

Executive

January 26 2010

7.00 pm

Town Hall, Peckham Road, London SE5 8UB

Membership

Councillor Nick Stanton
Councillor Kim Humphreys
Councillor Paul Kyriacou
Councillor Linda Manchester
Councillor Tim McNally
Councillor Adele Morris
Councillor David Noakes
Councillor Paul Noblet
Councillor Lisa Rajan
Councillor Lewis Robinson

Portfolio

Leader of the Council
Deputy Leader and Housing
Environment
Community Safety
Resources
Citizenship, Equalities and Communities
Executive Member for Health and Adult Care
Regeneration
Children's Services
Culture, Leisure and Sport

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Contact

Everton Roberts on 020 7525 7221 / Paula Thornton on 020 7525 4395 or email: everton.roberts@southwark.gov.uk; paula.thornton@southwark.gov.uk
Webpage: <http://www.southwark.gov.uk>

Members of the committee are summoned to attend this meeting

Councillor Nick Stanton

Leader of the Council

Date: January 18 2010



Executive

Tuesday January 26 2010
7.00 pm

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.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
4.	PUBLIC QUESTION TIME (15 MINUTES)	
	To receive questions from members of the public which have been submitted in advance of the meeting in accordance with the executive procedure rules.	
5.	MINUTES	1 - 13
	To approve as a correct record the Minutes of the open section of the meeting held on December 15 2009.	

Item No.	Title	Page No.
6.	HALF YEAR BUSINESS REPORT 2009-10	14 - 31
	To note the half year business report for 2009-10.	
7.	REVIEW OF POPULATION AND MIGRATION - PREPARATION FOR THE 2011 CENSUS (REPORT OF SCRUTINY SUB-COMMITTEE C)	32 - 46
	To consider the report of scrutiny sub-committee C in relation to the review of population and migration and the comments of the finance director in respect of the scrutiny recommendations.	
8.	REVENUE MONITORING 2009-10 - QUARTER 2	47 - 70
	To note the updated quarter two revenue monitoring report for the General Fund and Housing Revenue Account (HRA) as at 30 November 2009.	
9.	HOUSING REVENUE ACCOUNT - RENT-SETTING REPORT 2010-11	71 - 85
	To agree the housing revenue account rent setting for 2010-11.	
10.	RESPONSE TO THE MAYOR'S LONDON PLAN 2009 AND THE DRAFT REVISED INTERIM HOUSING SUPPLEMENTARY PLANNING GUIDANCE	86 - 103
	To agree the council's formal response to 'the Draft alterations to the London Plan 2009' and the 'draft revised interim Housing Supplementary Planning Guidance' as set out in Appendix A of the report.	
11.	NOMINATIONS TO PANELS, BOARDS AND FORUMS - 2009-10 - ADMISSIONS FORUM	104 - 106
	To appoint two local authority representatives to the Admissions Forum for the remainder of the 2009-10 year.	
	OTHER REPORTS	
	The following items are also scheduled to be considered at this meeting:	
12.	POLICY AND RESOURCES STRATEGY 2010-11/ 2012-13 REVENUE BUDGET	
13.	ELEPHANT AND CASTLE REGENERATION - UPDATE	
	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 executive 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**14. MINUTES**

To approve as a correct record the Minutes of the closed section of the meeting held on December 15 2009.

15. 549 LORDSHIP LANE, LONDON SE22 8LB

To consider issues relating to the compulsory purchase order for 549 Lordship Lane SE22 agreed by the executive in January 2009.

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

Date: January 18 2010



EXECUTIVE

MINUTES of the open section of the Executive held on Tuesday December 15 2009 at 7.00 pm at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Nick Stanton (Chair)
Councillor Kim Humphreys
Councillor Linda Manchester
Councillor Tim McNally
Councillor Adele Morris
Councillor David Noakes

1. APOLOGIES

Apologies for absence were received from Councillors Paul Kyriacou, Paul Noblet, Lisa Rajan and Lewis Robinson.

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

The chair gave notice that the following items would be considered for reasons of urgency, to be specified in the relevant minute:

- Item 7 Addendum report – Adoption of Local Development Document Aylesbury Area Action Plan
- Item 15 Addendum report – Canada Water Publication – Submission Summary report
- Item 20 Motions referred from Council Assembly November 4 2009
- Item 21 Appointments to Panels, Boards and Forums 2009-10 (Admissions Forum)

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions

5. MINUTES

RESOLVED:

That the minutes of the open section of the meetings held on November 24 and 30 2009 be agreed as a correct record and signed by the chair.

6. DEPUTATION REQUESTS

Burgess Park Action Group Deputation

RESOLVED:

That the deputation be received.

The Burgess Park Action Group spokesperson addressed the meeting and outlined their concerns relating to the Aylesbury Area Action Plan item 7 on the agenda and raised issues relating to open spaces, tall buildings and carbon footprint.

Correspondence was also circulated from Friends of Burgess Park, the Camberwell Society and Southwark Friends of the Earth in respect of the Aylesbury Area Action Plan.

Tenants Council – Varying Southwark’s Conditions of Tenancy

RESOLVED:

That the deputation be received.

A spokesperson for Tenants Council addressed the meeting and reported that significant progress had been made since the deputation request had been submitted. The spokesperson expressed their thanks to officers and the deputy leader and executive member for housing for their assistance.

7. **ADOPTION OF LOCAL DEVELOPMENT DOCUMENT: AYLESBURY AREA ACTION PLAN**

An addendum report was circulated.

RESOLVED:

1. That the binding report of the Planning Inspector on the Aylesbury Area Action Plan - final (appendix A of the report) incorporating the binding recommendations of the Inspector be noted.
2. That the Aylesbury Area Action Plan – final (appendix A of the report) incorporating the binding recommendations of the Inspector, consultation plan (appendix B), consultation report (appendix C), sustainability appraisal (appendix D), equalities impact assessment (appendix E) and appropriate assessment (appendix F) be agreed.
3. That council assembly be recommended to adopt the Aylesbury Area Action Plan - final (appendix A) incorporating a factual amendment set out in table 1 to the addendum report, the binding recommendations of the Inspector and the sustainability appraisal (appendix D of the report).

NOTE: In accordance with the budget and policy framework these recommendations will be referred to council assembly for decision.

8. **VARYING SOUTHWARK'S CONDITIONS OF TENANCY**

Councillor Kim Humphreys expressed his thanks for the assistance given by the Tenants Council, Southwark Group of Tenant Organisations, the working party and council officers in preparing the document.

RESOLVED:

1. That the progress made to date in the drafting of amendments to the existing tenancy agreement for secure and introductory tenants be noted.
2. That the recommendations made by Tenant Council, the area housing forums, the tenants' working party, Southwark Group of Tenant Organisations and individual tenants as summarised in Appendices 2 & 3 of the report be noted.
3. That the proposed changes to the conditions of tenancy as laid out in Appendix 1 of the report be agreed in principle subject to any amendments that may arise from the further consultation currently being undertaken.
4. That any amendments arising from the further consultation be

approved by the deputy leader and executive member for housing.

5. That the changes take place in respect of all tenants granted tenancies before January 19 2010 from the April 5 2010 or as soon as possible thereafter once the requirements of a Notice of Variation are met.
6. That directly following the implementation date all new tenants be signed up to the new conditions of tenancy with immediate effect.
7. That the Tenants Handbook be prepared and published by April 5 2010 or the date from which the changes are to take place (whichever the later) to complement the new tenancy agreement.

9. SCRUTINY REPORT - REVIEW OF THE BUDGET AND POLICY FRAMEWORK

Councillor Toby Eckersley, chair of scrutiny sub-committee C was in attendance to present the report.

RESOLVED:

That in respect of the recommendations of the scrutiny sub-committee C the following was agreed:

1. It be noted that recommendation 5 is now withdrawn.
2. Recommendations 3, 6, 7, 8, 9 and 10 will be subject to the annual constitutional review process.
3. That the executive member for resources and finance director be invited to consider the comments made in recommendations 1 and 2 of the scrutiny report in respect of the next budget and annual constitutional review process.

10. SCRUTINY REPORT - SOUTHWARK'S ENTERPRISE AND EMPLOYMENT STRATEGY

RESOLVED:

That the scrutiny report be noted and the comments of the strategic director of regeneration and neighbourhoods be agreed as the executive's response to the overview and scrutiny committee.

11. POLICY AND RESOURCES STRATEGY 2010/11-2012/13 - MEDIUM TERM RESOURCES STRATEGY AND LOCAL GOVERNMENT SETTLEMENT

RESOLVED:

1. That the provisional local government settlement for 2010/11 be noted.
2. That taking all the issues in the report, the finance director be instructed to report back to the executive at its meeting on January 26 2010 with proposals that balance the budget for 2010/11 for onward agreement at council assembly.
3. That in view of the recession and uncertainty with regard to future grant settlements, the finance director and other chief officers be instructed to closely monitor and review business and budget plans and processes.

12. LONDON COUNCIL'S GRANTS SCHEME 2010-2011

RESOLVED:

1. That Southwark Council's response to the London Council's Leaders Committee recommended budget for the London Councils Grants Scheme including a commitment of £960,621 for 2010/2011 be approved.
2. That the proposed levy of £960,621 be included in budget proposals to be submitted to the council assembly in February 2010.

13. FREEDOM PASS RENEWAL UPDATE

RESOLVED:

1. That the Freedom Bus Pass & Blue Badge Service improvement programme in response to the recommendations of the overview and scrutiny committee be noted.
2. That the revised process for renewal and the responsibilities for both the Council and London Councils, including mitigating actions in place for tackling risks associated with the renewal be noted.
3. That the delivery plan for the renewal and action taken to address concerns in respect of client vulnerability be noted.

14. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - CORPORATE INSURANCE PROCUREMENT (EXCLUDING PROPERTY INSURANCE)

RESOLVED:

That the procurement strategy outlined in paragraphs 26-28 of the report for the corporate insurance procurement (excluding property insurance) be approved.

15. CANADA WATER PUBLICATION-SUBMISSION SUMMARY REPORT

An addendum report was circulated.

RESOLVED:

1. That the Canada Water Area Action Plan Publication/Submission Version (appendix A), the consultation plan (appendix B), the consultation report (appendix C), sustainability appraisal (appendix D) equality impact assessment (appendix E) and appropriate assessment (appendix F) be agreed and recommended to council assembly for approval.
2. That the further changes set out in table 1 of the addendum report be incorporated into the Canada Water Area Action Plan publication/submission version.
3. That the Canada Water Area Action Plan Publication/Submission Version be published before submission to the Secretary of State.
4. That the Canada Water Area Action Plan Publication/Submission Version be approved for submission to the Secretary of State for Communities and Local Government provided no substantive changes are necessary following consultation.
5. That the approval of any minor amendments resulting from the meeting or consultation to the Canada Water Area Action Plan Publication/Submission Version be delegated to the strategic director for regeneration and neighbourhoods in consultation with the executive member for regeneration before submission to Secretary of State.

NOTE: In accordance with the budget and policy framework these decisions will be referred to council assembly as recommendations.

16. RESPONSE TO THE MAYOR'S DRAFT TRANSPORT STRATEGY

RESOLVED:

That the council's formal response to the 'Mayor's draft Transport Strategy' as set out in Appendix A of the report be agreed subject to the following amendments:-

- River transport. Welcome positive approach to encourage greater usage of the Thames.
- Bus operation and the need to review bus route planning. To reference the need for bus timetabling to take account of school children travelling on buses. Bus timetables should address capacity and interchange issues, especially at the end of the school day in order to take children to their destination safely.

17. LOCAL AUTHORITY NEW BUILD PROJECTS

Councillor Fiona Colley submitted written comments in respect of this item which were circulated.

RESOLVED:

1. That the successful bids for the development of two local authority new build projects be noted.
2. That authority to make financial arrangements for the project including prudential borrowing should it be necessary be delegated to the finance director.

18. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - CUSTOMER & CORPORATE SERVICES

RESOLVED:

That the write off of the debts as set out in the closed report be approved.

19. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - LONDON CONSORTIUM INTEGRATED COMMUNITY SERVICE FRAMEWORK CONTRACT

RESOLVED:

1. That the procurement strategy outlined in the report for the London Consortium Integrated Community Equipment Service Framework Contract be approved.

2. That authority be delegated to the chief officer, strategic director of health & community services, to approve the award of a 4 year service contract through the framework.
3. That the decision for a single 2 year extension after the initial 4 year term be delegated to the chief officer.

20. MOTIONS REFERRED FROM COUNCIL ASSEMBLY ON NOVEMBER 4 2009

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as it was important that motions from council assembly were referred to executive at the first available opportunity to ensure that the issues raised in these motions were considered without delay.

Pedestrian Safety at Junction of Lordship Lane and Dulwich Common

RESOLVED:

The executive notes:

1. The long standing calls by College Ward councillors and local residents, particularly the elderly of the Lordship Lane Estate, for the introduction of a "pedestrian phasing" of the traffic lights at the junction of the South Circular with Lordship Lane at Dulwich Common.
2. The council traffic survey commissioned by College Ward councillors through cleaner, greener, safer funding which concluded that the most effective way to improve pedestrian safety and reduce car collisions at this junction was the introduction of "pedestrian phasing" amongst other measures.
3. Following the survey the description of this junction in local newspapers as "Is this the most dangerous junction in Southwark?" (Southwark News).

That executive welcomes:

4. The commitment now given by Transport for London (TfL) under the new London Mayor that a "pedestrian phasing" will now be introduced at this junction in the next 12 months.
5. The recent petition of local residents organised by College Ward councillors which calls on TfL to recognise the importance of making this junction as safe as possible and to bring forward the "pedestrian phasing" forward in their work programme at the earliest opportunity.

The executive agrees:

6. To make the appropriate representations to TfL in support of ward councillors to ensure that these works are brought forward at the earliest opportunity in the next 12 months and coincide with upgrading the lights to ease any potential traffic congestion.

Southwark Council Housing

RESOLVED:

1. Executive notes that in a draft of the housing strategy a £700 million gap in the funding for the executive's Southwark decent homes programme was reported. Executive notes omission of this figure in the housing strategy agreed by the executive as further work is still being carried out as part of the stock condition survey.
2. The executive regrets the large number of homes classified as non-decent in Southwark and notes that the housing strategy recognises this is a problem across all sectors with more than a third of housing association homes classified as such. Executive further notes that Southwark has far more council housing than any other London borough.
3. Executive reaffirms its support for the settled view of Southwark tenants that:
 - a) they wish to remain as tenants of the council
 - b) that the government's so-called decent homes standard is an inadequate and insufficient standard for Southwark's homes
 - c) when refurbishment takes place the work should be comprehensive and take into account landlord obligations, decent homes and other improvements, rather than simply reflect artificial, piecemeal and partial government targets.
4. Executive regrets the continued restrictions imposed on the council by government that prevent it meeting the legitimate aspirations of tenants and leaseholders and its failure to provide any additional funding for fire safety work.
5. Executive welcomes the review of the housing revenue account (HRA) by the Communities and Local Government department, particularly over suggestions that power will be returned to local government over rent incomes and capital receipts and supports London Councils in its view that 'where an exceptional need to spend is identified, certain local authorities should have their level of debt reduced so as to create additional headroom for local prudential borrowing', but awaits detailed proposals with concern given the government's recent record on housing finance.
6. That a campaign be launched to persuade the government to

recognise Southwark's unique position and look at other solutions, excluded from the HRA review, and allow the council to invest in its homes through a combination of:

- a) Writing off historic debt – particularly for estates that have been demolished or redeveloped
- b) Allowing the council to remortgage parcels of its debt at the current competitive rates
- c) Allowing the council a temporary 'debt holiday'
- d) Lifting the restrictions on the use of receipts from planning gain
- e) Giving councils full control over their rent and other income.

Freedom Pass Cuts

RESOLVED:

1. Executive notes the Labour government review of the last year of the 3-year special grant for concessionary fares to support the introduction of the English national concession which has resulted in London losing £28.6 million from the funding it had already been promised be noted.
2. Executive condemns the decision for the following reasons:
 - a) It means the council is likely to lose around £1,000,000 of already promised central government funding in 2010-11.
 - b) It goes against sensible financial planning as the government is proposing unilateral changes to the final year of a three year funding settlement.
 - c) The announcement is very late and creates huge uncertainty for London boroughs in dealing with TfL by the end of December.
3. Executive notes with anger that every other urban area in the country will receive a 100% subsidy from the Labour government for the cost of elderly and disabled travel, while London council taxpayers will have to contribute between one half and a third of the cost of the scheme in the capital.
4. Executive supports the view of London Councils' Chairman, Councillor Merrick Cockell be supported, who said: "The government's decision at this late stage to renege on the deal they had already agreed is absolutely stunning and will be met with anger across the capital."
5. That the executive members for resources and health and adult care write to the Minister for London and the Junior Transport Minister, Sadiq Khan, in the strongest possible terms, to express its anger and demand that London boroughs get a fair deal.
6. Executive approves the use all appropriate means to publicise this funding withdrawal, particularly among Southwark residents applying

for freedom passes.

Save the South London Line

RESOLVED:

1. Executive notes the importance of the current South London Line rail service between London Bridge and London Victoria via four stations in Southwark to the residents, businesses and public services of Camberwell, Peckham and South Bermondsey.
2. Executive notes that under the current proposals to end the operation of the South London Line, Denmark Hill and Peckham Rye stations would lose half of their daytime services to London Victoria and have no service at all to Victoria at evenings or on Sundays. Executive further notes that Denmark Hill station will lose all direct services to London Bridge.
3. Executive further notes the vital importance of the service for helping some of the borough's most vulnerable residents access health services at Guy's Hospital, King's College hospital and The Maudsley.
4. Executive recognises that residents in areas such as Peckham Rye and East Dulwich continue to be poorly served by public transport despite the efforts of the council to secure the implementation of the Cross River Tram.
5. Executive notes and welcomes the fact that retention of a direct Victoria to London Bridge service will be considered as part of the Transport for London (TfL) / London Travelwatch study into the options for the future of the South London Line.
6. Executives notes that TfL and Department for Transport (DfT) agreed that £24m Department for Transport funding intended for a new London Victoria-Bellingham service be diverted to the provision of East London Line Extension Phase 2.
7. Executive strongly believes that this borough needs both the East London Line Extension and the South London Line. This is not an either or debate.
8. Executive calls on the Department for Transport to provide the funding necessary to provide platform capacity for the service at London Bridge station as part of its redevelopment.
9. Executive congratulates the community and cross-party campaign be congratulated against the threat to the South London Line services on its high-profile and effective activities to date, and re-affirms its own commitment to the campaign.

10. Executive agrees to seek a written assurance from TfL that the retention of direct Victoria-London Bridge services is being considered as part of the South London Line Options Study.
11. That the responsible executive member meet with Network Rail and the Department for Transport at the earliest opportunity to put the case for the revision of the plans for London Bridge station so that it is developed to its full capacity, including terminating platforms for the South London Line.
12. Executive agrees to work in conjunction with the leaders of all political groups on Southwark Council to ensure the strongest representations continue to be made to the Department for Transport, London Mayor, Network Rail, the Minister of Transport and Minister for London to retain the South London Line service.
13. That it be noted that some of these issues have been addressed as part of the council's response to the Mayors draft transport strategy.

**21. APPOINTMENTS TO PANELS, BOARDS AND FORUMS 2009-10
(ADMISSIONS FORUM)**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as the local authority was required to report to the Schools Adjudicator on the membership of the Admissions Forum and the Schools Adjudicator should refer matters concerning membership and the prescribed maximum limit of an Admissions Forum to the Secretary of State where they do not comply. It was therefore desirable that the local authority representation issue was addressed as soon as possible.

RESOLVED:

That this report be deferred until executive January 26 2010 meeting.

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and

RESOLVED:

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 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 section of the meeting.

22. MINUTES

The executive agreed as a correct record the closed minutes of the meetings held on November 24 and 30 2009.

23. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - CUSTOMER & CORPORATE SERVICES

The executive considered the closed information relating to this item. See item 18 for decision.

24. GATEWAY 1- PROCUREMENT STRATEGY APPROVAL- LONDON CONSORTIUM INTEGRATED COMMUNITY EQUIPMENT SERVICE FRAMEWORK CONTRACT

The executive considered the closed information relating to this item. See item 19 above for decision.

CHAIR:

DATED:

The meeting ended at 9.20pm

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY DECEMBER 23 2009.

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

Item No.	Classification: Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Half year business report – 2009/10	
Ward(s) or groups affected:		N/A	
From:		All Chief Officers	

RECOMMENDATIONS

1. That Executive notes the half year business report for 2009/10 (Appendix 1).

BACKGROUND INFORMATION

2. The purpose of the half year business report (Appendix 1) is to consider council business covering the first two quarters of 2009/10, noting progress to date. The report tracks progress against the council's core objectives through the corporate plan, and in line with *Southwark 2016*, the sustainable community strategy.
3. In April 2009 Council Assembly agreed the council's refreshed corporate plan, the main themes of which are listed below and provide the format for the report:
 - Places where people love to live
 - Everyone achieving their potential
 - Promoting healthy and independent living
 - Valuing the environment
 - Tackling the crimes which concern people the most
 - Transforming public services

KEY ISSUES FOR CONSIDERATION

4. The half year business report (Appendix 1) outlines the key achievements and progress to date over the first half of 2009/10.
5. A full analysis of the council's performance will be completed at the end of the year, which will include key achievements and areas of challenge over the past year. It will also summarise the key outturn information and sets out plans for the future across each corporate plan priority.

