

5. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance is available in the Library on the council website.

Community impact statement

6. The council is being invited to make nominations to various outside bodies. The nominations process has no direct impact on the community.

Consultation

7. The political group whips have been consulted on the issues contained in the report and have been invited to submit nominations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	Appointments to outside bodies 2019-20

AUDIT TRAIL

Lead Officer	Chidilim Agada, Head of Constitutional Services	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	6 June 2019	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Date final report sent to Constitutional Team		6 June 2019

APPENDIX A

APPOINTMENTS TO OUTSIDE BODIES 2019-20

Name	Purpose	No. of places	Notes
Better Bankside Board	To improve the quality of the Bankside environment, further develop the potential draw of the area, increase the sense of security and ensure that better and sustainable maintenance and management arrangements are put in place.	1	(Regeneration function) Councillor or officer.
Blue Bermondsey BID Board	<p>To help tackle street crime and anti-social behaviour.</p> <p>To offer access to free recycling services to local businesses.</p> <p>To engage the local community to report on areas of grime to ensure streets stay clean.</p> <p>To work with local business support organisations to try and get local people into jobs.</p> <p>To work with local schools to get young people involved in apprenticeships and works schemes.</p>	1	(Community safety function)
Board of Lewisham Southwark College Corporation	The college offers a range of provision including short courses, higher education and apprenticeships. The governance of the college is headed by a Corporation Board.	1	
Browning Estate Management Association	To oversee the management/running of Browning Estate with its own independent budget.	4	2 councillors, 2 officers (management association have requested 1 councillor for 2019-20)

Name	Purpose	No. of places	Notes
Canada Water Consultative Forum	The forum is responsible for advising on the overall direction of development proposals and ensuring public awareness and involvement in the development proposals.	4	(Regeneration function)
Central London Forward	To provide a cross-sector 'voice for central London'. It operates at a strategic level, seeking to influence policy makers on matters of mutual interest to the communities and businesses of central London.	1	(Regeneration function) Must be the Leader of the Council.
Centre for Literacy in Primary Education	Professional development and family learning centre. Provides a range of education support, advisory and direct delivery services to schools and families throughout Southwark.	1	(Education function)
Creation Trust	The Creation Trusts key aims are: <ul style="list-style-type: none"> • Engaging the community within the regeneration programme. • Tackling issues around skills and training, young people and health and wellbeing. 	3	(Regeneration function)
Cross River Board	To deliver cross-borough regeneration initiatives north and south of the River Thames in the London Boroughs of Southwark and Lambeth, the Corporation of London and the City of Westminster.	1	(Regeneration function) Usually the leader or cabinet member for regeneration.

Name	Purpose	No. of places	Notes
Crystal Palace Community Development Trust	Trust set up to oversee the development of the Crystal Palace area.	1	(Regeneration function)
Newable Limited (formerly Greater London Enterprise Limited)	To assist, promote, encourage and secure the physical and economic development and regeneration of the whole or any part of Greater London.	1	(Regeneration function) Does not have to be a councillor.
Groundwork London, Local Authority Strategic Input Board	<p>The Local Authority Strategic Input Board enables Local Authorities to shape the strategic direction of Groundwork within Local Authorities by:</p> <ul style="list-style-type: none"> • Advising Groundwork on the regeneration needs of local communities. • Providing input to the development process for projects and programmes. • Developing and maintaining close relationships with elected members and officers of local authorities. • Developing relationships with other key local partners. 	1	(Regeneration function)
Guys and St Thomas NHS Foundation (Council of Governors)	<p>To advise the trust on how it carries out its work so that it is consistent with the needs of the members and wider community.</p> <p>The governors:</p> <ul style="list-style-type: none"> • help the trust to carry out its duties in ways that meet with NHS values and the terms 	1	(Health function)

Name	Purpose	No. of places	Notes
	<p>agreed with Monitor, the independent regulator for NHS Foundation Trusts</p> <ul style="list-style-type: none"> advise the trust on its longer term strategy provide advice and support to the Board of Directors, who are responsible for the overall management of the trust. 		
Kings College Hospital NHS (Council of Governors)	<p>Their vision is to become a fundamentally new kind of hospital built around patient need, offering patients the highest quality of care, and to deliver this as part of a joined-up and well-managed healthcare system, built in partnership with GPs and other healthcare providers.</p>	1	(Health function)
London Road Safety Council (LRSC)	<p>To reduce the number of road accident casualties within Greater London and provide a means of communication relating to road accident prevention between London local authorities, central government and other organisations.</p>	2	<p>(Community safety function)</p> <p>Up to two elected members and an officer from road safety education.</p>
London Youth Games Limited	<p>The London Youth Games Limited organise the annual London Youth Games on behalf of the London boroughs. It is a non-profit making company owned and guaranteed by the London boroughs and the City of London Corporation.</p>	1	<p>(Leisure function)</p> <p>One representative and one deputy.</p>
Millwall For All	<p>The objectives of Millwall for All are:</p> <ul style="list-style-type: none"> To promote equality and diversity in football and other sports at amateur 	1	(Equalities and Diversity function)

Name	Purpose	No. of places	Notes
	<p>and professional</p> <ul style="list-style-type: none"> • To promote awareness of equality and diversity in primary schools in Lewisham and Southwark • To develop active programmes and partnerships designed to promote equality and diversity in football and build community cohesion • To raise funds for equalities programmes • To represent the boroughs of Lewisham and Southwark on equalities and diversity in football • To publicise the work being done by Millwall Football Club to tackle racism and promote equalities and community cohesion. 		
<p>North Southwark Environment Trust</p>	<p>The preservation and conservation of the environment for the benefit of the public, including the promotion of energy efficiency and efficient methods of disposing of waste.</p> <p>The provision of facilities for education, recreation or other leisure time occupation, in the interests of improving the conditions of life of the inhabitants covered by the area of benefit.</p>	1	<p>(Environment function)</p> <p>Does not have to be a councillor.</p> <p>The area of benefit covered by the trust is north of the roads known as Camberwell New Road, Camberwell Church Street, Peckham Road, Peckham High Street and Queens Road.</p>

Name	Purpose	No. of places	Notes
Potters Fields Park Management Trust	Potters Fields Park Management Trust leases the park for events, functions and other activities in order to provide funds for maintenance, and to develop programmes which educate and engage with the community.	2	(Leisure function) Does not have to be a councillor.
South Bank Partnership	Engagement with South Bank employers groups, local MPs and community organisations in North Lambeth and Southwark (Bankside).	4	(Arts and culture function) One representative and local ward councillors.
South Bermondsey Big Local Partnership Steering Group	The Partnership informs and guides the development and delivery of the BIG Local programme for South Bermondsey and Old Kent Road wards.	2	(Community engagement function) Currently one Old Kent Road and one South Bermondsey ward councillor.
South London Gallery Trustee Limited	To act as trustees and director of South London Gallery Trustee Ltd (the sole trustee of the South London Fine Art Gallery and Library Trust), which operates the South London Gallery as a public contemporary art gallery. Southwark Council is a major funder of the gallery but trustees must act solely in the best interests of the charity and are responsible for controlling the management and administration of the charity in line with the governing document.	3	(Arts and culture function)
South London and Maudsley (SLaM) NHS Trust Members Council	To support the board of directors in setting the longer-term vision for the trust and to influence proposals to make changes to services and to act in a way that is	1	(Health function)

Name	Purpose	No. of places	Notes
	consistent with NHS principles and values and the terms of the trust's authorisation.		
Southwark and Lambeth Archaeological Excavation committee (SLAEC)	SLAEC is an advisory body established to promote archaeological work in Southwark and to advance the knowledge of the history of Southwark and Lambeth by archaeological investigation.	1	(Leisure function) One representative and one deputy.
Southwark Construction Skills Centre ("the Centre")	<p>To work together in the delivery of the Southwark Construction Skills Centre ("the Centre").</p> <ul style="list-style-type: none"> • Establish a centre of construction training excellence for the local construction industry • Deliver high quality construction skills training • Inspire local school age children to pursue a career in the construction industry • Provide pathways into employment in the construction industry for local people, by increasing the employment and training opportunities in the sector for the borough's residents, as well as helping the local construction industry meet their skills needs • Provide a visible 'front door' to enable local people to find new skills and employment opportunities within the construction sector. 	1	(Regeneration/employment and education function) Cabinet or deputy cabinet member
Safer Neighbourhood	The role and purpose of the Safer Neighbourhood Board is:	1	(Community safety function)

Name	Purpose	No. of places	Notes
Board (Southwark)	<p>to ensure communities are more closely involved in crime reduction and prevention;</p> <p>to have a broad remit to reflect M.O.P.A.C's (Mayor Office for Policing and Crime) broader responsibilities;</p> <p>to have greater reach in community involvement;</p> <p>to achieve greater coherence between different engagement mechanisms and;</p> <p>to make more efficient use of resources to deliver value for money and target funds at tackling issues of local concern and crime prevention.</p>		Cabinet member with community safety portfolio
WeAreWaterloo BID (Business Improvement District)	<p>To create a safer and more pleasant trading environment for businesses and to promote the area to bring in more visitors, whilst maintaining its individuality and unique character.</p>	1	<p>(Regeneration function)</p> <p>Usually a ward councillor (St. George's).</p>

Item No. 21.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Nominations to Panels, Boards and Forums 2019-20	
Ward(s) or groups affected:		Not applicable	
From:		Proper Constitutional Officer	

RECOMMENDATIONS

1. That the cabinet agrees the allocation of places to the panels, boards and forums set out in Appendix A of the report for the 2019-20 municipal year and nominates members accordingly.
2. That the cabinet considers whether to appoint a chair and vice-chair to the following body from amongst those individuals appointed to serve:
 - Standing Advisory Council on Religious Education.

BACKGROUND INFORMATION

3. It is for the cabinet to agree the allocation of places to panels, boards and forums in connection with the functions that are the responsibility of the cabinet.

KEY ISSUES FOR CONSIDERATION

Proportionality

4. Appendix A sets out the detail of those, panels, boards and forums for which nominations are required for the 2019-20 municipal year. There is no requirement that appointments to panels, boards and forums are proportionate and in the past, where the allocation of seats has been proportionate, this has been done by local agreement.
5. There is no requirement that a seat allocated to a particular group can only be filled by a member of that group. Therefore groups have the discretion to allocate seats as they wish, including to a member of another group or an individual councillor.