COMMUNITY IMPACT STATEMENT

6. The purpose of this report is to describe and highlight key council business and report on overall performance. As such no decisions are being made as part of this report it therefore has no direct impact on communities. However, future decisions made on the basis of overall council performance as highlighted by this report would require detailed consideration of the impact on local people and communities as appropriate.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
End of Year Business Report 2008/09, Corporate Plan, Local Area Agreement, Southwark 2016, Community Strategy	Corporate Strategy and Strategic Partnerships, 160 Tooley Street	Simon Chambers 020 7525 7160
National Indicators for Local Authorities and Local Authority Partnerships: Handbook of Definitions	Department for Communities and Local Government: http://www.communities.gov.uk/publications/localgovernment/finalnationalindicators	Department for Communities and Local Government 020 7944 4400
2008/09 comparative information for priority indicators and outturn data for other national indicators	Corporate Strategy and Strategic Partnerships, 160 Tooley Street	Simon Chambers 020 7525 7160

APPENDICES

No.	Title
Appendix 1	Half Year Business Report

Audit Trail

Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Stephen Gaskell, Corporate Strategy and Strategic Partnerships Simon Chambers, Corporate Strategy and Strategic Partnerships	
Version	Final	
Dated	15 th January 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and Governance	No	-
Finance Director	No	-
All Chief Officers	Yes	Yes
Executive Member(s)	Yes	Yes
Date final report sent to Constitutional Support Services	15 th January 2010	



Half year business report 2009/10

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Introduction

1. This report tracks progress on the council's main priorities over the first half of 2009/10 in line with council's corporate plan 2009-11 and with Southwark 2016, the sustainable community strategy. This report provides an update position on progress in advance of a full evaluation in the council's end of year business report which is planned to be published in June.
2. The council's achievements and challenges to date in 2009/10 should be placed within the context of the current economic climate and the global recession.
3. Some of the key achievements over the first half of 2009/10 are highlighted below:
 - The council's major development schemes are broadly on track and work is continuing to ensure progress is maintained through the recession.
 - Unlocking previously stalled housing regeneration schemes, e.g. Elmington, Wooddene and Silwood.
 - Attainment figures for Southwark continue to rise, improving the life chances of the borough's children and young people.
 - The council's schemes to help people through the recession are proving successful in reducing the impact of the recession in Southwark.
 - The numbers of social care clients receiving direct support is rising.
 - Although still high, teenage pregnancy rates in the borough are showing signs of improvement through recent joint strategies between the council and the PCT.
 - Recycling rates are continuing to rise and the borough is on track to meet its target of 30% recycling by the end of 2010/11.
 - Partnership working is helping to reduce incidents of crime and fear of crime in the borough.
4. Based on progress to date, the key areas which will form a focus for further work and development during 2009/10 and beyond are highlighted below:
 - Continued commitment to monitor and address the impact, both social and financial, of the recession across all council services.
 - Improving the quality of all homes and neighbourhoods, including continuing to deliver a programme of investment to improve the condition of our housing stock to the Southwark decent homes standard.
 - Ongoing implementation of the climate change strategy and related action plans.
 - Continuing to implement a comprehensive action plan for improvement with regards adult social care.
 - Continued development of the council's modernisation programme.
5. It would not be possible to undertake this report without reference to the tragic events on Friday 3 July 2009. The major fire at Lakanal, on Sceaux Gardens Estate in Camberwell was one of the largest emergency situations that Southwark has dealt with in recent years. The deaths of six residents are now subject to a police investigation and a Coroners Inquiry. All residents required temporarily re-housing and all Lakanal tenants have now accepted an offer to move from emergency accommodation in to a new home. Households were assisted into new accommodation and the council also offered financial support to residents by offering statutory/discretionary homeless payments and well being payments.

Residents received a start up pack of new furniture and disturbance payments to help them make a fresh start in their new homes and throughout the process counseling services and other support services were made available. Following the fire, Southwark implemented a £4m programme of precautionary capital works on residential blocks that share similar design characteristics to Lakanal.

Places where people love to live

7. The council has made significant progress through 2009/10 towards developing a strategy to guide future regeneration within the borough. In October 2009 executive approved the council's new housing strategy, which alongside the core strategy, sets out the framework within which future plans for housing and regeneration in the borough will be developed.
8. The Aylesbury programme continues to make steady progress. Building work has started in the south-west corner of the site and the remaining tenants, in the first blocks to be redeveloped, are in the process of being re-housed. The Area Action Plan (AAP) is available to be examined by the public and will be discussed by council assembly in early 2010. In October 2009 executive agreed to take the next steps to delivering phases one, two and three of the Aylesbury programme. Specifically, the executive gave approval for the commencement of a joint procurement between the council and the Homes and Communities Agency to identify suitable development partner(s) for phase 1 sites and for the production of an interim outline business case to propose a private finance initiative (PFI) or other delivery options for phases two and three.
9. The council's plans for redeveloping the Elephant and Castle are broadly on track, with negotiations with Lend Lease continuing towards a new agreement which will reflect current economic conditions. The council's programme of rehousing Heygate tenants continues, with 43 secure tenants, 28 leaseholders and 7 non secure tenants remaining on the estate at 21 December 2009. Of the 28 leaseholders 10 are nearing completion of buy backs and moving to alternative accommodation; the remaining 18 are being interviewed by senior officers whilst work commences on obtaining a compulsory purchase order. The Heygate Case management team, who were 'highly commended' at the Local Government Chronicle Awards 2009 have now arranged the welding of 92% of properties on the entire estate and the dedicated community safety team and additional night time security was extended to the end of the year. The number of squatters on the estate remains at zero.
10. Bermondsey Spa has continued to deliver to plan and 2009 will see the completion of 520 new homes to add to the 180 already built. Planning consent has been granted for two new schemes totalling 347 residential units and 12 shop units. Hyde Housing are to due to start work on these sites in January 2010. All these new homes meet the highest standards in term of design and sustainability and nearly 50% are affordable. Terms have also been agreed for the sale of a further 1.2 hectares of land for redevelopment and at least two other sites in private ownership are coming forward for planning this year. The public realm is also being significantly improved with schemes to refurbish Spa Railway Arch and St James Churchyard underway.

11. The last six months has seen the Canada Water project pass a number of key milestones. June 2009 saw the completion of the first phase of housing by Barratt - 63 new homes of which 21 are affordable. All of the private units were sold within weeks of completion. The construction of the second phase is also well under way, which will provide 169 new homes, of which 43 will be affordable. Further shaping of the regeneration took a significant step forward when in July executive adopted the Canada Water area action plan preferred options report. Work has also begun on the iconic Canada Water library, which is expected to be completed in early 2011.
12. Recent improvements in planning continue to be delivered. In line with improvements in the planning service from recent years all targets concerned with processing planning applications are performing above target to date in 2009/10.
13. The council's commitment to delivering affordable homes for its residents has been stretched by the current recession. Current forecasts predict that by the end of 2009/10 the council will have delivered around 650 affordable homes, against a target of 900. However the target of 900 for 2009/10 is set within a broader programme of delivering 2,215 affordable homes by 2011. This programme, aided by the unlocking of previously stalled regeneration schemes such as Elmington, Wooddene and Silwood, has considerably increased projections of the delivery of affordable homes in the borough beyond the 3 year LAA targets. The council's new housing strategy and core strategy will provide improved focus on partnership working with the Homes and Communities Agency and will help to bring forward further schemes for delivering affordable homes.
14. Achieving the Southwark decent homes standard continues to represent a significant challenge for the council. By the end of September 391 homes had been made decent, against an end of year target of 1,806. With Southwark remaining as one of the largest social landlords in the country the challenge of ensuring that all of Southwark's homes meet the Southwark decent homes standard is dependent upon appropriate levels of resources being made available. Within the current financial climate the council recognises that the level of resources available through both the council's investment and regeneration programmes are insufficient to meet the original decent homes target by 2010/11. However Southwark is committed to maintaining its programme of ensuring all Southwark homes are made decent and the planned award of a new major works contract at the end of 2009/10 will help to improve performance in this area moving forward.
15. The council continues to recognise and value the voluntary and community sector (VCS) in Southwark. This sector makes a significant contribution to the vitality and well being of the borough. On 20 October 2009 the executive agreed the Southwark Compact that reflects the principles that underpin the work we do to develop our very positive partnership with the VCS. This approach is being embedded across all council departments and includes better consultation with and involvement of hard to reach groups, promoting volunteering and sharing resources where this leads to doing things in a better way. The work that the Council does in partnership with the VCS covers a very wide range of council services. The commitment to working with the VCS was recognised in October when the council and its partners received an award, by Government Office London (GOL), in partnership with the voluntary and community sector, for its innovative working on financial inclusion, which aims to help residents through this difficult economic period.

Half year outturn data 2009/10

Places where people love to live						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
(Local) Number of homes made decent	No.	1,997.00	Not available	391	1,806	
(Local) No. of non-LA owned dwellings returned to occupation or demolished	No.	142.00	13	80	130	
NI001 % of people who believe people from different backgrounds get on well together	Percentage	74.70	Not applicable	Not applicable	No survey due.	Place survey. Biennial.
NI154 Net additional homes provided	No.	1,228.00	Not available	Not available		Final outturn for this indicator will be available in the end of year report.
NI155 Number of affordable homes delivered (gross)	No.	479.00	29	207	900	
NI156 Number of households living in Temporary Accommodation	No.	909.00	873	829	714	

Everyone achieving their potential

16. Overall Southwark's Children's Services has been rated in the CAA a score of three, 'performs well' and continues to demonstrate improvement across a range of areas. Pupil attainment is particularly strong and reflects the hard work of staff, the council and pupils. Southwark's secondary school pupils achieved record results in 2009 at key stage 4; with the borough's maintained schools now well ahead of national figures. Overall provisional results show 45% of young people in the borough achieving 5+A*-C in GCSE or equivalents qualifications (to 45%) including English and maths. This equates to an increase of 2.3 percentage points, compared to a 2.1 percentage point increase nationally. Furthermore, we saw a 9.8 percentage point increase in 5+A*-C grades in GCSE or equivalents qualifications (to 66%) compared to a 4.7 point rise nationally; once again closing the gap with national averages.
17. Results at key stage 2 have maintained good progress and Southwark has closed the gap with the national average and now sit at the national average rate for English, Maths and English and Maths combined. This compares to a national average decrease of one percentage point in English and no improvement in Maths or Science. Results at key stage 1 have remained stable and remain a priority for improvement.
18. In the early years the percentage of children who achieve a good level of development has risen over the last three years to 42.6% through a continued combination of universal support to improve quality and targeted intensive challenge of settings with a focus on communication, language literacy, social and emotional development.
19. The attainment of looked after children in 2009 remains a priority for the borough and is an area that will be given focus in 2010/11. This year some 67.5 per cent of looked after children sat one GCSE or more, and our performance at KS2 and KS4 is above inner-London averages. Some 88.4 per cent have a personal education plan

(PEP), and the audit programme has shown signs of improvement in their quality and effectiveness. The council is currently reviewing local provision to secure further improvements.

20. Southwark continues to narrow the gap in outcomes between some under achieving groups and their peers, especially those with children and young people with SEN. The council continues to work in partnership with schools and parents to improve outcomes and help those from particularly ethnic groups and on free school meals reach their potential.
21. Through a range of programmes to improve quality in Southwark's schools nearly two-thirds of the borough's schools are now identified as good or outstanding by Ofsted. Nearly a quarter of Southwark's primary schools are also now rated as outstanding. This represents an excellent achievement in delivering improved outcomes for children and young people.
22. In line with our LAA and Children and Young People's Plan (CYPP), the council continues to work in partnership to address our local priorities for improving outcomes for young people. Raising attainment levels at age 19 and reducing those not in education, employment and training continue to be key work areas for the Children's Trust. This includes targeted programmes of support to enable care leavers and young offenders to access education, training and employment opportunities.
23. The Southwark Safeguarding Children Board (SSCB) are taking forward the government's proposals in response to Lord Laming's recommendations on safeguarding children and young people. The partnership has appointed an independent chair of the SSCB. The board has developed measures to ensure that all council staff are aware of how to escalate issues of concern relating to child safety and welfare, including through the provision of up-to-date guidance and escalation procedures to staff in all agencies, and encouraging staff to complete a free e-learning 'Signs and Systems' course.
24. The economic data which is available through the national indicator set mainly relates to early 2008/09 and therefore cannot yet accurately reflect the effects of the recession within the borough. Recent local data collection that is able to more accurately reflect local impacts of the recession suggests that there has been a 41.1% (to March 2009) increase in Jobseeker Allowance claimant stocks since the beginning of the 2008/09 financial year. The borough's claimant count percentage increase compares well to London (61%) and Great Britain (86.4%) averages. Whilst this performance is good it still demonstrates that Southwark residents need continued support to improve their skills and find jobs in increasingly difficult times. Employment and enterprise training and support programmes, put in place by the council and its partners across the borough, are performing to target and in some instances are achieving above target at this point in the year. The latest information available indicates that the overall employment rate across Southwark within the working age population has increased from 67.4% to 68.5% from January to March 2009. However this positive trend is not expected to continue due to the impact of the recession. The council will continue to closely monitor progress.
25. In July 2009 the council's partners were involved with a two day event in Peckham Square, as part of the corporate employment campaign. It was specifically aimed at

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local residents who had been affected by the recession and were worried about their job, their business, or were on benefits. This event saw around thirty partners and providers, along with council staff providing advice and guidance to enable local residents to understand the impacts of the recession and seek to access the services available in order to join or re-join the labour market.

26. Other successful schemes that have seen Southwark help its residents through the recession and build towards a successful recovery have been a pledge to pay all invoices within 20 days, instead of 30, and to promote rate relief to small businesses where appropriate. In addition, Southwark's Future Jobs Fund "Earn and Learn" programme is still on track to create 112 jobs across the public, private and voluntary sector within the next twelve months. The Education Business Alliance fosters partnerships with local and national employers to ensure access to a range of work experience and enterprise opportunities. In the past year, over 2,200 young people have benefited from work experience placements through this programme.

Half year outturn data 2009/10

Everyone achieving their potential						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
(Local) Number of young people 16/17 spending more than 6 weeks in B&B	Number	0.00	0.00	0.00	0.00	
(Local) Apprentices achieving full framework qualification	Number	Not available	Not available	Not available	85.00	
NI062 Stability of placements of looked after children: children with 3 or more placements in a year	Percentage	14.10	11.90	12.60	11.50	
NI072 At least 78 points across Early Years Foundation Stage with at least 6 in each of the scales	Percentage	40.3	Not applicable	42.6	50	2008/09 End Year Outturn figure relates to 07/08 academic year. Q2 09/10 figure relates to final figures for the 08/09 academic year. 09/10 target is 08/09 academic year target.
NI073 Achievement at level 4 or above in both English and Maths at Key Stage 2 (Threshold)	Percentage	70.1	Not applicable	72.0	75.00	See comment for NI072.
NI075 Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	Percentage	42.7	Not applicable	45.0	51.6	2008/09 End Year Outturn figure relates to 07/08 academic year. Q2 09/10 figure relates to provisional figures for the 08/09 academic year. 09/10 target is 08/09 academic year target.
NI082 Inequality gap in the achievement of a Level 2 qualification by the age of 19	Percentage Points	67.8	Not applicable	Not available	N/A	2008/09 End Year Outturn figure relates to 07/08 academic year.
NI087 Secondary school persistent absence rate	Percentage	5.10	Not applicable	Not available		See comment for NI082.
NI092 Narrowing the gap - lowest achieving 20% the Early Yrs Foundation Stage Profile vs the rest	Percentage	35.5	Not applicable	35.2	33	See comment for NI072.
NI093 Progression by 2 levels in English between Key Stage 1 and Key Stage 2	Percentage	86.3	Not applicable	88.5	89	See comment for NI075.
NI094 Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	Percentage	79.8	Not applicable	85.5	88.0	See comment for NI075.

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Everyone achieving their potential (continued)						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
NI099 Children in care reaching level 4 in English at Key Stage 2	Percentage	31.00	Not applicable	Not available	56.00	2008/09 End Year Outturn figure relates to 07/08 academic year. Baseline year. 09/10 target is 08/09 academic year target.
NI100 Looked after children reaching level 4 in mathematics at Key Stage 2	Percentage	27.00	Not available	Not available	56.00	See comment for NI099.
NI101 Looked after children achieving 5 A*-C GCSEs (or equivalent) at KS 4 (with English and Maths)	Percentage	Not applicable	Not applicable	Not applicable	17.10	For introduction in 2009/10.
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - White British	Percentage	38.60	Not applicable	Not available	58.00	2008/09 End Year Outturn figure relates to 07/08 academic year. Baseline year. 09/10 target is 08/09 academic year target.
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Any Other White Background	Percentage	42.90	Not applicable	Not available	51.00	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Black African	Percentage	51.00	Not applicable	Not available	56.00	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Mixed White and Black Caribbean	Percentage	40.60	Not applicable	Not available	N/A	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Any Other Mixed Background	Percentage	46.90	Not applicable	Not available	58.00	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Black Caribbean	Percentage	27.30	Not applicable	Not available	35.00	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Any Other Black Background	Percentage	36.00	Not applicable	Not available	29.00	As above
NI108 % KS4 Attaining 5+ A*-C including Eng & Maths - Any Other Ethnic Group	Percentage	37.30	Not applicable	Not available	48.00	As above
NI114 Rate of permanent exclusions from school	Percentage	0.06	Not applicable	Not applicable		Indicator source is defined as school census - this has an element of under reporting so EMS is used in combination with the school census to provide a more accurate picture of exclusions. Note school census figures do not include all academies.
NI117 16 to 18 year olds who are not in education, employment or training (NEET)	Percentage	8.80	10.60	11.90	N/A	2008/09 End Year Outturn figure relates to 07/08 academic year. 09/10 figures relate to figures for the 08/09 academic year.
NI148 Care leavers in education, employment or training	Percentage	61.90			71.00	Provisional data.
NI152 Working age people on out of work benefits	Percentage	14.45	Not available	Not available	13.90	The 08/09 outturn now relates to Q4 of 08/09, it shows an increase on the previous quarter's 14.29%. This rise is likely to continue in future releases.
NI163 Proportion aged 19-64 for males and 19-59 for females qualified to at least Level 2	Percentage	72.44	Not applicable	Not applicable	66.17	

Promoting healthy and independent living

27. One of the main areas of focus for the council and the PCT moving forward is to increase the number of social care clients receiving services through direct payments or personal budgets (self directed support). The target requires a significant increase on current numbers, from 318 clients in Quarter 2 to around 1000 in 2011. Although a challenging target it is expected that most new service users and existing clients who have been reviewed will be offered personal budgets under these arrangements, enabling a quicker build up of numbers than was previously possible. In Quarter 2 personal budgets were implemented for reviewed clients and 106 people accepted the offer of a personal budget following a review, increasing overall performance from 6.6% to 9.1% (201 to 318 service users).
28. The Care Quality Commission (CQC) have now formally published the results of the Annual Performance Assessment for adult social care for all councils across the country. Southwark was rated as 'adequate' overall, which was partly because of the CQC inspection 'independence well-being and choice'. A comprehensive action plan for improvement is already being implemented, with some key achievements already been made. The council Chief Executive has requested parliamentary scrutiny of the CQC and we are awaiting this decision.
29. A risk management tool to support staff working on Safeguarding cases and aid contingency planning has been developed, and is currently being implemented across adult social work teams. Substantial progress has been made in moving forward personalisation to benefit service users in Southwark, with an additional 109 people accepting the offer of a personal budget since July 2009, in excess of target. A specialist review team has been established which has reviewed the support needs for 221 older people living in the north of the Borough, and is now starting to review people in the south; this approach has been extended to include Adults with physical disabilities with a total of 51 reviews so far carried out. A safeguarding performance scorecard has been developed and been ratified by NHS Southwark's board. This is being used by the board to inform priorities for further improvement in safeguarding practice. Southwark places safeguarding of elderly and vulnerable people as a high priority and improvements in this area are a key priority and actions to recruit an independent chair of the Adult Safeguarding panel are underway.
30. Alongside executive's decision to change the eligibility threshold, defined according to national criteria, from "moderate" needs to "substantial" needs with effect from 17 November 2008, all service users whose care provision may have been affected by the threshold change, received a comprehensive review to determine their current eligibility.
31. For each person potentially affected by the change in eligibility criteria, social workers identified the level of assistance each person required and a transition plan was put in place where appropriate. 731 service users were re-assessed and of these 572 were found to have a critical or substantial level of need. Changes to care arrangements were implemented in 76 cases with a focus on enabling service users to live independently where possible.
32. Reducing teenage conception rates remain a priority in Southwark as the borough's teenage conception rate remaining one of the highest in London and England. The

council and partners have refocused efforts over the past year on an ambitious programme of workforce training, health interventions in schools, more accessible free contraception and a media campaign. The latest provisional figures from the ONS (for quarter 3, 2008) show some improvement with a reduction to 63 conceptions, which is the lowest since quarter 1 2007. The 12 month rolling average of 71.5 per 1000 female 15-17 year olds is a reduction of 18% on the 1998 baseline rate of 87.2 per 1,000, which is a higher reduction than both England (12.1% reduction) and London (11% reduction). The Department of Health have asked that their specialist action team come into Southwark to work with us on our intervention plans.

33. Reducing unhealthy weight in children remains a key challenge. The current position shows provisional figures highlighting that the target for Year 6 has been met, with 26.7% recorded obese against a target of 27.9%; although this is an increase on the 26.0% reported in 2008. The council and its partners recognise that obesity is likely to remain high over the medium term due to current upward national trends. However, a reduction in unhealthy weight in children remains a priority for the Healthy Southwark Partnership and the Children's Trust. Southwark's Healthy Weight Strategy is addressing this objective, through both a targeted and preventative approach.
34. Reducing the number of people who smoke is a key target of plans to reduce health inequality in the borough. In 2008/09 the borough achieved success by meeting the centrally set smoking cessation target for the first time in the programme. The target for 2009/10 is for NHS stop smoking services to support 1,306 smokers to quit. The initial result for Quarter 1 was 180 quitters, against a target of 266. However it is expected that performance will improve during the year.

Half year outturn data 2009/10

Promoting healthy and independent living						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
NI040 Number of drug users recorded as being in effective treatment	Number	1,554	1,537	Not available	1,880	Target is 12% reduction on 2007/8 outturn.
NI056i Percentage of children in Year 6 with height and weight recorded who are obese	Percentage	26.00	Not applicable	26.70	27.86	2008/09 End Year Outturn figure relates to 07/08 academic year. 2009/10 figures relate to 08/09 academic year.
NI112 Under 18 conception rate	Percentage reduction of conceptions amongst 15-17 year olds on 1998 baseline	Not available	Not available	Not available	22.40	Latest provisional data shows a 18% on the 1998 baseline. Technical NI guidance advises there is at least a 14 month time-lag in the release of conception statistics. The 12 month rolling average of 71.5 per 1000 female 15-17 year olds (or 18% reduction on baseline) is based on latest available data up to Sept 2008. This is an improvement on the position up to Dec 2007, which showed a 12.6% reduction on baseline.
NI120f All-age all cause mortality rate female	Rate per 100,000	474.04	Not applicable	Not applicable	456.00	
NI120m All-age all cause mortality rate - male	Rate per 100,000	753.08	Not applicable	Not applicable	701.00	
NI123 Stopping smoking	Rate per 100,000	567.00	312.00	Not available	565.00	
NI126 Early access for women to maternity services	Percentage	49.00	60.90	60.20	65.00	
NI130.09 Social care clients receiving Self Directed Support	Percentage	3.70	6.12	9.10	17.00	
NI141 Percentage of vulnerable people achieving independent living	Percentage	80.31	72.00	Not available	77.00	

Valuing the environment

35. Southwark's recycling and composting rate continues to improve. Year to date performance is 21%, compared to 20.3% over the same period last year. However in order to meet ambitious targets the recycling provision for all (private and social) housing estates in the borough the council is exploring opportunities to improve services or install new services where appropriate. In addition the council has commissioned Veolia Environmental Services to build an Integrated Waste Management Facility (IWMF) at the former gas works site on Old Kent Road. The site has recently been granted planning permission by the council's planning committee and this will facilitate a significant improvement in the borough's recycling levels as well as diverting most of the waste that would previously have gone to landfill.
36. The council is committed to reducing its CO₂ emissions and the carbon footprint from its estates by 8.5% by 2011. In order to help achieve this ambitious target, in October 2009, the council and key partners from across the borough came together for a Big Switch Off event. This event kicked off a campaign of activity to help reduce carbon emissions across the borough and save energy. It is supported by the two hundred biggest emitters of CO₂ in the borough. On the 'Big Switch off' day a bus toured the borough, visiting residents, organisations and schools who have come up with the most inventive or effective ways to save energy, culminating in an event which saw all lights at council buildings and participating businesses turned off.
37. As part of the council's programme to reduce carbon emissions and promote sustainable modes of travel, the council works with all schools in the borough to develop and review school travel plans. The plans look at how schools can minimise the need for private car journeys and promote walking and cycling. Specific actions in the plans cover road safety issues, cycle training and parking facilities, and promotional schemes such as the Walk on Wednesday's (WoW) scheme for primary school children. This rewards school pupils with a collectable enamel badge if they walk to school regularly. In the last quarter an average of 2,578 young people gained a WoW badge each month through the scheme. The travel surveys conducted as part of the annual review of the plans show that across the borough there is a modal shift away from private cars being used for journeys to and from school.

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Half year outturn data 2009/10

Valuing the environment						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
NI186 Per capita reduction in CO2 emissions in the LA area	Percentage	5.63	Not applicable	Not applicable		
NI192 Percentage of household waste sent for reuse, recycling and composting	Percentage	20.89	21.40	20.70	24.20	This is currently (April - September) 21.0% compared with 20.3% for the same period in 2008. The target for the whole year is 24.2%. The recycling rate varies seasonally, so in Quarter 3 for example we expect a significant increase due to the quantity of leaf fall from trees in the borough which are recycled. We are working closely with Veolia to ensure that the 24.2% target is met this year.
NI195a Improved street and environmental cleanliness (litter)	Percentage	5.67	4.00	Not available	8.00	Quarter 1 data covers tranche 1 of the indicator which is measured April - July. Tranche 2 covers August - November.
NI195b Improved street and environmental cleanliness (detritus)	Percentage	11.67	15.00	Not available	12.00	Quarter 1 data covers tranche 1 of the indicator which is measured April - July. Tranche 2 covers August - November.
NI197 Improved local biodiversity-proportion local sites with positive conservation management	Percentage	66.10	Not applicable	Not applicable	66.70	
NI198 Overall proportion of children travelling to school by car and Park & Walk	Percentage	15.50	Not applicable	Not applicable	17.00	2008/09 End Year Outturn figure relates to 07/08 academic year. 09/10 target figure relates to 08/09 academic year.

Tackling the crimes which concern people the most

38. Reducing violent crime and the impact of the threat of violence, in particular gang, gun and knife violence, on our communities remains a key priority. Half year results indicate that serious acquisitive crime in Southwark has fallen by 17%, which includes significant reductions in residential burglary and theft from motor vehicles, 11% and 30% respectively. However serious violent crime has seen an increase of 11%, which is in part due to increases in domestic violence assaults.
39. The council and its partners are involved in a number of programmes and projects to help tackle crime and improve community safety, including Operation Pathways (a multi-agency programme to reduce gang-related violence) and SERVE (working with residential social landlords to re-house victims of violence). Our gang awareness training sessions for council staff and partners have been well received and positively evaluated, leading to the roll-out of the training sessions to borough residents. Sessions have been organised for each of the community council areas.
40. Considerable progress has been made on addressing anti-social behaviour in 2009/10. The introduction of the Street Based Team, funded through the Youth Crime Action Plan grant has been deployed over the last 6 months on estates in Peckham and Elephant and Castle, engaging with approximately 400 young people. The Street Based Team engages with youths in the area to inform and encourage them into positive local activities. We have also been able to establish additional youth engagement sessions working in partnership with the Youth Service and REPA

(Rockingham Estate Play Association). To date, we have taken out 55 Acceptable Behaviour Contracts.

41. The council has worked with partner agencies to take action on the increases in violent and anti-social behaviour in Peckham by introducing a dispersal zone in the summer of 2009 and instigating 7 gang ASBOs against a group who have caused serious intimidation and criminal behaviour in the area. The interim orders were obtained in early July 2009 and we have already seen significant reductions in robbery, shop theft and violence against the person incidents, totalling 14% when compared to last year.
42. Another key achievement in 2009/10 has been the continuing success of the MARAC (multi agency risk assessment conference) launched in 2008/09 to support domestic violence victims, share information between agencies and reduce repeat victimisation. In the first half of the year, 93 cases have gone to the MARAC, of which only 8 cases involved repeat victims.
43. Through the work of the council and its partner agencies, Southwark has continued to see a reduction in both crack houses and squatted properties. On average there are now no more than 11 crack houses in the borough compared to 25 in 2008/9. The council has also taken the lead role in developing an Alcohol Strategy for Southwark focusing on the priorities of treatment, young people and reducing the crime caused by alcohol misuse. The strategy will be completed by the end of the financial year.
44. Following Southwark's success in securing the Community Safety Accreditation Scheme (CSAS) for the community wardens (the first local authority in London to receive this accreditation), wardens now have increased powers to tackle anti-social behaviour. So far there have been 456 uses of this power in the last six months that includes 343 seizures of alcohol. The junior warden scheme was also launched in April 2009. The scheme promotes good citizenship and breaks down barriers between young people and those in authority. 75 young people from around the borough are now junior wardens. The young advisors programme has been re-invigorated in the last six months, with 17 young advisors as part of the team that has played a leading role in a street outreach programme which has engaged 400 young people in local activities, helped libraries and the Connexions service with community engagement projects as well as taking forward a training programme for police safer neighbourhoods teams.
45. The council will continue to work in partnership to reduce youth crime and have seen improvements in performance this year including a 2% reduction in serious youth violence over the first two quarters of 2009/10. Improvements have also been made in both reoffending and custody levels.

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Half year outturn data 2009/10

Tackling the crimes which concern people the most						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
NI015 Serious violent crime rate	Number per 1000 pop	2.46	0.84	0.74		2008/9 is the baseline year.
NI019 Rate of proven re-offending by young offenders	Rate per offender	0.78	Not available	Not available	0.71	
NI032 Repeat incidents of domestic violence	Percentage	Not applicable	Not applicable	Not applicable		To commence in 2009/10.
NI045 Young offenders engagement in suitable education, employment or training	Percentage	70.50	72.80	80.90	90.00	
NI111 First time entrants to the Youth Justice System aged 10 - 17	Number (From 2009/10 measurement will change to rate per 100,000 pop.)	2,460.00	435.00	Not available		2008/09 outturn calculated from Youth Offending Service (YOS) and Police National Computer (PNC) data. 2009/10 Q1 figure relates to YOS data only. 2008/09 Youth Justice Board data = 367 offenders
NI143 Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence	Percentage	75.00	70.60	71.50	77.50	Q2 Data covers 1 April 09 - 31 August 09.
NI144 Offenders under probation supervision in employment at the end of their order or licence	Percentage	36.00	34.60	35.50	36.00	Data covers 1 April 2009 - 31 August 2009.

Transforming public services

46. Over the first half of 2009/10 customer satisfaction with Southwark's housing repair service remained high at around 90%. This is set against the number of days taken to complete housing repairs of 6.94 days and the number of repairs completed on time at 95.73% (as at end of November 2009). The council is committed to ensuring that residents receive the best and most efficient services, which is why in August 2009 the council invited potential contractors to submit plans on how they would deliver investment on council homes through a major works programme over the next ten years. The council is currently reviewing submissions and it is expected that contracts will be awarded by the end of 2009/10.
47. Latest customer satisfaction data from the customer service centre stands at 71%, which is an improvement on previous figures. Satisfaction with One Stop Shops stands at 86%, again an improvement on previous figures. Delivering improved customer care is a key priority action for the council.
48. On 9 December, the joint inspectorates for local government and public services announced the first year of judgements on the Comprehensive Area Assessment (CAA). On a score of 1-4, Southwark was judged to be: performing well (or 3) in managing performance, performing well (or 3) for children's services, adequate (or 2) for adult social care and adequate (or 2) in the use of resources. The joint inspectorate have not made it clear to the council as to how these different scores are brought together. However in bringing together scores of 3, 3, 2 and 2 Southwark council was deemed to be performing adequately (or 2) overall. In the report the CAA Lead stated "Overall the council is performing adequately....The

council has performed well against its priorities in most areas... Overall, the council has made good progress in improving the services for which it is responsible." Detailed information is available via the 'OnePlace' website (OnePlace is the 'user friendly' name devised by the joint inspectorates for CAA).

Half year outturn data 2009/10

Transforming public services						
What are we measuring?	Measurement	2008/9 End Year Outturn	Q1 09/10 Performance	Q2 09/10 Performance	09/10 end of year target	Comments
(Local) Council tax collection rate	Percentage	91.70	Not applicable	71.11	92.50	Q2 data is in year collection rate and represents the position at end of November.
(Local) Percentage of housing repairs completed on time	Percentage	96.80	Not applicable	95.73	95.00	Q2 data is year to date (at end November).
NI004 % of people who feel they can influence decisions in their locality	Percentage	39.20	Not applicable	Not applicable	No survey due	Place survey. Biennial.
NI160 Local Authority tenants' satisfaction with landlord services	Percentage	62.00	Not applicable	Not applicable	No survey due	STATUS survey. Biennial.
NI179 Value for money- total net value of on-going cash-releasing gains since start of 2008-9	£	11,507,000	Not available	Not available	15,535,000	

National indicator comparisons

49. As 2008/09 was the first full year of the national indicator set, a significant proportion of the national indicators reported in the end of year business report 2008/09 had not previously been collected in a comparable format. The 2008/9 figures will therefore form a baseline figure for the council and partners to set future targets and to benchmark against other authorities. On agreeing the end of year business report for 2008/09 council executive and scrutiny requested that the Southwark's 2008/09 end year performance against other boroughs and national averages be made available. This information, including detail on Southwark's priority indicators (as set out through the corporate plan) and other national indicators is available via working papers on request.

50. A comprehensive list of indicator definitions is available at the department for communities and local government website:

<http://www.communities.gov.uk/publications/localgovernment/finalnationalindicators>

Item No.	Classification: Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Review of Population and Migration – Preparation for the 2011 Census	
Ward(s) or groups affected:		All	
From:		Scrutiny Sub-Committee C	

RECOMMENDATION

1. That the Executive considers the comments of the Director of Finance in response to the recommendations of scrutiny sub-committee C (sections 2,3 and 4 of the scrutiny report attached as appendix 1)

BACKGROUND

2. The scrutiny sub-committee C undertook a review of population and migration in Southwark. This addressed the following three key elements of this issue:
 - The financial impact of incorrect population figures on the Council's resources.
 - The preparations for the 2011 Census.
 - The greater than normal degree to which Southwark is affected by population churn.
3. The sub-committee's report was considered by overview & scrutiny committee at its meeting on November 16 2009.

KEY ISSUES FOR CONSIDERATION

4. Office of National Statistics (ONS) population data is the primary driver of central government funding allocations to local authorities each year. It is the main component within the local government funding formulae. As such, underestimated population figures have a direct and detrimental impact on an individual local authority's level of funding. It is therefore crucial that ONS population data is robust.
5. Since the 2001 Census, it has generally been accepted that there were significant flaws in the methodology used to estimate population at a local level. Many local authorities, including Southwark, have since been lobbying government regarding the inaccuracies in the population projections and estimates resulting from this data and the impact that this had on funding allocations.

The response from the Finance Director to scrutiny's recommendations is set out below:

6. For the 2011 Census, the Office for National Statistics is planning to replace the door-door delivery and collection of census forms by enumerators with "post-out" and "post-back" of census forms (each household will receive a bar-coded form which they will be asked to complete and post-back to ONS). A reduced flexible enumeration workforce will be targeted to those households who will not respond via post.
7. Southwark's experience in postal return of forms by the local population indicates that the above approach presents a significant risk for census disengagement and non-response from those households that are hard to count. A useful comparison is the registration of eligible residents on the register of electors. This takes place annually, and forms are posted out to every household for completion and signature. During the canvass for 2009 there was a response rate of 36% from the first post out of canvass forms. This increased to 56% after two further post outs of canvass forms. The final response rate of 92.1% was achieved by sending out a team of nearly 200 canvassers to visit non-responding properties over a period of four weeks.

Recommendations	Officer advice
<p>1. Lobby DCLG to use updated population data in the final year of the current financial settlement. The council considers the under-estimate to be an exceptional circumstance that would warrant the change to the three year settlement.</p>	<p>The final year of the current three year settlement has not been amended to include updated population estimates.</p> <p>The government's population estimates used for determining the grant for 2008/9 are lower than the latest available ONS estimates. Based on the 2005 estimates, Southwark's population is some 10,000 underestimated.</p>
<p>2. Quality assure the work being undertaken by the ONS into improvements to population estimates to make sure that it reflects the nature of migration to the borough. Work with London Councils and other councils adversely affected by inaccurate population counts to lobby for appropriate changes to migration estimates. Lobby for inclusion of short term migrants (between 1 and 12 months) in the next three year settlement.</p>	<p>ONS has published experimental data for short term migration¹ on 8th October 2009. The total number of short term migrants attributed to Southwark to the mid-year 2007 was 21,300.</p> <p>This figure is the eighth highest estimate for any Local Authority in England & Wales. This is the first time that short term migrants (STMs) have been counted by the ONS. The Council is not funded through the revenue support grant for this population but still provides services used by the hitherto uncounted population. It is important for the council that STMs are recognised either within the funding formula or through the provision of a specific grant.</p> <p>These figures estimate that Southwark is home</p>

¹ Short term migration figures are based on those people coming to the UK for between one and twelve months. It should be noted that the definition of STM in the 2011 census White Paper is people coming to the UK for between three and twelve months

	<p>to 4.4% of all short-term migrants in London. (London itself is attributed a third of all short term migrants).</p> <p>Of that 21,300, some 2,070 (9.7%) were believed to be in Southwark for work reasons (13% in England and Wales).</p> <p>These estimates are available only in the form of a flow, (numbers of people in Southwark between June 30th 2006 and June 30th 2007 who were in the UK for between 1 and 12 months). There is no stock figure available, (people here at any one-time) or details of the length of stay in the release. In lieu of any further detail therefore a stock estimate of 10,000 people seems reasonable.</p> <p>Southwark is represented on an ONS experts group that is reviewing the STM methodology. Southwark is also working with London Councils and other authorities to influence how these estimates will be recognised in the next funding settlement. A consultation on the figures closes on 18th January 2010</p> <p>Revisions to Long Term Migration² distribution were announced on 30th November 2009. On initial analysis of these figures, Southwark's 2008 Mid Year Estimates have increased by 11,500 people. However analysis of how these changes affect the Council's population projections is still being undertaken. This is important as the projection could be used for the next local government funding settlement.</p>
<p>3. Use evidence base to help attain specific grants such as the Migration Impact Fund to help access funding to replace that lost through inaccurate population estimates.</p>	<p>Southwark Council, jointly with its partners on the Southwark Alliance, submitted a successful bid to the Migration Impacts Fund in May 2009. Southwark received £294,303 for 2009/10 and a provisional £300,085 for 2010/11 in additional funding to support three projects focused on:</p> <ul style="list-style-type: none"> i) Improving Private Rented Housing ii) Early intervention with young people not in education, employment or training (NEET) iii) Tackling rough sleeping and anti-social behaviour among A10 migrants³ <p>These projects will form a targeted approach to</p>

² Long term migrants are defined as those people coming to the UK for more than 12 months

³ A10 refers to the ten Accession states which have joined the EU since 2004 (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia)

	<p>three areas of policy where migration is having a significant impact on local communities.</p> <p>Southwark Council will continue to lobby for further resources to manage the impact of population churn and migration, including applying for any further specific grants from Government or other sources which might become available.</p>
<p>4. Review the 2011 census methodology and raise specific concerns with ONS and government. Make a strong case for Southwark to receive extra enumeration resource as an area unique in its mobile and hyper-diverse population.</p>	<p>In October 2009, the Council initiated the Census 2011 programme. This programme aims to:</p> <ul style="list-style-type: none"> • Help ensure Southwark gets the resources required to meet our population's needs (i.e. get a fair settlement grant). • Help Southwark improve the quality of source demographic data. • Ensure the widest possible awareness of the census and its impact across Southwark, with emphasis in the engagement of those less likely to respond. • Provide ONS with an effective support infrastructure. <p>The Census programme team reviewed ONS methodology in October 2009 and as a result, has submitted questions for clarification and has raised concerns with ONS' methodology in November 2009. In November 2009 the Programme completed an estimate for Southwark's enumeration requirements. Southwark in conjunction with other LAs will be sending a report on enumeration and other operational issues/concerns following the completion of the Census rehearsal to ONS' operational advisory group. ONS have notified LAs that they will make available their estimates for enumeration support for each LA in January 2010.</p>
<p>5. Continue internal preparations for the 2011 census including; address matching exercise; formation of Local Area Profiles; recruitment of local enumerators; liaison with ONS census team; consideration of appropriate publicity and awareness raising.</p>	<p>The Census 2011 programme was initiated in October 2009 and manages the following projects:</p> <p>Address register – Development and national submission of an accurate and complete address register of residential properties in Southwark.</p> <p>Area profiles – Completion and effective communication of enumeration intelligence on local areas to ONS' field force.</p>

	<p>Communications and engagement – effective engagement with local community groups and corporate external/internal communications activities. This workstream has already commenced engagement of frontline services to ensure that these help to promote the census and its importance. Amongst others, this project will work with head-teachers, GP practices, community wardens, housing officers and other frontline staff to ensure adequate promotion of the census in Southwark.</p> <p>ONS logistics and partnership support – implementation of logistics and day to day operational liaison with ONS resources (e.g. responsibility for recruitment support, engagement of internal stakeholders, customer service support activities a.o.).</p> <p>Each of the above projects has a dedicated project manager, budget (where required) and project governance arrangements.</p> <p>In addition to the initiation of the above projects and engagement of all departmental SMTs, Southwark is proactively managing its relationships with key census stakeholders. Stakeholder engagement activities include:</p> <p>A consultation and engagement series of presentations to all Council SMTs and CMT Consultation with Members.</p> <p>Proactive engagement with ONS through formal membership at ONS' LLPG (Local Land and Property Gazetteer) communications and census operations advisory groups.</p> <p>Proactive engagement with other London local authorities facing similar population challenges (meetings held with LB Lewisham, Tower Hamlets, Westminster and London Councils).</p>
<p>6. Ensure sufficient resources (including prioritisation and monitoring by Executive and Corporate Management team) are provided by Southwark Council to the Census 2011 preparation, both for its coordination and for work required within departments to improve data quality</p>	<p>The Council's corporate management team recognised the importance of the Census to the Council, confirmed its support to the programme and to the use of the Census as a driver to improve data quality at the 25/11/09 CMT. Duncan Whitfield, Finance director has been nominated as the CMT's lead for Census preparations in Southwark providing the programme with proactive sponsorship and direction. The Executive Member for Resources has been briefed on Census</p>

	preparations and the Executive will be formally briefed in January 2010.
7. Commission a research project to gather the best available intelligence about shifting patterns of migration and movement within Southwark, bringing together existing knowledge within the council and drawing on external support where required. This information could then be used to inform the preparations for the census and for service design and commissioning.	As an initial step, officers in Corporate Strategy have been gathering evidence of the knowledge and information already held within Southwark in order to gain a fuller understanding of where further research is required. This has involved interviewing senior managers from across the Council and partner organisations, meeting with front-line staff such as teachers, health visitors and Job Centre Plus advisers, and collating and analysing data from a range of sources. This work is directed towards understanding the extent of population churn in quantitative terms, and the impact it has on partners' ability to achieve various outcomes in Southwark. This work will then be used to decide whether further external support is required.
8. Given the impact that churn has across a range of public services in Southwark, lead a discussion with the Southwark Alliance to build cross-partner awareness of population churn and consider a coordinated and jointly-resourced response.	Population churn impacts right across the public and voluntary sector in Southwark, and so it is important that a collective approach is taken to understanding and responding to the challenges it presents. The work described in response no. 7 is intended to be presented to the Southwark Alliance in early 2010 to enable them to discuss and shape this work at a strategic, partnership level. The recent review of the Southwark Alliance and its thematic partnerships recognised the role that the Local Strategic Partnership (LSP) plays in 'exercising a leadership and governing role by developing knowledge and understanding of the needs and aspirations of local communities, recognising patterns of population change and promoting social cohesion and active citizenship', so this report will support this.
9. Work closely with other local authorities in London to better understand the movement of people in and around London and explore opportunities for sharing information and resources on this issue.	Work is ongoing with other London Boroughs in order to understand the nature of population flows across London. Southwark Council has contributed to the London Collaborative's 'Population Flows' workstream (led by Barry Quirk, Chief Executive of Lewisham Council) and is now working with London Councils to take this forward.

Background Papers	Held At	Contact
Scrutiny Sub-Committee C Overview & Scrutiny Committee - minutes and reports	Scrutiny Team Tooley Street London SE1 2TZ	Sally Masson Scrutiny project manager Tel: 020 7525 7224

APPENDICES

No.	Title
Appendix 1	Review of Population and Migration – Preparations for the 2011 Census.

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Sally Masson, Scrutiny Project Manager	
Version	Final	
Dated	January 15 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments Included
Strategic Director of Communities, Law & Governance	No	-
Finance Director	Yes	Yes
Executive Member	No	-
Date final report sent to Constitutional/Community Council/Scrutiny Team	January 15 2010	

**Population and Migration - Reviewing
Preparations for the 2011 Census.**

Scrutiny Sub-Committee C

December 2009



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1. Introduction

- 1.1 During spring 2009, Scrutiny sub-committee C undertook a review of population and migration in Southwark. This addressed the following three key elements of this issue:
1. The financial impact of incorrect population figures on the Council's resources
 2. The preparations for the 2011 Census
 3. The greater than normal degree to which Southwark is affected by population churn
- 1.2 The sub-committee looked at these issues in depth at their meetings on March 23 and May 12 2009, hearing evidence both from officers from within Southwark Council and from experts from external bodies. The sub-committee also examined a number of documents on this subject, ranging from government guidance to academic papers.
- 1.3 Following this review, the sub-committee would like to make a series of recommendations to the executive based on their findings, which are set out below.

2 The financial impact of incorrect population figures on the Council's resources

- 2.1 Office of National Statistics (ONS) population data is the primary driver of central government funding allocations to local authorities each year. It is the main component within the local government funding formulae. As such, underestimated population figures have a direct and detrimental impact on an individual local authority's level of funding. It is therefore crucial that ONS population data is robust.
- 2.2 Since the 2001 Census, it has generally been accepted that there were significant flaws in the methodology used to estimate population at a local level. Many local authorities, including Southwark, have since been lobbying government regarding the inaccuracies in the population projections and estimates resulting from this data and the impact that this had on funding allocations.
- 2.3 Neil Wilcox, Director of Funding and Research at Local Government Futures Ltd, attended the sub-committee meeting on March 23. He gave a presentation to the sub-committee on population issues in Southwark and the way in which ONS population figures have impacted on the borough.
- 2.4 The presentation showed how a range of different estimates and projections have been applied to Southwark since 2001 and highlighted the impact that this has had on the council's funding.