Appointment of chairs and vice-chairs

6. In recommendation two, members are asked to consider whether the appointment of the chair and vice-chair of the standing advisory council on religious education (SACRE) should be agreed by the cabinet or at the first meeting of the body. If Members are minded to agree the chair and vice-chair at this meeting then names should be given at the time:
 - Standing Advisory Council on Religious Education

7. Currently SACRE appoint the chair and vice-chair.

Establishment of new bodies

8. Members may wish to establish new bodies or recommend that officers look into changing the status of existing bodies. In relation to the creation of new bodies, Members will need to:
- (i) agree new terms of reference
 - (ii) agree the membership and allocation of places
 - (iii) consider whether to appoint the chair and vice-chair.

Community impact statement

9. There are no specific community impact issues arising from the recommendations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	Nominations to Panels, Boards and Forums 2019-20

AUDIT TRAIL

Lead Officer	Chidilim Agada, Head of Constitutional Services	
Report Author	Paula Thornton, Constitutional Officer	
Version	final	
Dated	6 June 2019	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES/CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Date final report sent to Constitutional Team		7 June 2019

APPENDIX A

NOMINATIONS TO PANELS, BOARDS AND FORUMS 2019-20

JOINT PARTNERSHIP PANEL (TRADE-UNION CONSULTATION)

Summary of Functions	Status	Membership	Politically Proportionate
To provide a member-level trade union consultation forum for dialogue on corporate policy issues and corporate proposals affecting the workforce.	Non statutory	2 Councillors, Human Resources Director, Chief officer team representative, plus accredited Branch Secretaries of Unison, GMB and Unite.	Not applicable (N/a)

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
2 representatives from the cabinet. In 2018-19 the cabinet members were the leader of the council and cabinet member responsible for human resources.	2 representatives from the cabinet	2 Councillors	None

HOMEOWNERS SERVICE CHARGE ARBITRATION TRIBUNAL

Summary of Functions	Status	Membership	Politically Proportionate
To resolve homeowner service charge disputes from 2014-15 onwards.	Non statutory	1 Independent chairperson 1 Leaseholder representative 1 Councillor (from pool) 1 Independent legal representative	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Unlimited	Unlimited	Members to act as pool	Cabinet members are not able to be members of the panel.

TENANCY AND LEASEHOLD ARBITRATION TRIBUNALS

Summary of Functions	Status	Membership	Politically Proportionate
<p>To resolve certain disputes between secure tenants and the council (landlord) arising from a breach within the terms of the Tenancy Agreement.</p> <p>To resolve disputes between Southwark Right to Buy applicants, Southwark Council leaseholders and Residential Freeholders who pay a service charge to Southwark Council.</p>	Non statutory	1 Independent chairperson 1 Tenant or Leaseholder representative 1 Councillor (from pool)	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Unlimited.	Unlimited	Members to act as a pool	Cabinet members are not able to be members of the panel.

SOUTHWARK SAFEGUARDING ADULTS BOARD

Summary of Functions	Status	Membership	Politically Proportionate
The purpose of the Board is to ensure that adults can live a life free from abuse and neglect.	Statutory	Senior managers from different services and agencies including independent and voluntary sector	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Cabinet Member for Children, Schools and Adult Care Cabinet Member for Community Safety and Public Health	Cabinet Member for Children, Schools and Adult Care Cabinet Member for Community Safety and Public Health	2	

SOUTHWARK SAFEGUARDING CHILDREN'S BOARD

Summary of Functions	Status	Membership	Politically Proportionate
<p>To promote and safeguard the welfare of children.</p> <p>To engage in activities that safeguard all children and aim to identify and prevent maltreatment or impairment of health or development.</p> <p>To ensure that children are growing up in circumstances consistent with safe and effective care.</p> <p>To lead and co-ordinate proactive work that aims to target particular groups and to arrange for responsive work to protect children who are suffering, or likely to suffer significant harm.</p>	Statutory	Senior managers from different services and agencies including independent and voluntary sector.	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Cabinet Member for Children, Schools and Adult Care and request for Cabinet Member for Community Safety and Public Health	Cabinet Member for Children, Schools and Adult Care and request for Cabinet Member for Community Safety and Public Health.	2	Cabinet in 2018-19 also requested that the Cabinet Member for Community Safety and Public Health also be invited to these meetings.

STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION

Summary of Functions	Status	Membership	Politically Proportionate
To review the existing provision of Religious Education and consider whether any changes need to be made in the agreed syllabus or in support offered to schools. To monitor the provision of the daily collective worship and to consider any action to improve such provision.	Statutory	4 Councillors Plus representatives of local faith groups and Teachers Associations	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Labour – 3 Liberal Democrats – 1	Labour – 3 Liberal Democrats – 1	4 Councillors	

SOUTHWARK TENANT MANAGEMENT ORGANISATION COMMITTEE

Summary of Functions	Status	Membership	Politically Proportionate
To discuss with representatives of TMO's issues of mutual interest.	Statutory	4 Councillors TMO Representatives Cabinet Member for Housing Management and Modernisation	N/a

Allocation 2018-19	Proposed Allocation 2019-20	Council Appointment	Comments
Labour – 3 Liberal Democrats – 1	Labour – 3 Liberal Democrat – 1	4 Councillors and Cabinet Member with responsibility for Housing	

Item No. 22.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		Council Assembly	

RECOMMENDATION

1. That the cabinet considers the motions set out in the appendices attached to the report.

BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 27 March 2019 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motion referred to it. Any proposals in a motion are treated as a recommendation only. When considering a motion, cabinet can decide to:
 - Note the motion; *or*
 - Agree the motion in its entirety, *or*
 - Amend the motion; *or*
 - Reject the motion.

KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10.6, the attached motions were referred to the cabinet.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda	Report on the council's website	Virginia Wynn-Jones Constitutional Team 020 7525 7055
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&MId=6097&Ver=4		

APPENDICES

Number	Title
Appendix 1	Declaring a Climate Change Emergency
Appendix 2	Making Southwark a Living Wage Place
Appendix 3	Nexus-Group GP Services
Appendix 4	Crossrail and Cuts To Transport For London
Appendix 5	HIV In Southwark
Appendix 6	Reform Our Broken Housing Economy
Appendix 7	End Violence At Work Charter

AUDIT TRAIL

Lead Officer	Chidilim Agada, Head of Constitutional Services	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	29 May 2019	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Finance and Governance	No	No
Director of Law and Democracy	No	No
Strategic Director of Children's and Adults' Services	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	30 May 2019	

APPENDIX 1

DECLARING A CLIMATE CHANGE EMERGENCY

1. Council assembly notes:
 - a. Southwark's Council Plan Commitments to make Southwark carbon neutral by 2050 and halve Southwark Council's emissions by 2022.
 - b. Southwark Council's existing work to tackle climate change, including:
 - i. Cutting the council's carbon emissions by 25%;
 - ii. Divesting pensions funds away from fossil fuels into sustainable alternatives;
 - iii. Introducing idling fines for drivers who leave their engines running while idle;
 - iv. Closing roads around schools to improve air quality;
 - v. Ensuring more people are walking and cycling rather than using greenhouse gas emitting vehicles;
 - vi. Protecting Southwark's biodiversity;
 - vii. Keeping recycling rates high: Southwark's are currently the highest in inner London;
 - viii. Committing to ending single use plastic in the council, halving it in the borough, and introducing water fountains to reduce plastic bottle use.

2. Council assembly further notes:
 - a. Humans have already caused climate change. Global temperatures have already increased by 1°C from pre-industrial levels. Atmospheric CO₂ levels in excess of 400 parts per million are already far in excess of the 350 deemed the safe level for humanity.
 - b. That plastic pollution has become a widespread and critical problem throughout our society and steps must be taken to halt and reduce the flow of plastic waste into our environment. This is a problem that is not going away - all of the plastic ever created still exists today and estimates suggest that 1 in 3 fish now contain some traces of microplastic so our waste is now contaminating our food chain.
 - c. The recent 2018 Intergovernmental Panel on Climate Change (IPCC) report which states that we have just 12 years to act on climate change if global temperature rises are to be kept within the recommended 1.5°C.
 - c. That the expected consequences of a 2°C instead of a 1.5°C increase in global temperatures would include 99% of warm water corals and their associated ecosystems disappearing, at least one in ten summers in the Arctic having little or no sea ice at all, 420 million more people worldwide being exposed to extreme heatwaves, sea levels at least 10cm higher, more frequent extreme weather events, and potential mass extinctions of animals.
 - d. That this Conservative government's failure to take the radical steps required to prevent an increase of over 1.5°C is shameful. Its guidelines to only reduce carbon emissions by 80% by 2050 are woefully short of the change that is needed.
 - e. That as a largely low-lying area next to the tidal Thames, Southwark is particularly prone to the impact of sea level rises and flooding.
 - f. Rebecca Long-Bailey MP, Shadow Secretary of State for Business, Energy and Industrial Strategy's recent announcement that the Labour Party

intends to launch a Green New Deal, which would decarbonise the UK's economy, and create thousands of new jobs in the renewable energy sector in deprived areas and communities. Proposals also include increasing the UK's installed offshore wind capacity sevenfold, bringing all homes in the UK up to the highest efficiency standard, and tripling the UK's solar power capacity.

- g. That the Labour Mayor of London, Sadiq Khan, has declared a climate emergency.

3. Council assembly believes:

- a. This situation requires urgent action by all levels of government, businesses and individuals.
- b. That, despite the leadership already shown by Southwark Council to reduce carbon, it needs to go further still if we are to play our part in preventing further climate change and to set an example to others.
- c. That, whilst Southwark Council can and should take all possible steps to reduce carbon emissions and improve environmental sustainability, ultimately this problem needs to be tackled on a national and international scale.
- d. That bold climate action can deliver economic and social benefits: new jobs, economic savings, business opportunities and improved health and wellbeing.