- 2.5 The ONS latest population estimates (2007 MYE) show that Southwark's population has been growing steadily since 2004. The 2007 Mid Year Estimates say the borough's population is 274,400, an annual growth rate of 2.3% since the last census in 2001. However, the government's revenue support grant for the three year period 2007-10 uses estimates based on figures from 2004 that are then projected forward which estimate that Southwark's population is 265,100.
- 2.6 The difference between the two sets of population figures is 9,300 people. The council estimates that the population undercount has reduced its actual funding allocation for non-schools services, before transitional arrangements, by approximately £18m, over the three years period of the funding settlement.
- 2.7 Particular issues have also been raised with the way that migration is currently measured. The international passenger survey and the labour force survey do not provide sufficiently accurate measures of new migrants arriving in or leaving Southwark. The council believes that its population is undercounted due largely to the inability of population estimates to account for migration.
- 2.8 In 2005 the council, in partnership with Lambeth and Lewisham, asked the Greater London Authority's Data Management and Analysis Group (DMAG) to estimate Southwark's population. The average population within the borough, based on the five DMAG methodologies, was 267,900 - 9,500 higher than the official ONS estimates in 2005.
- 2.9 The ONS and the government have recognised the need to urgently improve estimates of migration in time for the next three year local government finance settlement, commencing in 2011-12.
- 2.10 An inter-departmental government Task Force was set up in December 2006 to supplement the work being undertaken by the ONS Improvement to Migration Population Statistics (IMPS) programme and bring forward improvements to migration estimates.
- 2.11 The ONS will publish new revisions to how it estimates migration in June 2009 which are expected to include new migration modelling techniques based on local administrative data such as National Insurance Numbers and GP registrations. Improvements to the International Passenger Survey, experimental estimates for short term migrants (less than 12 months stay) and the Labour Force Survey have also been made.
- 2.12 London Councils has recently expressed concern that the revisions will not look at the Capital's share of migration. Previous ONS revisions in 2007 reduced London's population growth by 60,000 people.

RECOMMENDATIONS

- 1 Lobby DCLG to use updated population data in the final year of the current financial settlement. The council considers the under-estimate to be an exceptional circumstance that would warrant the change to the three year settlement.**

- 2 Quality assure the work being undertaken by the ONS into improvements to population estimates to make sure that it reflects the nature of migration to the borough. Work with London Councils and other councils adversely affected by inaccurate population counts to lobby for appropriate changes to migration estimates. Lobby for inclusion of short term migrants (less than 12 months) in the next three year settlement.**
- 3 Use evidence base to help attain specific grants such as the Migration Impact Fund to help access funding to replace that lost through inaccurate population estimates.**

3 The preparations for the 2011 Census

- 3.1 For the past two hundred years, a ten-yearly census has counted the population of the UK. The importance of the census to local government has increased as it has been used to derive the level of funding received by local public services, particularly as their financing has become more centralised. The 2001 census is generally accepted to have had a number of significant flaws in its accuracy, the impacts of which have been felt by local authorities ever since. The process for preparing for the 2011 census is now well underway.
- 3.2 Glen Watson, Census Director, and Ian Cope, Census Deputy, from the ONS, attended the sub-committee meeting on May 12. They gave an overview of the preparations for the 2011 Census, talked about the specific measures in place to deal with hard-to-count areas and answered questions posed by the committee.
- 3.3 The presentation set out how the ONS is responding to the lessons learned from the 2001 census. The major operational changes will include address checking before Census Day, post-out and post-back of questionnaires, online completion, questionnaire tracking, and intensive, targeted and flexible follow-up of non-responses.
- 3.4 It was accepted by the ONS that Southwark is a hard-to-count area because of its 76.8% response rate in 2001 and the fact that it had the highest number of unprocessed forms in the country. Following the 2001 census, the coverage adjustment process saw 66,808 people added to Southwark's populations figures, with an additional 6,522 added in 2004 after a further review.
- 3.5 The 2011 census will see a more targeted approach to the placement of field staff in order to increase the consistency of response rates across the country, although it has yet to be decided how many enumerators there will be in Southwark. Overall there will be fewer enumerators than last time, so it is important that Southwark presents the strongest possible case for the challenges it faces so that it receives a high number of enumerators.
- 3.6 The ONS expects Southwark to assist with the census by:
- Providing an accurate address register by ensuring that our Local Land and Property Gazetteer is up to date
 - Contributing to the LA Communications Advisory Group and publicising key Census messages

- Providing knowledge of our communities
 - Providing data from Council Tax and Electoral Registers where required
 - Providing logistical support e.g. access to council staff to be enumerators, storage space etc.
- 3.7 Clarification was sought from the ONS representatives on a number of issues. In particular, questions were asked about the use of postal delivery, the overall reduction in the number of enumerators, the additional resources that will be targeted at hard to reach areas, and the use of new technology.
- 3.8 Members expressed considerable concern that Southwark's figures from the last census were not a true representation of the population and highlighted the impact that this has had on the council's funding allocations. The ONS representatives explained that the key objective for this census was to maximise returns across the country and provide a more consistent spread of response rates nationally. In order to achieve this ONS want to see no local authority with a response rate of less than 80%. Members were unhappy that this only represented a 3% increase in response rates for Southwark and wanted to aspire to a much higher rate, given the likely future impact on funding.

RECOMMENDATIONS

- 4 Review the 2011 census methodology and raise specific concerns with ONS and government. Make a strong case for Southwark to receive extra enumeration resource as an area unique in its mobile and hyper-diverse population.**
- 5 Continue internal preparations for the 2011 census including; address matching exercise; formation of Local Area Profiles; recruitment of local enumerators; liaison with ONS census team; consideration of appropriate publicity and awareness raising.**
- 6 Ensure sufficient resources (including prioritisation and monitoring by Executive and Corporate Management team) are provided by Southwark Council to the Census 2011 preparation, both for its coordination and for work required within departments to improve data quality**

4. The greater than normal degree to which Southwark is affected by population churn

- 4.1 The term 'population churn' is used to describe the level of movement within a local population over a period of time.
- 4.2 A paper written by officers in Corporate Strategy was provided to the sub-committee setting out the current level of understanding of the impact of population churn on Southwark and the council's services.
- 4.3 Given its position as a global economic centre, London has long been a powerful magnet for people from across the UK and the world, giving it a vibrant, diverse and continually changing population. This movement of people

has strengthened London's standing as a global city and brought significant economic and social benefits.

- 4.4 There is also a substantial amount of movement within London, encouraged by London's active housing market, the large numbers of the population with no settled homes and the scale of the private rented sector. At least three kinds of mobility can be observed in London – to and from overseas; to and from the rest of the UK; and within London itself. London's position as the nation's capital and financial centre means that much of the inward migration into London is from elsewhere in the UK and not solely from overseas.
- 4.5 This rapid transformation of Southwark's community profile presents public services with additional costs. The London School of Economics has estimated that London councils in aggregate are spending in excess of £100 million a year in dealing with the pressures resulting from high population mobility.
- 4.6 However, while population mobility is recognised as a significant issue for Southwark and London as a whole, much of the recent attention in this policy area has been focused on absolute population numbers in order to influence funding allocation from government. Further work is also needed to better understand the impacts and costs of population mobility on public service delivery, as well as the impact it can have on community cohesion.
- 4.7 The arrival of new communities into Southwark does have a recognised and significant impact on the services the Council delivers, although further work is needed to fully understand and quantify this. The Council has relied on existing budgets to manage these pressures and meet the needs of local communities and maintain community cohesion, but improved understanding would allow more to be done to predict and mitigate against likely future impacts.
- 4.8 Understanding Southwark's population both in quantitative and more qualitative respects is of great importance, not only in securing more sufficient funding allocations from government, but also in ensuring that we design and deliver appropriate services to our communities.
- 4.9 A number of assumptions about churn remain untested and need further consideration. For example, the impact of regeneration on the level of churn could be explored, or the impact that it has on educational attainment or health outcomes might need further examination. More generally, evidence-based policy making, service design and commissioning will all benefit from a more nuanced and comprehensive understanding of Southwark's population and its movements.
- 4.9 In order to further enhance the Council's understanding of population churn in Southwark, the following recommendations are made to the executive for future work on this subject:

RECOMMENDATIONS

- 7 Commission a research project to gather the best available intelligence about shifting patterns of migration and movement within Southwark, bringing together existing knowledge within the council and drawing on external support where required. This information could then be used to inform the preparations for the census and for service design and**

commissioning.

- 8 Given the impact that churn has across a range of public services in Southwark, lead a discussion with the Southwark Alliance to build cross-partner awareness of population churn and consider a coordinated and jointly-resourced response.**
- 9 Work closely with other local authorities in London to better understand the movement of people in and around London and explore opportunities for sharing information and resources on this issue.**

Item No.	Classification: Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Revenue Monitoring 2009/10 – Quarter 2	
Ward(s) or groups affected:		All Wards	
From:		Finance Director	

RECOMMENDATIONS

1. The Executive notes the updated quarter two revenue monitoring report for the General Fund and Housing Revenue Account (HRA) as at 30 November 2009.
2. The Executive note that ongoing and unavoidable cost pressures will need to be addressed through the 2010/11 budget process.

BACKGROUND INFORMATION

3. The report provides detail on the position on the Council's 2009/10 outturn forecast for the General Fund, HRA and Collection Fund based on the information available at the end of November 2009. Explanations for key variances are presented along with the action planned or taken by managers to address these variances.
4. The report also identifies any key variances in the Council's savings plans for 2009/10.

KEY ISSUES FOR CONSIDERATION

General Fund Overall Position

5. In total, the general fund faces net service pressures of some £1.3m over the base budget for 2009/10. This represents approximately 0.4% of the total net general fund budget. Further management action will continue with the objective to reduce this adverse variation by the end of the financial year.
6. The main area of pressure on costs of service is within Children's Services (£1.9m). This budget pressure consists a number of underlying issues and is considered unavoidable in the circumstances. The reported variation comes after significant management action across service areas to minimise the financial impact of the various factors influencing expenditure.
7. This situation is largely due to a significant increase in costs with regard to specialist children's services. There has been an increase in the number of children requiring care and support and the cases continue to become more complex. These pressures are emerging at the same time as additional rigour and scrutiny is being applied by external regulation and inspection regimes, particularly with regard to safeguarding.

8. The impact of all of these changes has a collective consequence of driving up cost within the social care system. This is a situation compounded by the need to retain and recruit high quality staff. These issues are being experienced on a national scale, not least within London.
9. In line with expected project based activity across the Council, there are a number of expected calls on earmarked reserves in 2009/10, in particular in relation to the modernisation and regeneration and development programmes. In total, these commitments are currently forecasted at approximately £5.4m. They include support to enable the delivery of a number of critical efficiency targets such as the delivery of shared services. They also include calls in relation to the regeneration and development agendas, including support for the Bermondsey Spa, Elephant and Castle, Canada Water and Aylesbury projects.
10. Table 1 below shows the current forecast outturn position for quarter 2 by service. As the year has progressed this estimate has become more accurately defined as more up to date data and monitoring information has become available.

Table 1: Estimated projection of General Fund outturn position for 2009/10 as at quarter 2 (updated)

General Fund	Full Year Budget	Full Year Forecast	Over (+) Under (-) spend
	£'000	£'000	£'000
Children's Services	98,560	100,508	1,948
Health and Community Services	101,110	101,862	752
Environment and Housing	75,463	75,998	535
Regeneration and Neighbourhoods	39,369	39,492	123
Major Projects	6,600	6,600	0
Deputy Chief Executive	48,079	48,134	55
Communities, Law & Governance	14,083	14,083	0
Financial Management and IS	22,462	22,470	8
Strategic and Corporate	(60,008)	(62,154)	(2,146)
Total General Fund before appropriations	345,718	346,993	1,275
Appropriations to/(from) reserves	(5,404)	(5,404)	0
General Fund Total	340,314	341,589	1,275
Area based grant	(25,162)	(25,162)	0
Net total	315,152	316,427	1,275
Schools Budget	1,115	920	(195)
Appropriation to/(from) DSG reserves	(1,115)	(920)	195
Total	315,152	316,427	1,275

11. For information only, appendix C sets out the position as at the end of the first quarter of 2009/10. At that time, the outturn position was much less certain given the limited information available, the difficulty in determining trends and limited understanding of the effectiveness of management actions being taken.
12. As part of the 2009/10 General Fund budget agreed by Council Assembly in February 2009, new commitments of approximately £17m were approved. The current position reflects the full allocation of these resources across a range of Council services.
13. Also, and as part of the same General Fund budget approval ,for 2009/10, the Council agreed an ambitious programme of savings and efficiencies in excess of £17.3m. Again, the current position reflects the expected delivery of these targets. Currently there is a potential shortfall of £1.1m in achievement for the year. However management actions continue with the objective of meeting the target by the end of the year as closely as possible and meeting the target in full for 2010/11. This is explored in more detail in paragraphs 32 to 36 below.

Key General Fund pressures

Children's Services

14. In Children's Services, the main adverse budget variances relate to increases in spend in Specialist Children's Services and continuing increases in costs of the Council's Home to School contract for the transport of pupils with SEN (Special Education Needs).
15. Specialist Children's Services has experienced significant increases in the number of high cost placements for looked after children over the last 18 months. In 2008/09, related costs were offset by a one-off 'windfall' of asylum seekers grant totalling some £1m. The department is currently projecting an adverse variance of some £1.2m on these placements during 2009/10.
16. The Assessment & Safeguarding unit is also experiencing considerable pressure as the volume of cases requiring assessment increases as a result of the Baby Peter case. In order to ensure proper management of the increased caseload in Children's Services, it has been necessary to take on additional staff on a short-term basis. Additionally, in order to retain and invest in existing staff, the service will be awarding market factor honoraria. A major recruitment campaign has also commenced to attract new permanent staff. Similar recruitment problems and attendant budget pressures have been experienced nationally across all Children's Services Departments, and impacted particularly in London.
17. Contingency budgets of £852k have been released to Children's Services (see paragraphs 37 to 41) in recognition of the increased costs relating to Specialist Guardianship Orders and to Mother & Baby placements. Demand for provision in the latter area, however, continues to rise.
18. Whilst an adverse variance is also still projected in respect of Home to School Transport, a number of measures to control the increasing costs were introduced from September following a review by KPMG in order to prevent costs escalating further.

19. At the same time, rigorous management action is being taken across the rest of Children's Services to identify opportunities for delaying or curtailing activities and recruitment in order to minimise the overall projected adverse variance for the department as a whole. Through such action it should be possible to contain all budget pressures apart from those identified in Specialist Children's Services.

Health and Community Services

20. Health and Community Services current forecast adverse variance is £752k. This follows significant management action to reduce budget pressures. It is anticipated that ongoing management action will reduce the adverse variance to a balanced budget position by year end.
21. The main reasons for adverse variation concerns fewer people than expected no longer receiving services as a result of eligibility changes and a delay in re-tendering homecare. Also there has been an increase in the number of people requiring learning disability services, and the high costs associated with a small number of individual placements.

Environment and Housing

22. Environment and Housing budget pressures centre around the continued costs of the leisure and culture units exceeding budgeted levels, income run rate being below budgeted levels and residual costs of units proposed for closure or reorganisation to meet savings target, along with project management costs for leisure management.
23. However this has been mitigated by a one-off underspend within the waste management contract which reduces the departmental pressure overall to £535k. It is anticipated that the management action currently being undertaken will reduce this variance further.

Regeneration and Neighbourhoods

24. The net adverse variance of £123k in Regeneration and Neighbourhoods is largely due to the further reduced income on building control as a result of reduced activity in the building and property sectors and project management costs. Management action currently being undertaken to address these issues is expected to reduce this projected adverse variance.

Deputy Chief Executive

25. A small net adverse variance of £55k is currently projected in the Deputy Chief Executive's department. This is largely as a result of unavoidable costs in the relation to the clienting of the revenues and benefits contract during the transition period leading to the end of the Liberata arrangement, increased security and energy costs in the One Stop Shops and reduction of income in the registration service due to a continued fall in demand for the service. However this adverse variance is mitigated by underspends in organisational development bringing the overall adverse variance down to £55k.

Strategic & Corporate

26. There is a £2.1m favourable variance projected for strategic and corporate budgets. This relates to a clawback of salary budgets (approximately £1m) following the pay award announcement (see paragraphs 42 to 43). The remaining £1.1m is represented by a number of 'windfall' elements including a one off increase in external receipts (e.g. rental income) and reductions in external payments (e.g. deferral of some of the increase in the LPFA Levy). Interest rates have failed to increase and pressures therefore remain on the Council's targets for earnings on cash investments.
27. This favourable variance will be utilised to help meet the unavoidable spend pressures within the current budget. Ongoing pressures will be addressed through the business and budget setting process for 2010/11.

Housing Revenue Account (HRA) Overall Position

28. Table 2 below shows that the housing revenue account (HRA) is currently projecting a forecast outturn that exceeds the base budget by £4.8m.

Table 2: Estimated projection of HRA outturn position for 2009/10 as at quarter 2 (updated)

	Full Year Budget	Full Year Forecast	Over (+) Under (-) spend
	£'000	£'000	£'000
Housing Revenue Account	0	4,759	4,759
Appropriation to/(from) HRA reserves	0	(4,759)	(4,759)
Total	0	0	0

29. This arises from a number of pressures including higher than anticipated repairs and maintenance costs and a variance from the planned works programme. This has resulted in less work being billed to leaseholders than anticipated.
30. Management action continues to stabilise the position, but there remains significant spending pressure across the services. In 2008/09, the HRA was broadly neutral at year-end, but achieved this largely through income windfalls. There is no expectation this will be repeated in 2009/10, therefore any shortfall against budget will be a first call against HRA reserves, which are limited and have been declining over a number of years. The main elements of the management action plans put in place in housing management to redress the adverse variance are the implementation of consistent procedures for addressing responsive repairs work and increased QS scrutiny. A review of legal and other support costs is also currently underway.

31. It should be noted that the Council is currently in the process of addressing the impacts of the major fire at Lakanal and other emergency incidents. These are subject to insurance claims and assessments; any shortfall will again fall on the HRA reserves. For major works required, there may also be an impact on the Housing Investment Programme.

Savings and Efficiencies - 2009/10 budget

32. For the General Fund and HRA combined, the Council targeted savings and efficiencies of more than £27m in 2009/10. These savings are monitored closely throughout the year as their delivery is important to the achievement of the Council's business plan and to support the delivery of critical services to residents and businesses. A summary of the current position is shown in Table 3 below.

Table 3: Savings and Efficiencies as at Quarter 2 (updated)

	Agreed by Council £'000	Forecast £'000	Variance £'000
Children's Services	(2,931)	(2,781)	150
Health and Community Services	(4,125)	(3,400)	725
Environment and Housing Regeneration and Neighbourhoods	(1,107)	(1,077)	30
Major Projects	(1,030)	(1,030)	0
Deputy Chief Executive Communities, Law and Governance	(178)	(178)	0
Financial Management and IS Strategic and Corporate	(1,581)	(1,400)	181
	(631)	(631)	0
	(1,460)	(1,460)	0
	(4,293)	(4,293)	0
Total General Fund	(17,336)	(16,250)	1,086
HRA	(9,674)	(8,901)	773

33. As set out above, in Children's Services, the tragic case of Baby Peter and the subsequent Laming review have placed severe pressure on budgets in the children looked after (CLA) service. The planned saving of £150k is not now achievable although management action continues to attempt to make up the shortfall.
34. Health and Community services variance relates to eligibility criteria and homecare savings targets. In summary, the complexity of the review of eligibility criteria means that the process is taking longer than planned and savings are therefore not accruing at the rate originally planned. The matter remains under close review and the original target remains for future years. In respect of homecare, the tendering process continues although the need for further analysis and detailed evaluation has extended the process that is now due to complete in mid 2010.
35. For the Deputy Chief Executive's Department, contract efficiency savings of £181k are not now expected to be achieved due to the termination of the Liberata contract from April 2011.

36. For the HRA, there are several variances which lead to the projected underachievement of £773k of savings. These are:
- Agreed savings on essential legal fees; where the target of £100,000 is not expected to be met due to demand-led activity running above budget target. This has meant the anticipated reduction in volumes has not materialised. The situation will be reviewed for 2010/11.
 - Agreed savings resulting from recruitment drag; where the agreed target of £1,147k will have a shortfall of £613k due to the need for additional capacity and expertise within estate property management to support some key unforeseen operational functions (e.g. major works, repairs and Lakanal).
 - Agreed savings on Parking Income; where the agreed target of £240k will not be fully realised as activity is below the target on which the base budget assumptions were predicated. This is resulting in a shortfall of approximately £60k.

Contingency

37. As part of the budget process for 2009/10, a number of specific budget pressures that could not be fully quantified were identified. Estimates of the extent of these pressures, based on previous and anticipated trends, were used to create a central contingency base budget of £1.2m, a resource to be released into departmental base budgets in year once the extent of the pressures could be quantified. Any unused contingency would be allocated to reinforce Council reserves and balances or could be used to resource one off activities or budget pressures.
38. Children's Services identified two specific budget pressures in relation to special guardianship orders and CLA, outlined next.
39. Special Guardianship Orders: following a judicial review case in respect of Lewisham Council, it was necessary to revise our kinship care policy to reduce the risk of Southwark being taken to judicial review. This meant an increase in the allowances awarded when an agreement is made to fund a Special Guardianship Order (SGO). In addition to the increase in funding, the average number of placements under these orders has increased significantly. The claim against contingency is £372k.
40. Children looked after (CLA): the CLA service is seeing a significant increase in the cost and volume of parenting assessments since 2007/08. The costs have been increasing as legal aid and children and family court advisory and support (CAFCAS) etc no longer pay for some of these assessments. The volume increases are due to the effects of the Baby Peter case and advocates asking for independent assessments via the courts. The claim against contingency is £480k.
41. These resources have been released following claims being submitted to the finance director for approval. However because they are volume based, these budget allocations will need to be monitored carefully to ensure that the amount allocated remains appropriate for purpose.

Employee budgets

42. In setting the 2009/10 budget, an assumption was made that employee costs would rise by 2%. This assumption was made in the context of some uncertainty and represented a prudent assessment at that time. The budget increase was to be reviewed and monitored closely.
43. Following agreement of the 1% pay award for 2009/10 and after allowing for the late 0.3% increase to the 2008/9 pay award, an appropriate adjustment (a 0.7% claw back) was implemented to adjust the salary budgets to the correct increase level. This claw back is in the region of £1m and is available to help meet demand pressures identified in this report.

Collection Fund

44. As a billing authority, the Council is required to maintain a collection fund account, which shows the transactions of the billing authority in relation to non-domestic rates and council tax, and demonstrates the way in which these have been distributed to preceptors and the general fund. The Council must also take into account the estimated surplus or deficit on the Collection Fund balance when setting its council tax for the following year. At quarter 2, the Council is forecasting a surplus of £1.6m as at 31 March 2010, of which £1.2m is attributable to the Council and £0.4m to the GLA.
45. The surplus is due mainly to higher than expected council tax billing in 2009/10, principally as a result of new developments being completed in the borough, and a reduction in discounts following a review of entitlements at the end of 2008/09.

Reserves

46. The Council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained so as to finance calls for expenditure for items that are difficult to predict and that are not included in revenue budgets or within the capital programme. They relate especially to invest to save opportunities that form part of the modernisation agenda and investment in regeneration and development where spend may be subject to unpredictable market and other influences.
47. The allocations to revenue budgets are reflected in Tables 1 and 2 and are subject to approval arrangements.

Table 4: Summary of reserve movements as at quarter 2 (updated)

	Opening balance	Change in reserves	Forecast closing balance
Reserve	£'000	£'000	£'000
General fund earmarked	(71,988)	5,404	(66,584)
HRA earmarked	(18,176)	4,759	(13,417)
General Fund balances	(18,271)		(18,271)

48. The change in earmarked reserves includes estimated future changes. The projected planned calls on general fund earmarked reserves include £2.0m for the modernisation and improvement programme, which includes £0.5m contribution for the Southwark Circle project from the financial risk reserve. £2.2m for property and re-housing project costs including Bermondsey Spa and Canada Water, £0.8m for Aylesbury and £0.3m for Southwark Schools for the Future. In addition £1m in relation to the costs of transition to in-house provision of the revenues and benefits service.
49. There are also planned net movements into reserves of £0.9m which includes £0.2m of unspent DSG that will be transferred to an earmarked reserve as these funds must be used for the benefit of schools.

Community Impact Statement

50. This report monitors expenditure on council services, compared to the planned budget agreed in February 2009. Although this monitoring report has been judged to have no or a very small impact on local people and communities, future decisions to manage predicted adverse variances may require detailed consideration of the impact on local people and communities as appropriate including consultation where required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Revenue Monitoring 2009-10	160 Tooley Street	Cathy Doran 020 7525 4396

APPENDICES

No.	Title
Appendix A	Detailed explanation of key forecast outturn variances from budget as at quarter 2
Appendix B	Additional risks that may impact on the forecast outturn
Appendix C	General Fund and HRA 2009/10 year-end position as at quarter 1

Lead Officer	Duncan Whitfield, Finance Director		
Report Author	Jennifer Seeley, Deputy Finance Director		
Version	Final		
Dated	18/01/10		
Key Decision?	Yes	Date on Forward Plan	January 2010
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Communities, Law and Governance	No	No	
Finance Director	Yes	Yes	
Executive Member	Yes	Yes	
Date final report sent to Constitutional/Community Council/Scrutiny Team			18/01/10

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
Children's services	
<p>5-11 Services and Inclusion (GF)</p> <p>Budget £11,657k Forecast £12,444k Variance £ 787k</p>	<p>This projected adverse variance relates to continuing increased costs on the Council's Home to Schools contract for the transport of pupils with SEN. The number of pupils transported is up by 22 to 408 but more significantly, there has been an increase in the number of rounds from 93 last year to 110 this year (additional 17 rounds). In advance of the retendering of the contract for the provision of this service from August 2011, consultancy support has been sought from KPMG to identify options for achieving shorter term savings within the existing contractual arrangements. As a result, a number of immediate measures to reduce costs were introduced from September. These include the use of the corporate taxi contract (rather than the Home To School contract) to transport pupils who do not need to be escorted and to negotiate a lower contract specification with regard to the age of vehicles and the provision of named drivers.</p>
<p>Specialist Children's Services (GF)</p> <p>Budget £51,948k Forecast £53,943k Variance £ 1,995k</p>	<p>The service has experienced significant increases in the number of high cost placements for looked after children over the last 18 months. The additional costs arising from these placements during 2008-9, were offset by a one-off 'windfall' of asylum seekers grant totalling some £1m. We are currently projecting a total adverse variance of some £1.2m on these CLA placements during 2009/10. This includes increased costs of some £560k relating to an increase of 6.2 (or 21%) in high cost residential placements and £365k in respect of an increase of 10.5 (or 36%) in semi-independent placements.</p> <p>Further increases in costs of some £0.7m are projected on disability placements, direct payments and accommodation costs relating to families with no recourse to public funds.</p>
<p>Other Education Services</p> <p>Budget £ 34,956k Forecast £ 34,122k Variance (£ 834k)</p>	<p>A reduction in the projected level of traded income is now expected. This, however, will be offset by increased savings in the 0-5 service and from implementation of the new structure for integrated youth support. Further reductions in expenditure will be achieved through reduced use of agency cover and through the review of recruitment plans across education services. Additional income from government grants is also now projected. The opportunity will be taken during the remainder of the financial year to explore further such options to offset the unavoidable increased costs relating to Home to School Transport.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
<p>Children's Services Schools Budget (DSG)</p> <p>Budget £ 1,115k Forecast £ 920k Variance (£ 195k)</p> <p>To DSG reserves year end £ 195k Variance after to reserves £ nil</p>	<p>The net budget in this area relates to the release of previous year's underspends from the DSG reserve. Schools Forum has now fully committed these reserves to one-off projects.</p> <p>Opportunities continue to be explored to identify areas of expenditure currently charged to General Fund budgets that might legitimately be funded from the schools budget.</p>
Health and Community Services	
<p>Summary</p> <p>Budget £ 101,110k Forecast £ 101,862k Variance £ 752k</p>	<p>Adult Health and Community Services is forecasting an adverse variance of £752k.</p> <p>There has been significant progress made in recent months in reducing the projected adverse variance, but there have also been emerging pressures in learning and physical disabilities and budget shortfalls relating to unachievable savings including the deferment of home care retendering and delays in implementing the review of benefits advice Council-wide.</p> <p>Key pressure areas are: Older People £1.7m mainly due to the complexity of the eligibility review resulting in savings not accruing at the rate originally planned; Learning Disabilities £700k additional clients; Physical Disabilities £300k additional clients.</p> <p>A robust management action plan was put together early in the year with the aim of reducing the adverse variance to a balanced budget position by year end. This action consists of an extensive programme of efficiencies and savings which includes the following: more effective commissioning of care packages and residential accommodation £1.2m; reductions in non-care costs £200k; reductions in agency staff £200k; a range of efficiencies across the department £1.2m. Currently there is a shortfall in achieving these efficiencies that equates to the current projected overspend but efforts are being redoubled.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
Environment and Housing	
<p>Summary</p> <p>Budget £75,463k Forecast £75,998k Variance £ 535k</p>	<p>Departmental budget pressures centre around the continued costs of the leisure and culture units exceeding budgeted levels, income run rate being below budgeted levels and residual costs of units proposed for closure or reorganisation to meet savings target.</p> <p>There is no firm agreement over central funding for increased project management costs and any compensation payments to Fusion as a result of service closures. On the plus side there is one off underspend within the waste management contract which reduces the departmental pressure overall. It is anticipated that the management action currently being undertaken will reduce this variance further.</p>
<p>Public Realm</p> <p>Budget £10,523k Forecast £10,725k Variance £ 202k</p>	<p>The main adverse variance is in the Parks Business Unit and is due to projected shortfall in income within Cemeteries from failure to be able to increase fees and charges. As a result of a zero based budgeting exercise carried out to explore opportunities for reducing costs and increasing income, the adverse variance has decreased. There are also budget pressures in South Dock Marina but the Head of Service is confident that it can be managed to be within budget by the year end.</p>
<p>Community Safety</p> <p>Budget £14,144k Forecast £14,267k Variance £ 123k</p>	<p>The anticipated adverse variance of £123k reflects unbudgeted staff costs due to delays in implementing the revised structures within the division. It is anticipated that the recruitment freeze for the rest of the year and detailed review of the staffing structure will reduce the adverse variance for the division.</p>
<p>Waste Management and Transport</p> <p>Budget £27,852k Forecast £27,551k Variance (£ 301k)</p>	<p>The division is currently projecting a one off underspend of £301k mainly due to reduction in waste tonnage and performance deductions on the unitary charge of the Waste PFI contract.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
<p>Culture, Libraries, Leisure and Learning</p> <p>Budget £12,734k Forecast £13,245k Variance £ 511k</p>	<p>Leisure An adverse variance of £367k relates mainly to the continued costs of the leisure investment programme with regard to the external consultancy costs (£222k) and additional costs due to delay in the start of the new Fusion contract (£145k).</p> <p>Culture Events anticipate an adverse variance by £106k from increased security and health & safety requirements on larger events and change of venue for fireworks. Other budget pressures include R&M for Kingswood House £20k and Cuming Museum £35k for additional, storage and archiving costs. The Head of Service is exploring ways of mitigating this by some tighter budgeting elsewhere in the division but adverse variance is forecast.</p>
Regeneration and Neighbourhoods	
<p>Summary</p> <p>Budget £ 39,369k Forecast £ 39,492k Variance £ 123k</p> <p>Various</p> <p>Variance (£ 148k)</p>	<p>Overall, Regeneration and Neighbourhoods is forecasting an adverse variance of £123k.</p> <p>General underspends across the division totalling £148k</p>
<p>Development Control</p> <p>Budget £ 1,580k Forecast £ 1,642k Variance £ 62k</p>	<p>Projected adverse variance is mainly due to a shortfall in superannuation budget and also an increase in legal fees.</p> <p>Action taken: Ongoing close monitoring of all discretionary expenditure items. Variation in superannuation budgets/shortfall to be resolved at a departmental level as part of the closing process.</p>
<p>Building Control</p> <p>Budget £ 1k Forecast £ 86k Variance £ 85k</p>	<p>The general reduced activity in the building and property sectors is reflected in a projected significant reduction in income for the Building Control Teams.</p> <p>Action taken: Continuous review of staffing requirement with the view to reducing engagement of temporary staff and external contractors. There is also close monitoring of discretionary expenditure items. Market share is holding at 75% but there is continuous efforts to increase the council share.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
<p>Strategy and Regeneration</p> <p>Budget £ 8,372k Forecast £ 8,496k Variance £ 124k</p>	<p>Net adverse variance is mainly due to the shortfall on project management costs.</p> <p>Action taken: New approach agreed to ensure that all legitimate staffing and professional costs relating to project management of capital schemes to be capitalised with proper supporting information. An exercise is currently underway to implement a system of time recording against capital project/schemes. The completion of this exercise is expected to reduce the current projected adverse variance.</p>
Major Projects	
<p>Summary</p> <p>Budget £ 6,600k Forecast £ 6,600k Variance £ 0k</p>	<p>No variance from budget is projected.</p> <p>Note that budgets for 2009/10 are still under review in light of major reorganisation and consequent structural changes. Any additional budgetary requirement funded from regeneration reserves is subject to agreement and approval by the Finance Director.</p>
Deputy Chief Executive	
<p>Summary</p> <p>Budget £ 48,079k Forecast £ 48,134k Variance £ 55k</p>	<p>Overall, Deputy Chief Executive's is forecasting an adverse variance of £55k. The main variances are shown below.</p>
<p>Organisational Development</p> <p>Budget £ 1,759k Forecast £ 1,597k Variance (£ 162k)</p>	<p>This has arisen from additional grant funding of £149k which has been released from reserves to Organisational Development. This will be used to fund the apprentices scheme, and expenditure will be allocated against these grants for that purpose. In addition the forecasts have been reduced to take account of the element of apprentices' salaries which are recharged to the departments which use them.</p>
<p>Client Services</p> <p>Budget £38,717k Forecast £38,934k Variance £ 217k</p>	<p>The adverse variance in Client Services is mainly due to Client Unit costs of £120k relating to the use of agency staff to cover vacant posts and additional accommodation costs needed to recognise the difference between the standard charge made in 2008/2009 and the actual accommodation costs; increased security and energy costs in the One Stop Shops of 119k; and a reduction of income in the Registration Service due to a continued reduction in demand for the service of £142k. However this is mitigated by around £164k of underspends.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
Communities, Law & Governance	
Summary Budget £14,083k Forecast £14,083k Variance £ 0k	No variance from budget is projected.
Financial Management and IS	
Summary Budget £22,462k Forecast £22,470k Variance £ 8k	Although there are expected to be variances between certain areas, FMS is projected to be almost on budget for the year, with a projected adverse variance of £8k. Adverse variances on consultants and redundancy costs are offset by savings on external audit and salaries. Previously reported adverse variances in Information Services will be absorbed.
Management Team Budget £ 747k Forecast £ 1,211k Variance £ 464k	There is a significant projected adverse variance of £464k. Of this, £246k is for anticipated redundancy/retirement costs arising from the Finance Shared Services Review and a further £218k is for one off consultancy costs.
Financial Transaction Shared Services Budget £ 1,780k Forecast £ 1,362k Variance (£ 418k)	There is a significant projected underspend of £418k relating to vacancies within the newly created Financial Transaction Shared Services division.
HRA	
Summary Budget net £ nil Forecast £ 4,759k Variance £ 4,759k Reserves funding year end (£ 4,759k) Variance after reserves £ nil	Headline position shows a £4.8m variance against budget. This represents a worsening in the position reported previously and reflects the extent of the spending pressure in relation to the day to day management and maintenance of the housing stock, and other specific and extraordinary factors that have a disproportionate effect on the budget this year. Any shortfall will be a first call against HRA reserves, which have seen a marked decline in recent years and continue to be under severe pressure.

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
<p>Regeneration and Neighbourhoods (HRA) - Community Housing Services - Strategy and Regeneration</p> <p>Budget £ 2,925k Forecast £ 2,981k Variance £ 56k</p>	<p>Housing Regeneration Initiatives within Strategy and Regeneration is leading on several new Council initiatives/ priorities designed to deliver savings and generate more capital resources down the line. These are currently costing in excess of any base budget savings occurring through vacancies across both divisions and are likely to remain for the foreseeable future.</p> <p>On the temporary accommodation side, hostel numbers are generally consistent with budget projections and whilst estate numbers are falling quicker than expected, the lack of suitable estate properties coming on stream is limited and remains problematic. Overall, this is broadly neutral in budget terms as repair costs are also lower than planned. Legal caseload and tenant removal costs are higher than expected, but are being contained within the overall outturn forecast.</p> <p>Week 35 shows property void rate is 8.5% overall, but within budget target. Temporary accommodation collection performance is 98.61% against a management target of 95% and a budgeted target of 90%.</p>
<p>Strategic Services (HRA)</p> <p>Budget £105,169k Forecast £102,783k Variance (£ 2,386k)</p>	<p>This activity comprises all central overheads and non-operational functions within the HRA, specifically housing subsidy, debt charges and financing, CERA and central support charges and other shared service functions provided to the HRA.</p> <p>Interest receivable on cash balances is forecast to be c. £0.6m lower than budgeted (£626k), less some minor offsetting savings on debt management (£55k) and debt interest (net £23k). With LIBOR rates looking set to stay at a historically low average of around 0.5% for the year and balances brought forward (including the MRA Reserve), lower than expected due to the funding requirement for 2008/09 capital expenditure, the shortfall is acute in 2009/10 and has been factored into budget planning assumptions for 2010/11.</p> <p>The reduction in leaseholder major works billing referred to below is partially offset by a reduction in the contribution to the investment programme as this moves in proportion to the value of billing, currently estimated at £2.9m. This saving needs to be considered alongside the negative income variance reported by HOU below, giving rise to an adverse impact of £1.9m overall.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
HRA (continued)	
<p>Environment & Housing (HRA) - Home Ownership Unit</p> <p>Budget (£30,556k) Forecast (£25,888k) Variance £ 4,668k</p>	<p>Headline position is distorted by virtue of the reduction in capital works billing referred to below, but the underlying position is an underspend comprising employees, running costs and Leaseholder Fund of £0.2m.</p> <p>Revenue Service Charges £16.1m (net) has been billed at the end of period 8 against a full year budget of £16.4m with some further limited billing anticipated as 2008/09 actualisations are completed. Collection performance shows £11.2m has been collected against a target of £15m. At this stage both collection and billing remain on target.</p> <p>Capital Service Charges Net billing of £4.5m is assumed at period 8 against a full year budget of £10m, but this remains subject to further fluctuation as account adjustments continue to be processed over the remainder of the year. The extent of this year's variance from budget occurs as programmed works assumed for budget planning purposes have been subject to alteration, postponement and cancellation. Notwithstanding the scale of the variation, it is substantially mitigated by a reduction in the level of revenue support to the Investment Programme of £3.6m, which is directly linked to the value of capital billing, thereby softening the effect on the I&E (net £1.9m). In terms of collection performance, £5.3m (including Major Works loans) has been collected and remains on track to meet the budget target of £8m.</p> <p>Commercial Property Forecast on budget, albeit the current economic conditions may impact on the rent debit. The third quarter billing run should provide a better indication of activity and income performance.</p>
<p>Other Environment & Housing (HRA) Services (See below for Housing Management)</p> <p>Budget £14,195 Forecast £14,018k Variance (£ 177k)</p>	<p>The forecast reflects anticipated employee savings within the Commissioning function</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
<p>Environment and Housing (HRA) - Housing Management</p> <p>Budget (£ 91,733k) Forecast (£ 88,770k) Variance £ 2,963k</p>	<p>The forecast variance has been revised upwards following further review and analysis, and comprises:</p> <p>+£882k Employee costs. Arises within Estate Property Management where there is a need for additional capacity and expertise to support key operational functions. To be addressed through changes in the organisational structure during 2010.</p> <p>+£746k Consultant Services. Provision of external validation of the stock condition survey and undertaking additional specialist work to enhance the SCS. Implementation of a dedicated Fire Risk Assessment (FRA) management team.</p> <p>+£1.12m Repairs and Maintenance contract. High volumes/ values of reactive repairs, greater than the budget can realistically sustain. New controls have recently been implemented within the repairs function which should begin to redress the current imbalance. However, as we move towards 2010/11, existing activity levels cannot be sustained and it is crucial that volumes and unit costs are managed more effectively to ensure expenditure is contained within budget.</p> <p>+£736k Other repairs and maintenance. Increased expenditure on dry-risers, lightning protection and the installation of fire signage. These works have been prioritised and condensed into a shorter timeframe than originally planned.</p> <p>+£588k Compensation, Legal and Professional Fees. Cost of legal services within Area Management - an action plan is in place to reduce expenditure, through more robust management controls on disbursement & estimating the cost of actions prior to commencement. However, the effects of this are yet to impact on spend forecasts.</p> <p>+£252k Area Estate costs. The cost of electricity in communal areas is running ahead of budget. A project is underway to map all meters to ensure accurate and timely readings and improve operational and financial control, in conjunction with the Council's energy team.</p> <p>(£ 761k) Heating contract. Savings generated through the new contract remain above those originally expected, but less than previously forecast..</p> <p>(£ 614k) Works contracts. Implementation of tighter expenditure controls and improved contract management are delivering savings against a number of works contracts, e.g. door entry.</p> <p>Rent Income</p> <p>Week 35 collection performance is 99.78% for Housing Management (99.6% adjusted for e.o.y. timing) against a management target of 99.5% and a budgeted target of 100%. Collection performance shows signs of improvement over previous months, albeit remains below the budgeted target and is likely to push arrears higher (c. £0.4m) by year-end. Cash receipts are down 0.75% year-on-year, whilst housing benefit is up 0.9% by comparison, which is indicative of the current economic conditions. In terms of rent debit raised compared to budget, this is currently running marginally above budget and may assist in mitigating the dip in collection. However, there is no prospect of a repeat rent windfall on the scale experienced in 2008/09.</p>

Detailed explanation of key forecast outturn variances from budget as at quarter 2

Service and Division	Explanation
Carry forward (HRA) Budget £ nil Forecast (£ 365k) Variance (£ 365k)	Part of the HRA reserves are earmarked to fund a range of one-off projects and specific revenue cost pressures, which are outside the base budget. Expenditure is recorded in the Income and Expenditure Account and contributes to the overall outturn position. In some cases re-provision is required as they are programmed to span more than one financial year or may have incurred slippage, whilst others, such as the Tenants Fund and Leaseholders Fund carry forward balances from year to year. This forms part of the overall HRA reserves mentioned below.
HRA reserves Movement at outturn estimated at £4.76m to HRA	The ring-fenced nature of the HRA allows balances to be carried forward year on year to meet budget variations, which can either be negative or positive, giving rise to fluctuations in the level of reserves. In the event that these cost pressures cannot be fully mitigated during 2009/10, this will represent a first call on reserves. This is currently estimated at circa £1.57m. This movement is shown in the Table in the Overview section at the start of this report.

Additional risks that may impact on the forecast outturn

Service	Division	Additional risks identified
Health and Community Services	All	<p>The following assumptions have been used in preparing this statement:</p> <p>The programme of management action is targeted with achieving a balanced budget at year end. This is under constant review by SMT and the Modernisation Board. This forecast only includes savings that are deemed to have been achieved.</p> <p>Support Service Recharges will not be above budget;</p>
Environment and Housing	Leisure Management (high risk)	Although Surrey Docks and Dulwich leisure centres are included in the current refurbishment programme, there is a risk of further loss on income claims during closure and unforeseen expenditure as a result of planning requirements. There is also uncertainty about the level of unscheduled R&M costs that will be incurred for maintaining remaining leisure centres which are included in the wider regeneration programme where decisions have not yet been made. As part of the Capital Refresh project, bids have been submitted for refurbishing Seven Islands and Elephant & Castle centres.
	Public Realm (Street Markets) (medium risk)	As a result of delay in implementing increased fees and charges proposed for Street Markets and actions taken to strengthen the management of the unit, the planned reduction of deficit brought forward from previous years will not be implemented in time. The cumulative deficit, of £523k at start of the year, in this ring fenced account will become a call on General Fund if adequate actions are not taken to clear the deficit. The Head of Service is working on a number of measures to compile a formal 3 year recovery plan to reduce the deficit and put the accounts in a better footing.
	Parking (medium risk)	Although the Parking income is projected to be on budget for the current year, the latest run rate shows that similar level of income is unsustainable in the long term. Economic downturn and better compliance are possible reasons.
Regeneration and Neighbourhoods	Property Services	There is a risk of delayed disposals and increased voids due to current market conditions.
	Building Control	Fee income is generally dependent on the level of external building related activities. In light of the general sluggish condition of the market and the possibility of worsening conditions, the fee projections may be susceptible still.

Additional risks that may impact on the forecast outturn

Service	Division	Additional risks identified
	Strategy and Regeneration	A system for time recording against capital schemes may not be implemented on time.
	Community Housing Services	<p>Volatile Homelessness numbers.</p> <p>Potential cost over-runs due to delays in handing over properties to previous Landlords.</p> <p>Final redundancy costs could exceed current projections.</p>
Communities, Law and Governance	Legal Services	The ongoing restructuring in legal services support and the formation of the community engagement division will cause a degree of disruption. There is a risk that unforeseen events could damage performance and cause a departmental adverse variance.
Deputy Chief Executive	All divisions	<p>Client Services includes the Revenues and Benefits service. The outturn on the benefits paid and related subsidy received depends upon factors which can only be determined at the year end. In previous years this has resulted in a large credit on these accounts. Although there is no reason to expect a change to this pattern in 2009/2010, it cannot be guaranteed.</p> <p>There are a number of shared services reviews either in progress or scheduled which will impact significantly on the DCE. If the full savings built into these reviews are not achieved this would have an adverse effect on the department's variance.</p>

Additional risks that may impact on the forecast outturn

Service	Division	Additional risks identified
Financial Management Services and IS	All divisions	<p>The finance shared service review is ongoing and involves significant changes to the way the service is delivered.</p> <p>An increase in the use of consultancy services.</p> <p>Current year savings depend on further reduction in staffing levels being achieved.</p> <p>An inquest is to be held by the Southwark Coroner's Service into the deaths caused by the fire that occurred in Lakanal House on 3 July 2009. It is not known when the inquest will begin or how long it will last, but it is thought that it may not begin until 2011. The cost of the inquest is likely to be substantial and it is not yet known how it will be funded, and there may be some preliminary costs associated with it in the current financial year.</p>
HRA Environment & Housing	Project costs estimated at £3.5-£4m	<p>In addition to the mainstream HRA, there are other major cost pressures which are of an exceptional nature and therefore being accounted for outside the revenue monitor at this point. Re-housing of Heygate residents as part of the regeneration programme, together with early activity on Aylesbury has major cost implications for which mainstream funding is limited. In addition, costs specific to the Lakanal House fire and associated safety works across the stock are now gearing up. It is too early to accurately quantify the potential revenue impact, nor investment needs, as the full ramifications remain unknown. Landlord costs falling to the Council after insured losses will be met through a combination of HRA revenue, earmarked reserves and Housing Investment Programme resources.</p>

Appendix C

Estimated projection of General Fund outturn position for 2009/10 as at quarter 1

	Full Year Budget	Full Year Forecast	Over (+) Under (-) spend
	£'000	£'000	£'000
Children's Services	95,797	98,784	2,987
Health & Social Care	102,897	104,359	1,462
Environment and Housing	75,367	76,333	966
Regeneration and Neighbourhoods	37,115	37,510	395
Major Projects	5,365	5,365	0
Deputy Chief Executive	44,010	44,010	0
Communities, Law, Governance	14,402	14,402	0
Financial Management and IS	17,898	17,966	68
Strategic & Corporate	(47,274)	(47,274)	0
Total General Fund before appropriations	345,577	351,455	5,878
Appropriations to/(from) reserves	(5,263)	(5,263)	0
General Fund Total	340,314	346,192	5,878
Area based grant	(25,162)	(25,162)	0
General Fund net total	315,152	321,030	5,878
Schools Budget	0	(632)	(632)
Appropriation to/(from) DSG reserves	0	632	632
Total	315,152	321,030	5,878

Estimated projection of HRA outturn position for 2009/10 as at quarter 1

	Full Year Budget	Full Year Forecast	Over (+) Under (-) spend
	£'000	£'000	£'000
Housing Revenue Account	0	1,950	1,950
Appropriation to/(from) HRA reserves	0	(1,950)	(1,950)
Total	0	0	0

Note: Full Year Budget amended to reflect organisational changes, including reallocation of support costs.