4. Council assembly resolves to call on cabinet to:

- a. Declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030.
- b. Develop a strategy, working with local stakeholders, to ensure that the council becomes carbon neutral at a much more rapid pace than currently envisaged. This Carbon Reduction Strategy should aim to achieve carbon neutrality by 2030 if feasible. This strategy should be clear in its targets and resources required. It should also be developed in a way that is sufficiently flexible to make best use of new carbon reduction technologies as they develop.
- c. Call on other London boroughs to also work towards carbon neutrality by 2030.
- d. Lobby government to provide the power and resources to the Mayor of London and local authorities to accelerate the pace of carbon reduction.
- e. Lobby the government to take radical steps to divest away from fossil fuels, invest in new technologies to make innovative approaches such as carbon sequestering possible, and reduce the UK's reliance on greenhouse gases.

5. On the principle of 'Think Global, Act Local', council assembly:

- a. Notes the value of community assets, such as the allotments in Lamash Street in Saint George's Ward, through which local residents have provided a sustainable source of locally produced organic food for decades;
- b. Fully supports the Rotherhithe – Canary Wharf Pedestrian and Cycle bridge, which will be the centrepiece of the green transport strategy for the area;
- c. Commits itself to investigating the possibility of gradually phasing out car lease schemes for those non-key workers who do not need exclusive access to a car in order to carry out their job;

- d. Recognises the vital importance of open spaces to Southwark's communities, in particular that the availability and accessibility of open space in our borough contributes towards addressing loneliness amongst older people, by providing a place for them to socialise;
- e. Further recognises that well maintained public open spaces can provide an appropriate place for younger people to meet and socialise, in a way which minimises the risk of anti-social behaviour;
- f. Notes that there are considerable financial savings to be made by 'going green', whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as installing solar panels on council properties;
- g. Commits itself to supporting low or zero-emissions public transport, and calls on Transport for London (TfL) to reinstate the no-emission RV1 bus service in full;
- h. Commits to working with TfL to reduce congestion on Jamaica Road and Lower Road;
- i. Commits to push developers to work harder on meeting the council and GLA's carbon reduction targets, and ensure that monies collected in lieu through the Carbon Offset Fund are spent on projects that genuinely offset the equivalent emissions created by new developments;
- j. Commits to investigate ways of combining 'Big Data' and new technologies to support smarter management of our local environment, taking inspiration from examples such as the Municipality of Albertslund in Denmark, who tested different waste solutions to improve knowledge on how to optimise the collection and route planning of waste, and the city of Copenhagen who have used data-driven traffic management to improve air quality.

APPENDIX 2

MAKING SOUTHWARK A LIVING WAGE PLACE

1. Council assembly notes:
 - a. That low pay is a leading cause of poverty, with the majority of people living in poverty now being in working households.
 - b. That the real Living Wage is independently-calculated based on real living costs and reflects the minimum people need to earn to get by. It is currently £10.55 an hour in London.
 - c. That 21% of all workers in the UK still don't earn a real Living Wage – meaning that they are paid less than it costs to have a decent quality of life.
 - d. That research from the Living Wage Foundation has found that 93% of Living Wage Employers have seen benefits since accrediting; that 86% say it has improved their reputation; and that 75% say it has increased staff motivation and retention.

2. Council assembly further notes:
 - a. That Southwark Council is an accredited Living Wage Employer. This means that all council employees and contractors are paid at or above the London Living Wage.
 - b. That Southwark Council has also led the way in establishing the Southwark Apprenticeship Standard, which commits organisations and employers to providing high quality apprenticeships, including paying at least the London Living Wage. Over 50 Southwark employers have now signed up to the standard.
 - c. That Southwark has also signed up to the Ethical Care Charter, which has improved working conditions for contracted employees who provide home care services to Southwark residents. The Ethical Care Charter includes a requirement to pay the London Living Wage to all home care staff, and pay for travel time.
 - d. That both the Southwark Apprenticeship Standard and the Ethical Care Charter have led to positive outcomes not only for employees but for service users and local residents.
 - e. That the council's work to promote the Living Wage to other employers in the borough has been a key factor in 137 employers in Southwark now being accredited Living Wage Employers.
 - f. The Council Plan commitments on the Living Wage, which are to:
 - i) Double the number of employers who pay the London Living Wage and make Old Kent Road and Canada Water London Living Wage Zones;
 - ii) Introduce a Southwark Good Work Standard and only work with companies that will recognise trade unions, pay the London Living Wage and do not use harmful zero hours contracts;
 - g. That the Living Wage Foundation has announced that it is piloting "Living Wage Places" where councils work with 'anchor institutions' (major local employers who represent the community) to increase the uptake of employers paying the London Living Wage across the area.

3. Council assembly further notes:

- a. That this Conservative government's so-called 'Living Wage' is set at £7.83 per hour for over 25 year olds – and for those under 25 and apprentices it can be as low as £3.70 per hour.
 - b. That the government's 'Living Wage' is calculated as a percentage of median earnings, rather than being calculated as the amount of money needed to live on.
 - c. That the real London Living Wage is currently £10.55 per hour – almost £3 per hour more than the government's Living Wage for over 25 year olds.
 - d. That this disparity between the government's 'Living Wage' and the actual Living Wage means too many people in this country cannot afford a decent quality of life on the wages they earn, and so are either forced to work multiple jobs to make ends meet, or find themselves falling into poverty.
4. Council assembly resolves to call on cabinet to:
- a. Reiterate our commitment to making the Old Kent Road and Canada Water London Living Wage Places, recognised by the Living Wage Foundation.
 - b. Work with the Living Wage Foundation and major local employers and organisations who are prepared to be 'anchor institutions', to make the whole of Southwark a Living Wage Place.
 - c. Write to the Secretary of State for Business, Energy and Industrial Strategy, the Rt Hon Greg Clark MP, asking him to calculate the government's Living Wage based on the actual earnings that people need to have a decent quality of life, rather than an arbitrary percentage of median national wages.