Item No.	Classification Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Housing Revenue Account – Rent-Setting Report 2010/11	
Ward(s) or groups affected:		All	
From:		Finance Director	

RECOMMENDATION(S)

The Executive is recommended to:

1. Approve an average rent increase of 1.33% in accordance with the Government's required formula rent guidance (as set out in paragraphs 7 – 11). This is equivalent to an increase of £1.06 per week on average, to be applied to all HRA dwellings (including estate voids and hostels), with effect from 5th April 2010. Average budgeted dwelling rent for 2010/11 will be £80.60 per week.
2. Approve a freeze in tenant service charges such that each charge remains at the rate determined for 2009/10 (as set out in paragraphs 21 – 23) with effect from 5th April 2010.
3. Defer any recommendation for an increase in rents and charges for all non-residential property, such that each charge remains at the rate determined for 2009/10 subject to a further report on the charging structure for these properties being brought to the Executive during 2010 (as set out in paragraphs 24 – 25) with effect from 5th April 2010.
4. Approve a standstill in heating and hot water charges such that each charge remains at the rate determined for 2009/10 (as set out in paragraphs 26 – 28) with effect from 5th April 2010.

BACKGROUND INFORMATION

5. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the Council's housing stock, offset by tenant rents and service charges, housing subsidy, leaseholder service charges and other income.
6. This report is subject to consultation with Tenant Council, Area Forums and Home Owners Council.

ANNUAL RENT GUIDELINE AND FORMULA RENT

7. Government housing subsidy rules ensure that Councils are financially penalised if they vary rents, either up or down, from the prescribed guideline rent. Under the Government's policy of rent restructuring, the capacity to set an increase below the guideline is limited by the annual withdrawal of housing subsidy at least equal to the guideline increase (rent clawback). Any increase beyond the guideline would contravene the Government's rent restructuring framework – specifically the affordability criteria implicit within caps and limits. In addition, housing benefit limitation arrangements within the subsidy rules means the Government reduces the amount payable to Southwark if the rent increase exceeds the HB limit, such that the HRA would ultimately receive c.40% of the additional increase above the prescribed guideline.
8. Government implemented its review of rent restructuring in 2006/07. In Southwark this had an impact on rent levels and had the effect of accelerating convergence with housing association rents.
9. In the normal course of events, there are 3 separate drivers for rent inflation under rent restructuring: the underlying inflation rate (the Retail Price Index at September 2009 is used as specified by the Government); the 0.5% top-up added to hasten comparability with RSL rent levels and the effect of phasing the move between Southwark's actual and target rents. This final percentage is mainly influenced by the 'convergence date' determined by the Government – i.e. the year by which actual rents are assumed to have reached the formula rent level. The 2009/10 Determination acknowledged that the September 2008 RPI of 5.0% was at the higher limit of affordability for tenants, and in order to ameliorate this, the date of convergence for rent restructuring was temporarily put forward to 2023/24, which generated the original actual rent increase of 5.86%, as reported to the Executive on 27th January 2009. The effect of each of these drivers is summarised in the table below.

	2009/10 Final	2009/10 Amended	2010/11 Draft
Inflation Uplift (RPI @ September)	5.00%	5.00%	(1.40%)
Top-Up Element	0.50%	0.50%	0.50%
= Increase in Formula Rent	5.50%	5.50%	(0.90%)
plus Phasing Element	0.70%	(2.40%)	4.00%
= Increase in Guideline Rent	6.20%	3.10%	3.10%
less Annual Affordability Limits	(0.34%)	(0.37%)	(1.77%)
= Total Increase in Actual Rents	5.86%	2.73%	1.33%

10. The Government's original intention was that rent restructuring would be complete (or rents would have 'converged') after 10 years (i.e. in 2011/12). However, they have intervened on a number of occasions during the operation of the policy in order to alleviate the actual rent rises that would otherwise have resulted, most notably last year, when the final Determination was amended 3 months after publication in order to reduce the national guideline rent increase. This is reflected in the second column of figures in the table above. In order to achieve a national average guideline rent increase of 3.1% again for this year, the Government has amended the convergence date once more, back to 2012/13. The table above reflects this adjustment, and the phasing element of the total increase has increased significantly as a result. A chronology of the national changes made since 2002/03 is attached as Appendix B.

11. Without the application of annual affordability limits (RPI + 0.5% + £2.00) for individual rent rises, the 'headline' increase in dwelling rents would be around the 3.1% guideline figure. However, as there is a considerable difference between RPI and the Government's guideline rent increase, around 80% of tenants will benefit from this limit in 2010/11, and as a result the average rent rise falls to 1.33%.
12. Appendix C is a collated list of average and formula (or 'target') rents across London boroughs. In 2009/10 Southwark's average rent ranked 7th lowest of the 29 London Boroughs that manage their housing stock, either directly or via an ALMO (NB the City of London was excluded from this survey, conducted by London Councils). The gap between actual and target rents widened considerably last year, since in addition to the effects of deferring convergence, the mechanism employed by the Government for reducing actual rent increases related to the guideline rent increase, and was not also applied to the calculation of target rents.

MANAGEMENT AND MAINTENANCE ALLOWANCES

13. The Government's draft Determination was issued on 9th December 2009; consultation for this ends on 25th January 2010. This is considerably later than in recent years and so the final Determination has not been issued in time to be incorporated within this report.
14. The proposal in the draft Determination is that allowances nationally rise by 2.25% in line with the GDP inflation indicator used and by another 0.8% for 'rebasings' (a contribution from the rent rise). Movement in local weightings for costs, crime and dwelling types mean Southwark's allowances rise by another 1.25% in 2010/11, making the total proposed rise 4.3%, taking management and maintenance allowances together. However, due to the loss on rent clawback and the effect of negative inflation during the current year, the requirement for expenditure uplifts is much lower than the 4.3% headline. For the HRA inflation equates to 0.32% of the gross budget.
15. Rent clawback (the amount Government assumes Southwark's rent income to be) has increased by an underlying 3.02%. The table below provides comparative subsidy allowances per property for 2010/11 compared to 2009/10 allowances. This shows that Southwark will receive £17.31 less per property in 2010/11 for revenue purposes than the current year.

	2009/10 £	2010/11 £	(gain)/loss £	%
Management	(1,067.01)	(1,107.24)	(40.23)	(3.77)
Maintenance	(1,418.35)	(1,484.66)	(66.31)	(4.68)
Rent Clawback*	4,104.95	4,228.80	123.85	3.02
Net Clawback	1,619.59	1,636.90	17.31	(1.07)

*Reduced by 2009/10 amending Determination to compensate for rent debit foregone

16. The total effect of the allowance and stock changes is shown in the table below.

2010/11 Movement (gain)/loss	Subsidy Determination £m
Management, Maintenance and Major Repair Allowances	(3.0)
Rent Clawback	2.1
Debt Charges (net)	0.5
Total Gain in Subsidy	(0.4)

MAJOR REPAIRS ALLOWANCE AND DEBT CHARGES

17. Major Repairs Allowance (MRA) represents the estimated long-term average amount of capital spending required to maintain the stock in its current condition. MRA funds are ring-fenced for HRA asset investment and play no part in the determination of rent levels or revenue budgets.
18. Nationally a 2.25% inflation uplift has been applied to allowances, which in the past hasn't adequately reflected building cost pressures in London and the South East. This has been exacerbated by the application of regional cost weightings (Geographical Adjustment Factor), which re-distributed resources nationally. For 2010/11, however, the rise in the GDP deflator flagged in the Pre-Budget Report from 1.5 to 2.25% has resulted in an increase in allowances across the board, and in MRA resources for Southwark from £37.1m to £37.6m in 2010/11.
19. This increase in MRA, which on a per property basis is a rise from £916.32 in 2009/10 to £943.45 in 2010/11, when taken with the fall in net revenue resources due to rent clawback of £17.31 noted above results in an overall gain in resources per property for 2010/11 of £9.82.
20. The effect of lower interest rates meant that whilst debt charge subsidy fell by £0.9m (£58.4m in 2009/10 to £57.5m), and lease rental subsidy dropped out completely in 2010/11 terms (£0.1m), a gain in the depreciation element of £0.5m, gave a net movement in 2010/11 of £0.5m, as reflected in the table above.

TENANT SERVICE CHARGES

21. Tenant service charges were separated out from the rent as part of the Government's rent restructuring regime in 2002/03. This was to enable greater consistency and transparency between local authority and RSL sectors. Increases are normally capped nationally at September RPI @ $-1.4\% + 0.5\%$, which would equate to a reduction of -0.9% for 2010/11. This would translate into reductions of between 4p and 1p per week on the individual service charges, which are listed below.

	2009/10 £ per week
Estate Cleaning	4.45
Grounds Maintenance	1.03
Estate and Communal Lighting	0.93
Door Entry	1.09
Total	7.50

22. However, councils are finding that the cost base for tenants service charges requires reassessment, as the caps imposed by Government on their annual increase are not linked in any way to inflationary pressures on those costs. For example in 2009/10, both the London Boroughs of Barnet and Barking and Dagenham were forced to increase service charges substantially in order to address this.
23. With this in mind, and given the very modest amounts available for reduction, it is proposed to freeze the individual service charges at 2009/10 levels. The Council will review this issue during 2010/11 with a view to rebasing the charges.

NON-RESIDENTIAL RENTS AND CHARGES

24. Non-residential rents and charges were increased by 25.0% in 2009/10. The report to the Executive on 27th January 2009 that proposed this increase contained a section setting out Southwark's position relative to other comparable London Boroughs. It was further stated:

"With regard to 2010/11, it is intended that Southwark introduce a differential charging policy, based on different levels of demand in different parts of the borough. In order to do this, work is required to assess which garages will attract premium rates, which need refurbishment work to bring them up to a lettable standard and which should be disposed of, to generate funds to re-invest in the remaining garage stock".

25. Work on a re-engineering of the methodology for charging for non-dwelling properties is on-going, and it is the intention of officers to bring the results of this, once complete, to the Executive during 2010 for consideration and approval. In the interim, it is proposed to maintain the existing level of charge until the results of the review have been subject to consultation. The 2009/10 uplift moved the Southwark cost towards the average of comparable prices in similar areas to LBS and for this process to be completed a further increase of c.33% to an average charge of £15.00 per week would be necessary.

DISTRICT HEATING CHARGES

26. Heating and hot water charges increased by 14.5% in 2009/10, as the Council was in the process of procuring an extended, 4-year flexibly-priced contract for the provision of gas for 'large sites'. The Executive considered a Gateway 1 and 2 report on this at their meeting on 16th December 2008. Flexible pricing means that the Council is not tied to a given price at the time of procurement, and that (in conjunction with other members of the consortium agreement) we are able to follow the wholesale market in order to better deliver sub-premium prices to tenants.

27. In last year's rent-setting report, it was noted that:

"It is likely that charges will be stable, or may even fall in the next year of the contract (2010/11). As a consequence, the Council is not proposing to fix charges for the remaining 3 years of the contract, but will subject them to yearly review in order to better reflect the flexible nature of the new arrangements as procured".

28. Examination of the price and cost of gas during the first few months of the new contract shows a certain amount of movement above and below the previous year's average, and whilst the most recent position is that the price has fallen as predicted last year, this was not always the case during the year so far. With that volatility in mind, it is recommended that district heating charges are kept at 2009/10 levels.

THAMES WATER

29. Water and sewerage charges applicable to Council dwellings will be subject to an increase from April 2010. Notification of the increase will be advised in the next few weeks by Thames Water, on whose behalf the Council act as agent for billing and collection.

FINANCIAL IMPLICATIONS

30. Appendix D sets out an indicative base budget for the HRA in 2010/11. The final Determination has not been received in time for this report but previous years practice has not warranted any changes to the budget assumptions/plans as previously drafted. If material changes to the HRA budget are merited by the final Determination, this will be reported to the Executive as soon as practically possible. Appendices D – F present the indicative budgeted expenditure and income of the HRA for 2010/11.
31. The HRA continues to be under pressure, as subsidy resources remain constrained. The Government effectively operates control over rent policy, through the rent restructuring regime and reduces Southwark's subsidy (through rent clawback) based on notional data, which is divergent from the actual position as it relates to Southwark.
32. For 2010/11, the HRA budget has been balanced by a range of measures, including increases in rents, improved collection and voids management generating higher income and lower debt provisions and, a re-balancing of resources between the revenue account and the Investment Programme. Efficiency savings are assumed in line with corporate guidance on the General Fund and it is anticipated that these will be delivered through revised and more efficient working across housing services, together with further contract and supply chain improvements. Re-profiling and re-direction of resources provides the flexibility to target those areas of highest priority/greatest need. In order to prudently manage the scarce resources available, the Council also intends to create a reserve to cover exceptional cost items within the HRA.

REVIEW OF COUNCIL HOUSING FINANCE

33. In late 2007 the Government indicated that it intended to conduct a major review of all aspects of financing local HRA's, and a consultation paper "**Reform of Council Housing Finance**" was published in July 2009. The consultation period ended on 27th October 2009.
34. The Government is minded to develop a replacement system of 'self-financing' for local housing authorities, and discontinue the current housing subsidy system. Detailed financial information is not anticipated to be available until at least Spring 2010. Early indications are that there will be consideration of a significant redistribution of housing debt, leading to an "offer" being made to local authorities to voluntarily remove themselves from the subsidy regime, upon receipt of a one-off settlement from Government. Recent press reports indicate that the "offer" may be made public as early as February 2010, upon which time officers will report to the Executive with a detailed evaluation and recommendations for a response.
35. Whilst the Council has submitted a detailed technical response to the principles highlighted in the Reform Paper, it is not possible to model the financial outcomes with any degree of certainty until the release of more LA-specific financial information. The effect on Southwark in common with other social housing providers will be substantial, in almost any event, and the future Executive report on the "offer" from Government will address this.
36. The Government does not appear minded to reform the basics of the rent restructuring policy which has operated since 2002/03, although the Council is likely to be able to retain most if not all its rental income as an integral part of self-financing. This means that rent levels are likely to remain to all intents and purposes nationally-set.

COMMUNITY IMPACT STATEMENT

37. This report is concerned with provision of the Council's landlord services and proposed rent levels for 2010/11. Members of disadvantaged communities are statistically more likely to be council tenants and in need of temporary accommodation services than the general population as a whole. Therefore, the likely impact of this service for disadvantaged groups is high. An individual tenant's rent liability is not compromised by any membership of a specific minority group or groups – though their ability to pay may well be.
38. Increases in rent levels and temporary accommodation charges are likely to have a detrimental effect on the quality of life for those required to pay. However, the Council continues to encourage the take-up of benefit entitlements wherever possible by tenants. Benefit eligibility levels within Southwark are over half the tenanted population, so the need to assist tenants and charge payers with both accessibility to benefit information and their ability to make subsequent claims is an important priority for the Benefits service within Housing.

39. The Council has improved its communication with minority groups with regard to the rent-setting process. Notwithstanding the well-established consultation process with Tenant Council, Home Owners Council and the Area Forums, the Council now follows good practice in ensuring that the statutory notification letters that tenants receive setting out the new rent and charge levels are simply written and are printed in a large font size by default. Further good practice ensures that the rent letters also come with a significant number of “translation tags”; giving minority ethnic groups the means by which they can receive further information. They also include contact information for housing benefit support.
40. The Council will also undertake ethnic monitoring of the consistency and quality of debt management advice provided to tenants. This will assist in identifying any problems of differential take-up of service, and allow the Council to address any issues effectively.
41. Accessibility – the means by which people can pay their rent includes the use of swipe cards; they are currently accepted in 231 Paypoint or 29 Post Office outlets throughout the borough.

CONSULTATION AND NOTIFICATION

Tenant Council

42. Tenant Council on 25th January 2010 will consider the recommendations arising from Area Forum consultation and make consolidated recommendations to Executive, which will be reported at this meeting (on 26th January 2010).

Home Owners Council

43. Home Owners (formerly Leaseholder) Council are unable to make recommendations in the matter of tenant rents and service charges, but may do so in terms of the proposal regarding non-dwellings rents; and so this report has been referred to their meeting of 18th January 2010, and any comments made will be reported to Executive at this meeting (on 26th January 2010).

Statutory and Contractual Notifications

44. Subsequent to the approval of this report, either as set out or as amended by the Executive, and the passing of the necessary date for its implementation, the Council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the commencement of the new rents and charges referred to above.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law and Governance

45. Statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989. The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the Housing Revenue Account and to implement and review the budget. Under Section 80 of the Act, the amount of the Housing Revenue Account subsidy payable to a local authority by Central Government is to be calculated in accordance with such formulae as the Secretary of State may from time to time determine. This report covers the formulae contained in the Department for Communities and Local Government Housing Revenue Subsidy Determination 2010/11.
46. Under Section 24 of the Housing Act 1985, local housing authorities have the power to “make such reasonable charges as they may determine for the tenancy or occupation of their houses”. Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. The section confers a broad discretion as to rents and charges made to occupiers, however Executive will note the effective limitation of discretion provided by the housing subsidy rules referred to in this report.
47. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant Council, “before seeking to vary the sums payable for rents and other charges”. The report indicates consultation will take place in order to comply with this term.
48. It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, together with the Council’s agreement with its tenants, that they are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation. The report indicates the notice of variation will be served in time to comply with this requirement.

Finance Director

49. The financial implications arising from the Subsidy Determination and movements in expenditure/income on the HRA are covered within this report.

Background Papers	Held At	Contact
HRA Rent-Setting Report 2010-11 v.16	160 Tooley Street	Shaun Regan x57771
HRA Reform Paper response	As above	As above

APPENDICES

No.	Title
Appendix A	Audit Trail
Appendix B	Rent Restructuring Chronology
Appendix C	Average Rents across London Boroughs 2009/10
Appendix D	HRA Indicative Budget 2010/11
Appendix E	HRA Expenditure Budget 2010/11 Pie Chart
Appendix F	HRA Income Budget 2010/11 Pie Chart

APPENDIX A

AUDIT TRAIL

Lead Officer	Duncan Whitfield – Finance Director	
Report Author	Ian Young – Head of Housing Finance	
Version	Final	
Dated	14 th January 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	n/a	n/a
Date final report sent to Constitutional Support Services		14 th January 2010

APPENDIX B

RENT RESTRUCTURING CHRONOLOGY

2002/03	Rent restructuring introduced; convergence date set at 2011/12
2003/04	Tenant service charges unpooled from main rent
2004/05	–
2005/06	Formal 3-year review of policy (implementation delayed by 1 year)
2006/07	Restructuring formula amended; average rent increase capped at 5%
2007/08	Average rent increase capped at 5% again
2008/09	Convergence date extended to 2016/17
2009/10	Convergence date extended to 2023/24; amending Determination issued*
2010/11	Convergence date reduced to 2012/13
2011/12	[<i>Original convergence date</i>]

* The amending Determination reduced the national average guideline rent increase from 6.2% to 3.1% by adjusting subsidy levels to compensate councils for their rent income foregone as a result.

APPENDIX C

AVERAGE RENTS ACROSS LONDON BOROUGHES 2009/10

	Average Rent (excl. service charges) 2009/10 (£)	Target Rent 2009/10 (£)	Difference between average and target rent 2009/10 (%)	Guideline Rent 2010/11 after caps & limits (£)	Target Rent 2010/11 (£)
Barking and Dagenham	72.69	83.16	14.4%	74.51	82.41
Barnet	81.77	91.06	11.4%	82.53	90.21
Bexley	–	–	–	–	–
Brent	88.45	96.27	8.8%	87.24	95.81
Bromley	–	–	–	–	–
Camden	84.46	102.09	20.9%	88.10	101.17
City of London	n/a	92.59	n/a	84.79	91.74
Croydon	83.92	90.36	7.7%	83.74	89.54
Ealing	81.98	88.29	7.7%	80.83	86.69
Enfield	81.32	86.33	6.2%	80.07	85.45
Greenwich	80.44	86.60	7.7%	79.51	85.98
Hackney	78.82	85.17	8.1%	78.24	84.50
Hammersmith and Fulham	85.31	99.05	16.1%	87.64	98.05
Haringey	81.87	90.32	10.3%	82.63	89.56
Harrow	84.00	94.11	12.0%	86.47	93.27
Havering	68.43	82.00	19.8%	70.11	81.41
Hillingdon	88.77	92.55	4.3%	85.13	91.79
Hounslow	77.41	88.52	14.4%	77.72	87.81
Islington	84.20	97.94	16.3%	86.82	96.97
Kensington and Chelsea	89.79	108.97	21.4%	94.42	107.98
Kingston-upon-Thames	88.74	95.70	7.8%	88.28	94.83
Lambeth	82.59	92.27	11.7%	83.63	91.46
Lewisham	76.79	82.14	7.0%	75.63	81.43
Merton	79.60	91.16	14.5%	83.23	90.32
Newham	73.18	81.69	11.6%	75.39	81.00
Redbridge	81.40	87.39	7.4%	80.89	86.61
Richmond-upon-Thames	–	–	–	–	–
Southwark	79.54	91.70	15.3%	81.32	91.00
Sutton	79.81	90.61	13.5%	81.81	89.94
Tower Hamlets	83.72	94.27	12.6%	83.86	93.42
Waltham Forest	80.41	86.93	8.1%	79.65	86.19
Wandsworth	107.86	106.14	(1.6%)	95.89	105.07
Westminster	96.51	106.21	10.1%	95.50	105.30
London Average	82.89	91.08	9.9%	79.39	90.26

Source: London Councils; CLG)

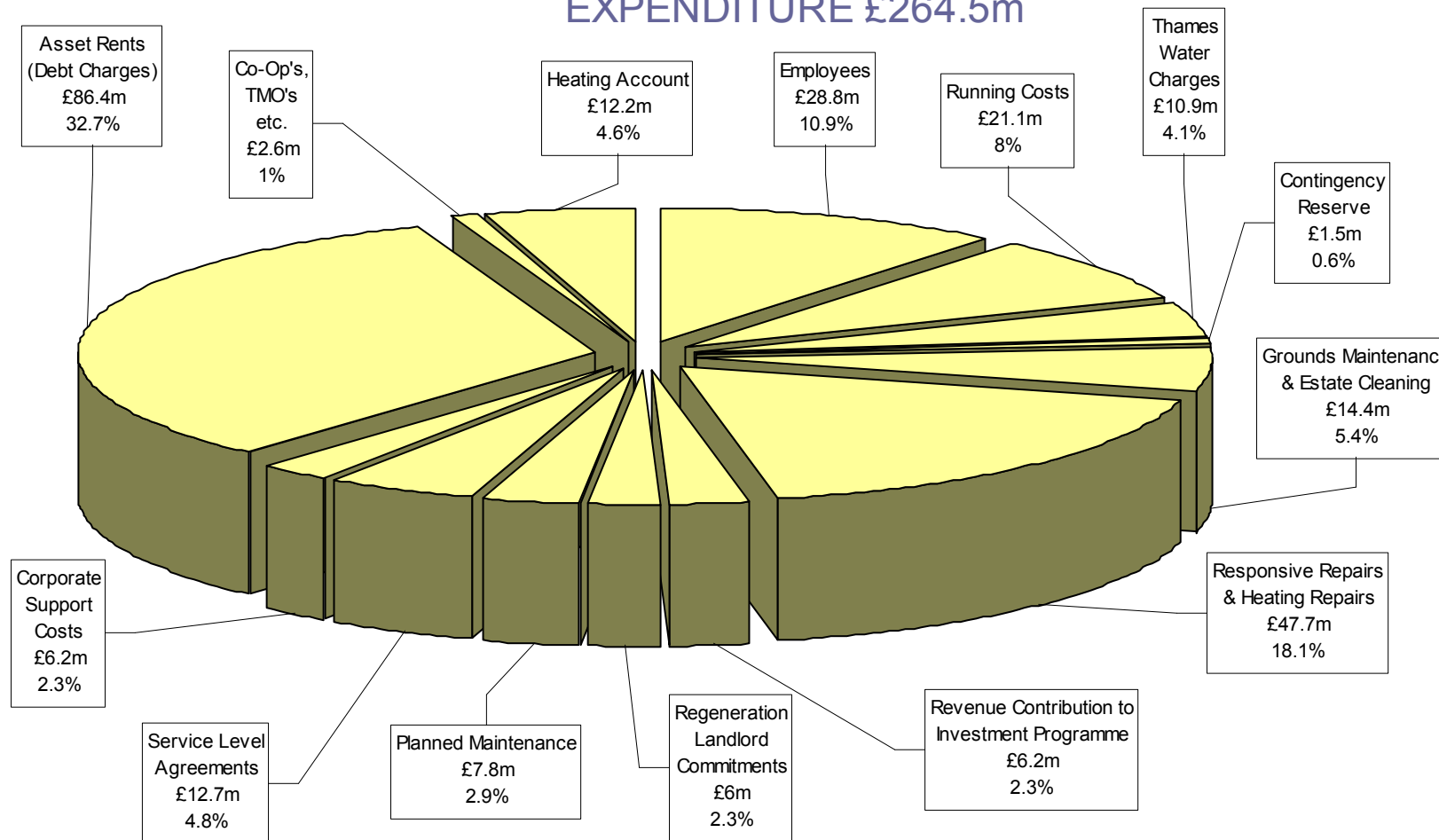
Note: Southwark's average rent (adjusted mid-year stock position) for 2009/10 ranks 7th lowest of the 29 London Boroughs that manage their housing stock either directly or via an ALMO (excluding City of London).

APPENDIX D

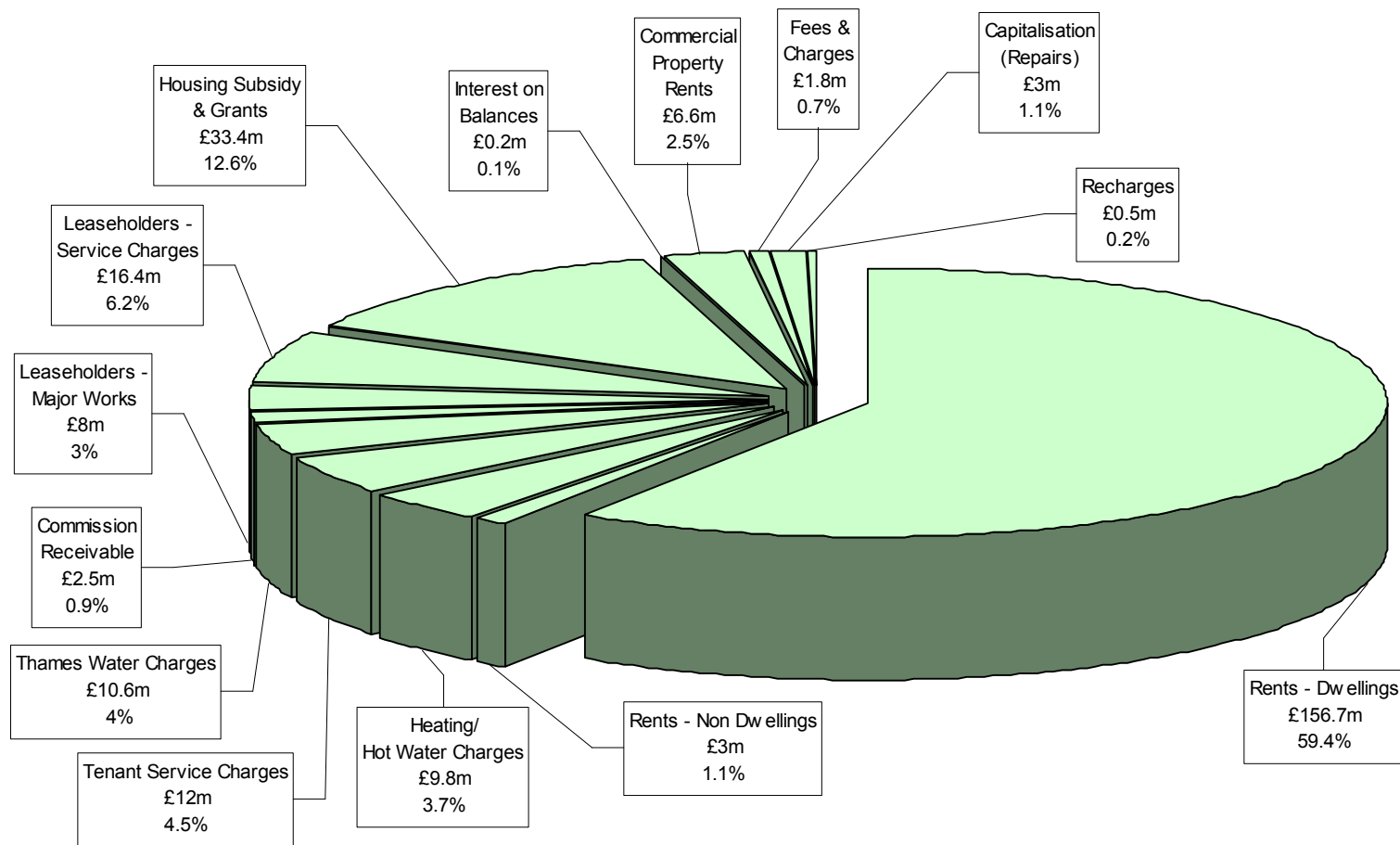
HOUSING REVENUE ACCOUNT – INDICATIVE BUDGET 2010/11

	Revised Base Budget 2009/10	Indicative Base Budget 2010/11	Movement 2009/10 to 2010/11
	£m	£m	£m
<u>Expenditure:</u>			
Employees	29.0	28.8	(0.2)
Running Costs	22.4	21.1	(1.3)
Thames Water Charges	10.8	10.9	0.1
Contingency Reserve	–	1.5	1.5
Grounds Maintenance & Estate Cleaning	14.5	14.4	(0.1)
Responsive Repairs & Heating Repairs	48.9	47.7	(1.2)
Revenue Contribution to Investment Programme	7.5	6.2	(1.3)
Regeneration Landlord Commitments	5.4	6.0	0.6
Planned Maintenance	7.8	7.8	–
Service Level Agreements	12.6	12.7	0.1
Corporate Support Costs	6.2	6.2	–
Asset Rents (Debt Charges)	86.9	86.4	(0.5)
Co-Op's, TMO's etc.	2.4	2.6	0.2
Heating Account	12.2	12.2	–
Sub-total	266.6	264.5	(2.1)
<u>Income:</u>			
Rents – Dwellings	(156.2)	(156.7)	(0.5)
Rents – Non Dwellings	(3.1)	(3.0)	0.1
Heating/Hot Water Charges	(9.9)	(9.8)	0.1
Tenant Service Charges	(12.1)	(12.0)	0.1
Thames Water Charges	(10.3)	(10.6)	(0.3)
Commission Receivable	(2.4)	(2.5)	(0.1)
Leaseholders – Major Works	(10.0)	(8.0)	2.0
Leaseholders – Service Charges	(16.4)	(16.4)	–
Housing Subsidy & Grants	(33.5)	(33.4)	0.1
Interest on Balances	(0.8)	(0.2)	0.6
Commercial Property Rents	(6.6)	(6.6)	–
Fees & Charges	(1.8)	(1.8)	–
Capitalisation (Repairs)	(3.0)	(3.0)	–
Recharges	(0.5)	(0.5)	–
Sub-total	(266.6)	(264.5)	2.1
TOTAL	0.0	0.0	0.0

HOUSING REVENUE ACCOUNT 2010/11 EXPENDITURE £264.5m



HOUSING REVENUE ACCOUNT 2010/11 INCOME £264.5m



Item No.	Classification: Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Response to the Mayor's London Plan 2009 and the Draft Revised Interim Housing Supplementary Planning Guidance	
Ward(s) or groups affected:		All	
From:		Strategic Director of Regeneration and Neighbourhoods	

RECOMMENDATION

That the Executive agree

1. The council's formal response to 'the Draft alterations to the London Plan 2009' and the 'draft revised interim Housing Supplementary Planning Guidance' as set out in Appendix A.

BACKGROUND INFORMATION

Draft alterations to the London Plan 2009

2. The Mayor's London Plan sets out an integrated economic, environmental, transport and social framework for the development of the capital over the next 20 – 25 years. This was open for public comment from October 13 2009 until January 12 2010. We have agreed that we would submit an officer comment by the deadline followed by a member comment. This is due to the short timescale of the consultation. There will be an Examination in Public in summer and autumn of 2010. This will be led by an independent panel who will review responses and decide on the issues and who will be invited to the Examination. The panel will write a report to the Mayor recommending changes to the draft Plan which the Mayor can accept or reject. Following this, the Mayor sends a final version of the Plan to the Secretary of State who decides whether any further changes are needed. The Mayor will then formally publish the plan expected in late 2011.

Draft revised interim Housing Supplementary Planning Guidance 2009

3. The Mayor's draft revised interim Housing Supplementary Planning Guidance (SPG) provides guidance on the implementation of the existing adopted London Plan consolidated with alterations (2008). This is the London Plan that will continue to be the development plan until the adoption of the new London Plan in 2011/12.
4. The SPG will replace some sections of the Mayor's adopted 2005 Housing SPG (paragraphs 5.1-6.19, 17.1-18.20 and 9.7-9.8). The Mayor will also be producing a comprehensively revised Housing SPG to provide further implementation guidance on the draft replacement London Plan currently out for consultation.

CONSULTATION

Draft alterations to the London Plan 2009

5. The Mayor released the Plan for public consultation from October 12 2009 until January 12 2010. When finalised it will replace the current adopted London Plan 2008. The timetable for adoption is set out in the background.

Draft revised interim Housing Supplementary Planning Guidance 2009

6. The Mayor released the SPG for public consultation until 5 February 2010. When finalised it will replace the sections set out in paragraph 3 of the Mayor's adopted 2005 Housing SPG. The Mayor does not set out a timetable for adoption.
7. Planning Committee will consider this response on January 19. Their comments will be provided for Executive as an addendum.

KEY ISSUES FOR CONSIDERATION

Draft alterations to the London Plan 2009

8. There are 5 very significant issues that we would like to raise to the draft alterations to the London Plan 2009:
 - As much as we would like to achieve the suggested housing figure of 2005 in the London Plan. We do not consider that this is possible. There are a number of reasons for this. These include the high level of small completions that may not be able to be continued forward. There are a large number of potential sites that could be developed, however in our experience from completion surveys we have found that a considerable number do not come forward for a wide range of reasons. It is not possible to take out specific sites, instead we would like the contingency for sites not being built increased. A considerable number of easy sites have been developed so the sites remaining become more difficult. We are currently in a recession therefore the next few years are likely to deliver less housing leaving a higher number of units to be delivered in the future years. We are suggesting that continuing our current annual target of 1630 is ambitious and we will be working with our partners and as a land owner to develop as many sites as possible to provide as many homes as possible in Southwark.
 - Although we support the provision of intermediate housing as an important aspect in providing homes in Southwark. The requirement for 60/40 social/intermediate housing increasing the level of intermediate housing by 10% would be very difficult to achieve. This is because in practice intermediate housing is very difficult to make work as there are few mortgage options. This is a nationwide problem that needs to be addressed at a national and London level. In addition reducing the level of social housing will reduce the provision of social housing to move people into homes where we are regenerating areas. This will have knock on impacts on Elephant and Aylesbury regeneration programmes. It will also reduce our capacity to provide affordable housing in general and to re-house homeless people.
 - The density zones should be left as broad boundaries rather than being split by Public Transport Accessibility Level. The addition of an arbitrary transport measure means that some schemes which would be in character with the local area in areas of good transport such as Wood dene, Silwood and Aylesbury could be too dense. These higher densities are necessary to make the schemes viable so that they can provide new homes and affordable and family homes which are essential to meet our housing and affordable housing targets.
 - A requirement for the replacement of 100% affordable housing would make redevelopment of some housing estates such as Wood dene, Silwood and Elmington unviable. This would prevent provision of new housing and affordable and family housing which are essential to meet our housing and affordable housing targets.

- A requirement for housing in the office locations as part of any additional floorspace is detrimental to the provision of employment in the central activities zone. There is no need to provide housing in the areas where we have clusters of offices and it does not make sense to require affordable housing in buildings where businesses would like a whole block of office provision. Mixed use blocks with housing and offices can work and should be allowed. However if a proposal is made for a development of offices with no affordable housing then this should be allowed to strengthen our clusters of good quality, desirable, well functioning offices.
9. There are other issues that we would like to raise to the draft alterations to the London Plan 2009:
- clarity about sub regions and guidance on areas within London.
 - a detailed review of youth unemployment and crime along with a London wide approach to provision of religious premises is required with a focus on social infrastructure.
 - The 10% wheelchair housing should not allow for adaptable units, they should all be built for use as wheelchair housing.
 - Student accommodation should provide affordable housing.
 - Old Kent road and the Central Activities Zone should be named as areas for green technologies.
 - The code for sustainable homes should apply to all homes and the 20% should be reintroduced as a policy requirement for renewables.
 - Further funding should be provided for the northern line ticket hall at the Elephant and Castle, the Cross River Tram and implementation plan for all transport schemes should be provided.
 - The lack of an implementation plan is a significant barrier to provision of comments as we need further detail on how the London Plan will be delivered.
 - Boroughs should be allowed to prioritise section 106 funds if they have a clear strategy.

Draft revised interim Housing Supplementary Planning Guidance 2009

10. The SPG aims to provide further guidance on three elements of the London Plan 2008:
- We support the approach to set out that private garden land development can contribute to an area's character and local distinctiveness and needs protection in some cases.
 - Housing density and quality as addressed in comments on the London Plan.
 - Affordable housing targets as addressed in comments on the London Plan.

COMMUNITY IMPACT STATEMENT

Draft alterations to the London Plan 2009

11. The suggestions in our response would improve the quality of life for residents in Southwark. Negative impacts of not making these changes are set out in full in the response.

Draft revised interim Housing Supplementary Planning Guidance 2009

12. The key impacts are around additional considerations of amenity and local character and provision of affordable housing. These would improve quality of life for residents and would be positive changes to planning guidance.

SUSTAINABILITY CONSIDERATIONS

Draft alterations to the London Plan 2009

13. The suggestions in our response would improve the quality of life for residents in Southwark. Negative impacts of not making these changes are set out in full in the response.

Draft revised interim Housing Supplementary Planning Guidance 2009

14. The key impacts are around additional considerations of amenity and local character and provision of affordable housing. These would improve quality of life for residents and would be positive changes to planning guidance.

RESOURCE/FINANCIAL IMPLICATIONS

15. There are no specific financial implications associated with this paper. The financial implications of any particular policy or strategy should be addressed as part of any specific proposal.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

16. The Strategic Director of Communities, Law & Governance has been consulted in relation to the council's response to the draft alterations to the London Plan 2009 and considers that the substantive policy and legal implications have been adequately addressed in the body of this report.

Functions & Responsibilities

17. Members of Planning Committee are requested to consider the council's response to the draft London Plan 2009 (Appendix A) and make appropriate recommendations to Executive pursuant to their function under part 3F, paragraph 6 of the Constitution.
18. Members of Executive are requested to approve the council's consultation response to the draft London Plan 2009 as set out in Appendix A.
19. By virtue of Part 3B: Executive Role and Functions, paragraph 24 under the heading of "General", it is the function of Executive to approve the council's response to consultation papers such as the draft alterations to the London Plan 2009. Members are therefore advised that they may approve the response proposed by officers in Appendix A subject to such further comments or responses as Executive deem appropriate.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Draft alterations to the London Plan 2009	Planning Policy Team Tooley Street	Rumi Bose 020 7525 5471
Draft London Housing SPG (2009)	Planning Policy Team Tooley Street	Rumi Bose 020 7525 5471

APPENDICES

No.	Title
Appendix A	Southwark council's response to the draft alterations to the London Plan 2009

AUDIT TRAIL

Lead Officer	Anne Lippitt, Strategic Director of Regeneration And Neighbourhoods	
Report Author	Julie Seymour, Head of Planning Policy	
Version	Final	
Dated	January 15 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Support Services		January 15 2010

Appendix A:**Draft response to the Mayor's London Plan 2009**

Dear Mayor Johnson,

Southwark response to the draft alterations to the London Plan 2009

We welcome your approach to prepare new London plan and your inclusion of many of our responses in 'alterations to the London Plan 2009'. Although we agree with most of your proposals there are some issues that we consider require further thinking through.

Significant issues

There are 5 very significant issues that we would like to raise to the draft alterations to the London Plan 2009:

- As much as we would like to achieve the suggested housing figure of 2005 in the London Plan. We do not consider that this is possible. There are a number of reasons for this. These include the high level of small completions that may not be able to be continued forward. There are a large number of potential sites that could be developed, however in our experience from completion surveys we have found that a considerable number do not come forward for a wide range of reasons. It is not possible to take out specific sites, instead we would like the contingency for sites not being built increased. A considerable number of easy sites have been developed so the sites remaining become more difficult. We are currently in a recession therefore the next few years are likely to deliver less housing leaving a higher number of units to be delivered in the future years. We are suggesting that continuing our current annual target of 1630 is ambitious and we will be working with our partners and as a land owner to develop as many sites as possible to provide as many homes as possible in Southwark.
- Although we support the provision of intermediate housing as an important aspect in providing homes in Southwark. The requirement for 60/40 social/intermediate housing increasing the level of intermediate housing by 10% would be very difficult to achieve. This is because in practice intermediate housing is very difficult to make work as there are few mortgage options. This is a nationwide problem that needs to be addressed at a national and London level. In addition reducing the level of social housing will reduce the provision of social housing to move people into homes where we are regenerating areas. This will have knock on impacts on Elephant and Aylesbury regeneration programmes. It will also reduce our capacity to provide affordable housing in general and to re-house homeless people.

- The density zones should be left as broad boundaries rather than being split by Public Transport Accessibility Level. The addition of an arbitrary transport measure means that some schemes which would be in character with the local area in areas of good transport such as Wooddene, Silwood and Aylesbury could be too dense. These higher densities are necessary to make the schemes viable so that they can provide new homes and affordable and family homes which are essential to meet our housing and affordable housing targets.
- A requirement for the replacement of 100% affordable housing would make redevelopment of some housing estates such as Wood dene, Silwood and Elmington unviable. This would prevent provision of new housing and affordable and family housing which are essential to meet our housing and affordable housing targets.
- A requirement for housing in the office locations as part of any additional floorspace is detrimental to the provision of employment in the central activities zone. There is no need to provide housing in the areas where we have clusters of offices and it does not make sense to require affordable housing in buildings where businesses would like a whole block of office provision. Mixed use blocks with housing and offices can work and should be allowed. However if a proposal is made for a development of offices with no affordable housing then this should be allowed to strengthen our clusters of good quality, desirable, well functioning offices.

We provide further detail below:

Strategic issues

We are unclear where Southwark fits within the Mayor's vision for London. Many of the policies are confusing as they say 'normally', 'where appropriate' or unless conflict with other policies'. Section 38(6) of the Planning and Compulsory Purchase act allows for all of these situations and therefore there is no need for the confusion provided throughout the plan by these phrases. There are many important issues where evidence is going to be provided and SPDs are going to implement policy. These need to be available for us to evaluate the plan policies and effectiveness. Furthermore there needs to be a risk assessment and alternatives provided particularly for housing where the provision is so changeable at present.