NEXUS-GROUP GP SERVICES

1. Council assembly notes:
 - a. The Care Quality Commission inspection into the NEXUS Group declared that the GP service provided was 'inadequate overall and requires improvement for all population groups'
 - b. That the report details risks of legionella, inconsistent systems for checking equipment and vaccines, as well as the presence of expired medical emergency equipment.
2. Council assembly also notes that:
 - a. £8.7 million of S106 monies was recently approved by planning committee to be invested in health facilities across the borough
 - b. The inadequacies found at the NEXUS group relate not to facilities but to the systems and services provided.
3. Council assembly therefore:
 - a. calls on the cabinet member for community safety and public health to investigate the reasons for the poor service provision and report back to councillors.
 - b. calls on cabinet to query how the S106 money will be spent, given that improving facilities will not necessarily resolve the NEXUS performance issues.
 - c. also calls on cabinet to ensure that future money derived from S106 and community infrastructure levy (CIL), which is designed to accommodate increase pressures deriving from new development, is allocated to the areas that have earned those funds due to having undertaken that development.

APPENDIX 4**CROSSRAIL AND CUTS TO TRANSPORT FOR LONDON**

1. Council assembly notes:
 - a. London Mayor Sadiq Khan has said there is no date that Crossrail chief executive Mark Wild can give "with confidence" for when Crossrail will open.
 - b. That Crossrail delays will strip Transport for London (TfL) of £600m in revenue over 3 years, with possible further delays and losses running to millions more.
 - c. The gaping hole in TfL's finances created by the government's decision to withdraw the operating grant of £700 million annually.
 - d. The announcement of 30% more cuts to TfL's business plan by 2022, including staffing.
 - e. Job losses, already in their thousands, overwhelmingly affecting lower grades, with no equivalent reduction in directors.
 - f. Tens of millions of pounds spent each year on private sector consultants, many costing £1,500 per day.

2. Council assembly resolves to call on cabinet to:
 - a. Publicly support the full restoration of the grant.
 - b. Lobby TfL's leadership to honour its existing policies, and to implement a step change in industrial relations.
 - c. Call on the Mayor to:
 - i) lead a review of TfL's Pay for Performance scheme.
 - ii) reinstitute a common pay and conditions structure and network-wide collective bargaining for London's bus workers.
 - iii) commission an independent review of the use of consultants at TfL.
 - iv) launch an immediate public review into the Crossrail fiasco.
 - v) engage with the trade unions on the proposals to cut a further 30% of expenditure on "middle and back office roles".

HIV IN SOUTHWARK

1. Council assembly welcomes:
 - a. The recent news of a Londoner becoming the second person to be found "free" of HIV.
 - b. The fact that new diagnoses of HIV in the UK as a whole have been declining since their peak in 2005, falling 17 per cent from 5,280 in 2016 to 4,363 in 2017.
 - c. Britain achieving the UN's "90-90-90 targets" to end the AIDS epidemic, with 92 per cent of people living with HIV diagnosed, 98 per cent of people diagnosed receiving treatment, and 97 per cent of people receiving treatment having an "undetectable viral load", with levels of virus in the blood so low it cannot be passed on.
2. Council assembly also recognises that Southwark still has the second highest number of people diagnosed with HIV in UK.
3. Council assembly believes that to eradicate HIV/AIDS we need a comprehensive approach that allows all people to access quality life-saving and life-enhancing prevention (such as Pre-Exposure Prophylaxis - PrEP), treatment, care and support services. PrEP has significantly reduced the risk of HIV being passed on to others.
4. Council assembly welcomes Southwark's participation in the England 'trial' but notes demand is high and extremely oversubscribed which leaves too many vulnerable. The Terrence Higgins Trust estimate that every day the NHS delays access to PrEP, 17 people are diagnosed with HIV.
5. Council assembly therefore calls on the UK government to set a target to end transmissions by 2025 and to end the oversubscribed PrEP trial by fully funding its roll out across England.

REFORM OUR BROKEN HOUSING ECONOMY

1. Council assembly notes:
 - a. The existing pipeline of Southwark's New Homes programme with over 635 council rent homes delivered across 20 sites, 101 now under construction, 595 with planning permission and in contractor procurement, and 1,478 in design and consultation.
 - b. That Southwark has an ambitious target to deliver 11,000 council homes by 2043, and is currently identifying council homes sites on existing land and pursuing land acquisition opportunities to deepen the pipeline of council homes development projects.
 - c. The best available social rent grant level (£100,000/unit) is currently less than a third of the average build cost (£310,000/unit).
 - d. The council is restricted in its use of Right to Buy receipts to replace lost social homes. Current rules require Right to Buy receipts to be spent within three years, never combined with grant, and otherwise returned to HM Treasury with interest.
 - e. That current land assembly powers recognise a landowner's right to a speculative premium based on events and actions in which they played no part. This makes purchasing new land for council housing more difficult, and damages the viability of including more council housing in schemes more difficult.

2. Council assembly calls on cabinet to:
 - a. Lobby and campaign for a housing economy that supports the affordable housing needs of Southwark residents, including:
 - i) Social rent grant being linked to build costs. The Mayor of London's mandate to solve the housing crisis hasn't been fully respected, with social rent grant level increased from £60,000/unit to £100,000/unit against an average build cost of £300,000/unit.
 - ii) Full retention and flexibility to use Right to Buy receipts, including combining with grant. To also give freedom to suspend Right to Buy, or otherwise mitigate against its impact by (a) allowing covenants in new Right To Buy leases requiring any re-let at social rent, and (b) a one-in/one-out policy capping one year's Right To Buy applications against the number of social rent completions in the previous year.
 - iii) The ability to secure affordable land for affordable housing. The current Land Compensation Code recognises the landowners' right to speculative 'hope value' – the compensation regime should be pegged to the existing use value of a site, with a fixed premium. The council endorses the proposed reforms in Helen Hayes MP's Planning (Affordable Housing and Land Compensation) Bill.

END VIOLENCE AT WORK CHARTER

1. Council Assembly notes:
 - a. That many public service workers are subjected to violence and aggression in the course of their work.
 - b. That UNISON, the UK's biggest trade union, state that almost half of their members working in the community sector have been subjected to violence or aggression in the course of their work in the previous two years. Incidents reported by UNISON members range from verbal aggression to serious physical assaults.
 - c. Evidence, publicised by UNISON, that in some contracted out services, public service workers are told by their employers to tolerate violence, suggesting assaults are just "part of the job".
 - d. UNISON's 'End Violence at Work Charter' - which commits employers to ten basic actions to safeguard public service workers and provide support should they become the target of violence at work. The actions include managing risk, providing appropriate training and making support available to those who have suffered from violent incidents.
 - e. That the 'End Violence at Work Charter' is already making headway in driving up safety standards for public service workers and recognises that 37 major employers in the charity and housing association sectors have already signed up across the UK.
 - f. That council assembly would like to see more employers confront the issue of violence in the workplace and ensure that nobody providing services on our behalf is left exposed to unacceptable risk of violence.

2. Council assembly resolves to call on cabinet:
 - a. To make the 'End Violence at Work Charter' a core part of Southwark Council's commissioning process.
 - b. To ask all existing service contract providers to sign up to the End Violence at Work Charter and make the award of new contracts dependent on a commitment by the organisation to sign the Charter. This step is consistent with the Council's ongoing commitment to an ethical procurement and commissioning process.
 - c. To reiterate its opposition to violence at work in all sectors and reaffirms its commitment to working with its own employees and trade unions to ensure that all appropriate steps and support are in place to tackle the issue for its own workforce.

Item No. 23.	Classification: Open	Date: 18 June 2019	Meeting Name: Cabinet
Report title:		New Homes site purchase, SE15	
Ward:		Old Kent Road	
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

With over 10,000 households waiting for relief from overcrowding and exorbitant housing costs, and still over 2,000 children growing up in temporary accommodation in our borough, the imperative to build high quality new council homes has never been greater. As part of our generational push towards building 11,000 council homes we need to take an assertive stance to acquiring new sites for future council homes projects.

This is why I am really pleased that we are using our resources to expand our land holdings for this purpose at several sites across the borough, including here. The existing proposals for the site give an indication of a significant number of new council homes for local people, and there remains great potential to improve further the range of potential employment uses on the ground floor to help retain the industrial footprint of the Old Kent Rd, as well as elevations that properly engender the pride of place we are striving for in our borough.

It should be always be reiterated that while we should remain purposeful in seeking new council homes development opportunities, we must in parallel continue our campaign for Affordable Land for Affordable Housing. A reform of the 1961 Land Compensation Code that removes the 'hope value' recognised in market valuations of such sites would enable the council to better assemble land, secure infrastructure contributions and build the kinds of genuinely affordable housing that meet the housing needs of our population.

RECOMMENDATIONS

Recommendations for the Cabinet

That Cabinet:

1. Authorises pursuant to s120 of the Local Government Act 1972 and s9 of the Housing Act 1985, the acquisition of the freehold interest in the site identified in the closed version of this report.
2. Authorises the principal purchase terms and negotiating parameters set out in paragraph 14 of the close version of this report and outlined in paragraph 14 of the open report.
3. Delegates to the director of regeneration in consultation with: the strategic director of housing and modernisation; the strategic director of finance and governance;

and, the cabinet member for social regeneration, great estates and new council homes, authority to agree the final terms of the acquisition provided they are not inconsistent with the principal terms and negotiating parameters and satisfy the council's fiduciary duty.