Chapter 2 London's places

Policy 2.2 C says that boroughs should work on common approaches and cross border significance, however this issue does not seem to have been addressed in the plan. *We propose that the key cross border issues set out in our core strategy are included.*

Policy 2.5B and map 2.1 set Southwark within the central sub region, whilst in principle this is useful there are issues particularly for housing where we are in

a different sub region. This provides confusion and issues particularly over delivery and funding. *We propose that boroughs are set within regions as they work in practice for transport, housing etc.*

Paragraph 2.38 should ensure that character and not just public transport accessibility is an important factor in considering density. *We propose that character is provided with more prominence and that text is added to say that public transport is an indicator not a determining factor.*

Policy 2.11 there are contradictions with policy 4.2b bullet 2 and policy 4.3Aa contradicts this approach by suggesting that developments where there are increases in office floor space should provide for a mix of uses including housing unless this conflicts with other policies. This does conflict and it also does not make policy sense as buildings rarely work with an active ground floor, office and then housing which would be required to meet the vitality policy. We do not need to encourage housing in office areas where we are aiming to protect and require more offices, at most this should be allowed. *We propose that the housing requirement should be removed.*

Policy 2.14A, B and paragraphs 2.59 to 2.61 we do not consider our comments to have been taken into account on the regeneration areas issue. We support the approach to understanding and planning for inner London and the area immediately around the Central Activities Zone. However the guidance for the inner London and regeneration areas is not clear. This is because in Southwark they will predominantly cover the same areas however map 2.5 does not illustrate this and there is no text setting out the policy relationship or a strategy for inner London regeneration. Also most of our regeneration areas are covered by action or opportunity area guidance or supplementary planning documents. Therefore this needs to be strategic where being part of London provides additionally. *We propose that in Southwark this will need to address the areas that have concentrations of deprivation and worklessness with no planned development or opportunities for large scale redevelopment. We need further clarity on how the new London plan approach to open up employment opportunities, especially to disadvantaged communities and strengthening neighbourhoods will work with the approach to regeneration areas. Therefore we would suggest that these could be a single framework for taking forward regeneration in areas where there will be little development as the areas within the inner London zone are so varied. Or this could be addressed through additional employment policies.*

Chapter 3 London's people

Policy 3.1 and the supporting paragraphs should set out how the Mayor will lead a strategic approach to tackling the issues around provision for specific groups. *As set out in our response to the last consultation, a more detailed review of how to tackle youth unemployment and crime with a focus on how provision of social infrastructure can be used to assist with a programme would be useful.* We did suggest in our original response that although places of worship are discussed as part of social infrastructure they have particular issues around the size of the space required, amenity and trip generation by

cars that need to be taken into account. *A London approach to provision of places of worship would be useful.*

Paragraph 3.13 'London should be treated as a single market' *We suggest that as London has many sub-markets also, and different sub regions and boroughs have different characteristics and needs, which all need to be taken into account in the development of policy.*

Paragraph 3.15 This borough in particular has many households in housing need and a high incidence of overcrowding. *We suggest that the aim should be changed to address as much of the backlog of need as possible.*

Policy 3.3 and table 3.1 set out that Southwark needs to meet a target of 2005 new units per year on average from 2011 to 2021. This is an unrealistic target that we can not meet. *We suggest that the current target of 1630 a year should be set rather than the higher target.* These need to be realistic for good planning and soundness of the core strategy, successful regeneration, reputational issues, also we receive funding at present for meeting our targets. The 2005 has been worked out using the government's required national methodology Strategic Housing Land Availability Assessment. There are a number of issues for Southwark with these figures for over 0.25 strategic, under 0.25 small sites. Over 0.25ha strategic sites:

- Southwark had a very high delivery, target and capacity for delivery relative to other London boroughs and extremely high in relation to areas outside London. This leads to a high level of risk and probability of sites not being developed.
- There are a very high number of private sites where we can facilitate through HCA funding, working in partnership and facilitation through policies however we do not have direct control and this leads to high risk.
- We have just met the 1630 in the last 3 years and we have met the 2211 2007/2008 prior to the impact of the recession taking hold.
- The credit crunch has severely impacted on our delivery reducing our numbers from 2200 2007/08 to an estimated 1350 2008/09.
- The GLA have included probabilities of sites not coming forward for development at 10%. Is it reasonable to assume that all of these sites will be developed or should we be adopting a more conservative approach? Less than a third of our proposals sites have been built within 10 years in the past as over half of our completions have been from the small sites.
- Our core strategy will require 10% larger unit sizes. This will provide better quality homes, however this will have an impact on figures as there will be 10% more of each site where there are replacement dwellings taken up to reprovide the homes that were there before we

start counting new dwellings. Only new dwellings count towards the target.

- We do not have any greenfield sites so all of our sites are replacing employment or housing. If we were to aim for the target we would need to lose sites that we currently need to meet our employment targets or we would need to build on open spaces.
- A large number of the easy sites have been developed. It is much harder and more complicated now, especially with even more power transferring to local communities as planning process evolves.
- We are very proactive in working in partnership to bring forward developments. We bring forward our own sites, work with developers, RSLs and others to bring forward development.
- We are preparing area action plans for Canada Water, Aylesbury and Peckham/Nunhead to stimulate development. We are preparing SPDs for Bankside, Borough and London Bridge and we have the SPD and SPG for Elephant and Castle to stimulate development. These provide certainty and encourage development through setting out capacity and providing a strategic approach to development that maximises the potential of sites.
- We are preparing a housing development plan document to provide certainty and stimulate development of non strategic sites outside the area action plan localities.
- We are working with the HCA to unlock development sites that have been stalled due to the credit crunch.

Under 0.25ha the average completions over the last 4 years are significantly higher than they were for the 6 years before. The target being set is over 10 years. If the last 10 years figures were used this would halve the current figure from around 860 to 440.

The non self contained is realistic at 130.

We would like urgent discussions with the GLA to work through the differences in the proposed housing targets before the consultation on our core strategy is completed.

Paragraph 3.18 sets out that the Mayor will produce SPD on implementing these housing targets. Are you confident that the plan is sound without this information on delivery? *We need to see this SPD to understand how the policy will work and how we are expected to deliver our target.*

Policy 3.4, paragraphs 3.22 to 3.25 and table 3.2 are too focused on PTAL and do not take character considerations into account enough. *The ranges should not be split by PTAL as in practice this will be taken into account but*

should not be a blunt instrument. Density should be more focused on character and should be a range as this is an indicator of whether development is within a suitable range. It should not be used as a specific measure to resist development proposals.

Policy 3.5 we support minimum space standards and resisting development in back gardens. *Minimum room sizes for student accommodation and hotels should be included.*

Policy 3.8d *we think that the 10% should all be provided as wheelchair accessible and should not be allowed to be easily adaptable as our experience is that this is never adapted. If the Mayor persists with this proposal that a clear definition of what constitutes 'easily adaptable' is given.*

Policy 3.8g *we would like some further explanation of how this would work as we have not been able to effectively require local student housing for local institutions.*

Paragraphs 3.38 and 3.55 we support the statement that there is a need for a more diverse range of intermediate housing products. There is a particular need to cater for those households who can afford to pay a little more than the costs of social housing, but who cannot afford existing intermediate products. There is a particular shortage of intermediate products for families. The current funding situation makes it difficult to produce these products. Single people with incomes of £61,400 could purchase homes on the private market for £184,200 if lenders allow three times their salary. There are many privately available, unsubsidised homes available for sale at this level. Similarly for those requiring homes with more than two bedrooms, a loan of three times salary would allow purchase of a home costing £292,000.

Paragraph 3.39 – 'these requirements across London have little regard to administrative boundaries' – Existing residents, particularly the elderly, and also families, often have a very strong attachment to their local communities, and therefore want housing solutions that meet their needs in the locality in which they currently live. *This wording should be deleted and there should be comments to facilitate local solutions.*

3.41 we support all efforts to increase the quantity of family housing. Our own recent research fully supports this, and suggests that the need for family housing may be even greater than has been identified here. Our own survey found that there were more very young [under 5] children living in the borough than population projections would have led us to expect. Furthermore existing research has followed CLG guidance, which states that each bedroom is suitable for two people, and that only those over 21 years require their own bedroom. In practice many bedrooms cannot accommodate more than one person, and many will consider that adults under 21 need their own rooms. This would be in accordance with housing benefit regulations, which suggest that a bedroom is needed for all adults over 16 years [excluding couples]. It is very possible, therefore, that more family homes are needed than have been estimated.

Paragraphs 3.44 and 3.45 there is a need for further London wide research into the housing needs of students, including concerning the needs of lower income students and the demand for further specialist accommodation during the recession. There is some anecdotal evidence that demand for specialist accommodation may have fallen. The costs of much specialised accommodation is beyond the reach of UK students, and many accommodation providers tends to focus on the international market. Student housing can provide very high returns for lower investment than conventional housing, which makes it attractive to many developers, and there could be a danger of over supply. There could be scope to require schemes to include some provision for students whose only income is the student loan. *We consider that all student housing should be subject to the requirements of affordable housing policy, to prevent any tendency for student accommodation provision to compete with the needs of the wider population. There should also be standards for student homes so that they can be converted if needs change.*

Policy 3.9 we welcome the strategic guidance and targets for the provision of pitches for Gypsies and travellers in London. We currently provide 38 pitches on 4 sites which is 7% of the London provision. This is the third highest in London after Bromley and Brent. We currently consider this to meet our targets for provision and we do understand the need to play our part within the London context.

3.49 we assume that 'pa' in line 6 is a typo.

Policy 3.11 We would reiterate our comments on the London Housing Strategy. Southwark has agreed its affordable housing targets with the Mayor. While supportive of proposals to increase intermediate housing, particularly as a stepping stone for social housing tenants wishing to enter into home ownership, it should be noted that Southwark households have very low average incomes. Half of Southwark's residents have household incomes of less than £16,800. For council tenants, this figure is £9,800 and it is £14,300 for RSL tenants. Currently a high proportion of Southwark residents cannot afford any of the existing intermediate housing products, particularly if they are resident in social housing. *We would therefore wish to see developed products which are affordable to those on low incomes as part of the implementation plan.*

Policy 3.12A we strongly support the targets being in absolute or percentages.

3.59 60/40% split between affordable and intermediate housing is unachievable as we do not have the products that make intermediate housing work. *Boroughs should be allowed to set their own percentages.* In the current economic climate this split cannot be achieved, and can only be achieved if there are more affordable intermediate products available [see comments on 3.11]. We welcome the statement that priority should be given to affordable family housing. We support the emphasis of particular focus to stimulate the development of more intermediate options and family sized housing. The

introduction of policy and programmes to enable the provision of affordable housing other than social housing for key workers, lower and middle income families is a key factor for successful regeneration, not least because it provides opportunities both for current social housing residents to move into shared ownership and for new residents on lower and middle incomes to move into an area, creating more economically mixed communities.

Paragraph 3.67 We support this paragraph that says that provision is normally required on site, in exceptional circumstances it may be provided off site or through a cash in lieu contribution ring fenced and if appropriate pooled to secure efficient delivery of new affordable housing on identified sites elsewhere. These exceptional circumstances include where the developer has a site and can secure a higher level of provision, better address priority needs, secure a more balanced community, better sustain a strategically important clusters of economic activity eg in CAZ.

Policy 3.15 we do not consider the resistance of the loss of affordable housing and housing unless this is replaced at existing or higher densities with at least equivalent floor space to be clear or to have taken into consideration viability of redevelopment of large estates. It also says that boroughs should promote efficient use of the existing stock by reducing the number of vacant, unfit and unsatisfactory dwellings. *We suggest the wording is changed to enable us to apply our policies to the total number of units and not automatically require 100% replacement of affordable housing on all large estates as this may prevent regeneration and provision of new, affordable, family and high quality homes.*

Paragraph 3.72 says that maintaining and improving the quality and condition of London's stock of 3.1 million homes is a continuing concern to individual Londoners and especially so for some groups. The planning system must support the largely managerial and investment based initiatives to target this issue set out in the London Housing Strategy. *There needs to be text to support this in policy 3.15.*

Chapter 4 London's economy

We would welcome the suggestion for a clear spatial context for the work of the London Development Agency and the London Skills and Employment Board in ensuring Londoners have the skills needed by their city's enterprises. We would like to continue to work with these organisations to ensure that Southwark's residents benefit from a strategic London approach.

We support the approach particularly the protection of town centres, the upgrading of Elephant and Castle and Canada Water to major town centres.

A minor point table 4.1 total needs to say that the measure is in sqm.

We support policy 4.2, b bullet 2 to consolidate and extend office provision focusing on viable, growth areas such as our central activities zone. We are concerned that policy 4.3Aa contradicts this approach by suggesting that

developments where there are increases in office floor space should provide for a mix of uses including housing unless this conflicts with other policies. *This does conflict and it should be removed*, it also does not make policy sense as buildings rarely work with an active ground floor, office and then housing which would be required to meet the vitality policy. *We do not need to encourage housing in office areas where we are aiming to protect and require more offices, at most this should be allowed.*

Policy 4.6B paragraph a sets out that culture, entertainment and art developments should follow the sequential test however this is not then mentioned in policy 4.7 which sets out the sequential test. *This should be included in policy 4.7.*

Paragraph 4.14 *could provide more explanation of how land use swaps and credits would work in practice.*

Map 4.2 area 2 *should be South Bank/Bankside and add in London Bridge.*

Policy 4.10 We particularly support innovation, research and green technology. We would like to understand whether we can work with you so that the plan includes these technologies to locating within Southwark as part of the strategy particularly in the Central Activities Zone and along the Old Kent road. *The plan should include these areas and how these technologies could be introduced.*

Policy 4.12 and paragraph 4.60 we support the approach to reduce worklessness and improve employment opportunities. *However the way that this is going to be implemented requires further explanation.*

Chapter 5 London's response to climate change

Policy 5.2 sets out the figures for improvement on 2006 building regulations and paragraph 5.27 sets out that the move towards CSH is set out in the Housing Design Guide. *Further clarity linking through to BREAAAM and CSH ratings is required. We would also like these standards introduced for all development not just publically funded schemes as set out in the design guide.*

Policy 5.2E *needs further clarity about where off site provision can be provided. Is this a borough or more local area benefit?*

Policy 5.17H we would like to understand why our comments have not been taken into account. The Mayor's Waste management sites have a very broad classification. *Either this should be reconsidered or the policy should be changed to cover only sites that provide for the strategic targets.*

Policy 5.3D we are asked to develop more policies and proposals based on the Mayors Sustainable Design and Construction SPD. We are concerned that the requirements are being requested as part of the design and access statement rather than within a separate sustainability statement without a

clear set of guidance on how this will work. The current SPD requires significant work to address issues such as transport, education, health, employment, community facilities and education. Therefore in practice the integration could lead to a watering down of sustainability issues. Ways in which this could happen include a focus on visual appearance and aesthetic, emphasis on short statements as a communication tool which is problematic with such technical information. Also clarity of whether policies have been met and understanding by the various consultants of what they need to do.

Policy 5.7 we would recommend that the 20% renewables requirement should be put back into the policy rather than moving it to the justification. This provides further weight as a requirement rather than being a reason for requiring renewables.

Chapter 6 London's transport

There seems to be a lack of linkages between a strategic vision and strategic locations that need investment such as the Elephant and Castle.

The focus seems to be on development management rather than the strategic leadership that should be provided by Transport for London. *The integration of the teams within TfL and how these can work with us to take forward transport improvements is essential to achieve change on this significant issue.*

Table 6.3 indicative list of transport schemes:

- *Needs to include the funding costs and where they will be from and match funding required. This should be supplemented in the infrastructure chapter with how the Mayor and TfL will leave to achieve this.*
- *Page 165 the northern line needs to provide for funding the new ticket hall at the Elephant and Castle in the next 10 years.*
- *Should include funding of the cross river tram to Peckham to provide for essential transport improvements to regenerate this area of south London.*

Chapter 7 London's living places

No specific comments.

Chapter 8 Implementation, monitoring and review

Paragraph 8.13 we support the proposal to establish an Implementation Plan containing the strategic actions required to underpin the London plan strategy. *This should include the projects where funding is required particularly for housing and strategic infrastructure and set out how the Mayor will fund them as there is no capital investment programme or emphasis on the single conversations with the homes and communities agency. This does not tackle*

the considerable problems of engaging infrastructure providers to ensure that there is provision for growth. These should be based on the growth areas in the London Plan and other large strategic projects. We would welcome the opportunity to work with the Mayor on preparing this guidance so that it links with local requirements. We question whether the plan is sound as this is being published separately as this is essential for consideration as part of the consultation on the London Plan as set out in PPS12. On a practical level we can not be clear how we will work well together or how we will work out priorities without all of the essential information.

The proposal to prioritise planning obligations to address affordable housing, public transport projects especially Crossrail, tackling climate change, learning and skills, health facilities, waste and childcare facilities causes concern. There is no consideration of the capacity of development to fund the physical and social infrastructure and how provision will be made if this is not funded through planning obligations. *The priorities for planning obligations should be made by boroughs based on their priorities.* Southwark has a detailed SPD that sets out our strategy for development with a tariff for development. Where these exist they should take priority over the London requirements. *Policy 8.2 could provide more clarity on how the Mayor considers that strategic and local priorities should be worked through to provide clear guidance on planning obligations that meet the tests of soundness such as being fair and reasonable in the amounts requested.*

Annex 1

Table A1.1 ref 18 *please can you add on Borough to London Bridge and Bankside opportunity area to call this Bankside, Borough and London Bridge.* This is in line with feedback from consultation locally and is confusing if there are different names in Southwark and London documents.

Table A1.1 ref 34 and table A2.1 ref 170 and A2.2 ref *please can you call Canada Water without Surrey Quays.* This is in line with feedback from consultation locally and is confusing if there are different names in Southwark and London documents.

Annex 2

Table A2.1 ref 206 Borough High Street should be marked for regeneration.

Annex 3

Table A3.1 ref 4 *can Bermondsey south east be called Bermondsey.* This is in line with feedback from consultation locally and is confusing if there are different names in Southwark and London documents.

Table A3.1 ref 50 *can Surrey Canal/Area (part) be called old Kent road.* This is in line with feedback from consultation locally and is confusing if there are different names in Southwark and London documents.

Annex 4

Clarity is needed on whether the breakdown titles for conventional supply etc are real targets or whether they are background information on the capacity that the Mayor considers boroughs could achieve.

Draft London Housing Supplementary Planning Guidance 2009

The SPG defines private garden land as the enclosed area within a dwelling curtilage from which the public is excluded. It points out that the loss of private gardens has highlighted the need for more clarity on implementing the London Plan policies. We welcome further clarity on this issue as it is one that affects Southwark, particularly in the south of the borough. The SPG sets out a number of London Plan policies which in appropriate circumstances seek specific protection of gardens. This includes cross referencing policies on increasing housing supply with policies on urban design, density and the environment. We welcome this approach that gardens can also contribute to the area's character and local distinctiveness and needs protection in some cases.

The SPG also sets out that gardens can enhance biodiversity including protecting trees, reducing flood risk and addressing the effects of climate change. The SPG states that boroughs should strike an appropriate balance between these needs and those of increasing housing supply. It points out that in most cases the wider objectives including biodiversity and preserving character of areas, outweighs the small incremental additional to housing provision. We welcome this clarification.

The SPG explains the London Plan's approach to density. It sets out that one of the problems with implementing the policy is that weight is often only given to the density matrix and not to the qualitative concerns such as local context. We welcome this explanation and agree that it is often the case that the density matrix is seen a minimum expectation of density rather than as a guide. We agree with the explanation in paragraph 3.6 that coming to decisions on housing density means having to strike a balance between a complex range of factors. However, as we put forward in our comments on the draft replacement London Plan, we consider that the density matrix should take more consideration of character and not be so focused on PTAL.

We welcome section 3.32 of the SPG which explains the importance of social infrastructure when establishing density ranges.

The SPG clarifies what comprises overall housing provision. We support this clarification. We welcome paragraph 4.6 which sets out that local targets can be expressed as either percentages or as absolute numbers. We also welcome the clarification in this section on PPS3 and then need for targets to be based on robust evidence of need, capacity and deliverability. We welcome paragraph 4.19's explanation that in the current economic climate, assessments of economic viability will be very important. We currently use the Three Dragons Toolkit to assess viability. We welcome the

encouragement for boroughs to work with the Mayor, London Council's and the HCA and we are working closely at the moment to bring forward as much affordable housing as possible in the current difficult market.

Paragraph 4.20 sets out that until new housing targets are formally published in the replacement London Plan, we should roll forward the first ten years of the current target. We agree with this approach in regard to overall housing supply. However, with regard to affordable housing we think that we should set out a new target if required to reflect what is viable for the next 15 years. This is the approach we have taken forward in our core strategy which will be submitted to the Secretary of State in March 2010.

We welcome the approach in section 4.26 that the London-wide objective of 70% social and 30% intermediate is one of 3 factors to be taken into consideration when setting targets. However, we do not agree with the third bullet point setting out that the Housing Strategy sets out a 60%/40% split. As in our comments on the draft replacement London Plan, this is not a viable split in Southwark and does not reflect our housing need.

Working together on new planning frameworks

Although our core strategy is developing local policies that generally support the strategic approach of the new London plan. We are concerned that issues set out in our response and the final preparation of the London plan could make our new core strategy for Southwark non-conforming. This is a crucial time for our core strategy and three area action plans so we are keen to make sure that they all work together. In this respect, we hope to build on our productive discussions with Deputy Mayor Simon Milton about advancing these and also the regeneration of the Elephant and Castle opportunity area.

Yours sincerely

Cllr Paul Noblet
Portfolio Holder for Regeneration and Neighbourhoods

Item No.	Classification: Open	Date: January 26 2010	Meeting Name: Executive
Report title:		Nominations to Panels, Boards and Forums 2009-10 – Admissions Forum	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATION

1. That the executive appoint two local authority representatives to the Admissions Forum for the remainder of the 2009-10 year.

BACKGROUND INFORMATION

2. As part of the annual nominations process to panels, boards and forums, the executive considered nominations to the Admissions Forum at its meeting on June 23 2009. The executive appointed three local authority representatives (Councillors Toby Eckersley, Nick Stanton and Veronica Ward) to the Admissions Forum for 2009-10 based on the number of nominations that were submitted in the 2008-09 year.

KEY ISSUES FOR CONSIDERATION

3. It has since transpired that the revised School Admissions Code (February 2009) made changes to the size, role and membership of the Admissions Forum and now limits the overall number of representatives to a maximum of 20 and local authority representatives to no more than two. The executive is therefore asked to reconsider its nominations and appoint up to two representatives, instead of three in order to comply with the requirements of the revised code.
4. It is for the executive to agree the nomination of places to panels, boards and forums in connection with the functions that are the responsibility of the executive (i.e. housing, education, social serves, regeneration etc).

Statutory role of admissions forums

5. The statutory role of the Admissions Forum as set out in the Schools Admissions Code is ‘to have a key role in ensuring a fair admissions system that promotes social equity’. Part of the role is to advise local authorities and admission authorities on matters relating to school admissions.
6. Admission Forums must:
 - a) consider how well existing and proposed admission arrangements serve the interests of children and parents within the area of the local authority;
 - b) promote agreement on admission issues;

- c) review the comprehensiveness, effectiveness within the local context, and accessibility of advice and guidance for parents by the local authority, both through the published composite prospectus and the delivery of Choice Advice within the area of the forum;
- d) consider the effectiveness of the authority's proposed co-ordinated admission arrangements, and advise on whether the authority's proposed co-ordinated admission arrangements differ substantially from the previous year;
- e) consider the means by which admissions processes might be improved and how actual admissions relate to the admission numbers published.
- f) Monitor the admission of children who arrive in the authority's area outside a normal round with a view to promoting arrangements for the fair distribution of such children among local schools, taking account of any preference expressed.
- g) Promote the arrangements for children with special educational needs, children in care and children who have been excluded from school;
- h) Monitor the effectiveness of local authority Fair Access Protocols; and,
- i) Consider any other admissions issues that arise.

Community impact statement

7. There are no specific community impact issues arising from the recommendations.

Resource implications

8. There are no specific resource implications.

Consultation

9. The political group whips were invited to put forward nominations as part of the annual nominations process in June 2009. The whips have been notified of the requirement to reduce the local authority representation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
School Admissions Code (February 2009)	Constitutional Team 160 Tooley Street, London SE1 2TZ	Everton Roberts 020 7525 7221
Executive Agenda and Minutes – June 23 2009	Constitutional Team 160 Tooley Street, London SE1 2TZ	Everton Roberts 020 7525 7221

APPENDICES

No.	Title
	None.

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Team Manager	
Report Author	Everton Roberts, Constitutional Officer	
Version	Final	
Dated	January 15 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Strategic Director of Children's Services	Yes	No comments
Executive Member	No	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	January 15 2010	

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