BACKGROUND INFORMATION

4. From time to time the council becomes aware of land holdings being offered for sale that would be suitable for its needs, but where, for a variety of reasons, the sale timetable does not fit with our reporting processes. This report deals with such an instance and recommends an approach to the purchase.
5. A situation recently arose where there is a narrow window of opportunity to agree terms to purchase a site that is suitable to be developed to provide new homes. Terms for a purchase have not been finalised, and at this time it would not be to the council's advantage to make public its interest in the land. Waiting to report final terms during the next cabinet cycle is likely to take us out of the commercial window for the purchase, so that the opportunity would be lost.
6. The site is situated within the Old Kent Road Action Area that aspires to transform the area with substantial new housing, an improved public realm, employment opportunities and enhanced transport infrastructure including an extension to the Bakerloo Underground Line.
7. On 28 November 2018 council assembly approved the current Council Plan. This commits the council to build or start on site at least an additional 1,000 homes; so that by 2022 the council will have built or started on site 2,500 new homes.
8. The council does not have sufficient sites to satisfy its ambitious house building target. Purchase of this site would provide an opportunity to make a significant contribution to the delivery of new council homes in line with both the housing strategy and the council plan.

KEY ISSUES FOR CONSIDERATION

9. The version of this report on the closed agenda includes the full address and a site plan, along with the full principal terms and negotiating parameters for a deal to buy the site.
10. The principal recommendation of the report is that authority be delegated to the director of regeneration, in consultation with other senior officers and a cabinet member, to agree the final terms for a purchase – provided these are not inconsistent with the principal terms and within the negotiating parameters approved by Cabinet.
11. Section 120 of the Local Government Act 1972 enables the council to acquire land for any of the council's functions under the Local Government Act or any other enactment, or for the benefit, improvement or development of their area.
12. The acquisition of the site for housing will fulfil the requirements of s120 as the provision of housing is one of the council's functions; in addition the local area will benefit from the new homes and the enhanced environment around the homes and from the construction jobs created through its development.

13. Section 9 of the Housing Act 1985 provides that a local housing authority may provide housing accommodation by erecting houses or by converting buildings into houses or by acquiring houses. The Housing Act therefore gives the council power to build houses itself on land acquired for that purpose.

Principal Purchase Terms

14. The principal purchase terms are:
 - a. The site is identified in the closed version of this report.
 - b. The council pays the consideration set out in the closed version of this report.
 - c. The sale is conditional on the vendor providing vacant possession of the site.

Community impact statement

15. The public sector equality duty as set out in section 149 of the 2010 Equality Act (PSED) requires public bodies to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and to advance equality of opportunity and to foster good relations between people when carrying out their activities.
16. In considering the recommendations herein the cabinet must have due regard to the possible effects on any groups sharing a protected characteristic in order to discharge its PSED. This is an ongoing obligation.
17. If the council completes the purchase of this site it will be cleared and developed to provide new council homes. The homes will improve the quality of life of residents, some of whom may have protected characteristics.

Resource implications

18. Work to negotiate terms for the purchase of land for house building purposes is considered to be part of the normal work load for various officers within the council and will be contained within existing budgets.

Legal implications

19. These are included within the body of the report.

Financial implications

20. The acquisition of the property represents capital expenditure and will form part of the Council's Housing Investment Programme. It will be part funded from retained Right to Buy receipts (30%), with the remaining balance funded from other Housing Investment Programme (HIP) resources, including borrowing where appropriate.
21. There are likely to be holding costs associated with the site whilst it is prepared for development, which will be met from existing budgets.
22. Negotiating the purchase will require support from external specialists and will incur costs but these will be met from existing budgets.

Consultation

23. There have been consultations within the council between officers in housing, finance, regeneration, and legal services.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of housing and Modernisation

24. The site provides the opportunity to build much needed new council housing as part of the programme to deliver 11,000 new council homes by 2043 as well as the opportunity to provide desperately needed temporary accommodation for homeless families for whom the council has a duty to provide interim accommodation.

Director of Law and Democracy

25. As set out in this report the property will be acquired pursuant to s120 of the Local Government Act 1972 which gives the Council power to acquire land by agreement for the purposes of (a) any of the Council's functions under the Local Government Act or (b) the benefit, improvement or development of the area. The report sets out at paragraph [14] how these requirements are met.
26. Section 9 of the Housing Act 1985 states that a local housing authority may provide housing accommodation by erecting houses or converting buildings into houses on land acquired by them for the purposes of the Housing Act.
27. Section 120(2) of the Local Government Act 1972 further provides that where land is acquired for a purpose and it is not immediately required for that purpose, it may be used for the purpose of any of the council's functions until it is required for the purpose for which it was acquired.
28. Taken together these provisions give the Council adequate legal powers to acquire the property for housing and to use it for other temporary uses in the interim period prior to construction of housing.

Strategic Director of Finance and Governance

29. This report seeks cabinet approval for the acquisition of the freehold interest in a site identified in the closed version of this report in accordance with proposed purchase terms and negotiating parameters set out in the report. The financial implications section of the report sets out how the acquisition and other associated costs are intended to be met. Should the council be successful in its negotiations, acquisition of the site would provide the council with an opportunity to build much needed new council homes in line with the housing strategy and the council plan.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Plan 2018 – 2022	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link: https://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan		

AUDIT TRAIL

Cabinet Member	Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	James Oates, Regeneration North	
Version	Final	
Dated	10 June 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Housing and Modernisation	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	10 June 2019	

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