

## Executive

Tuesday 9 February 2010  
Town Hall, Peckham Road, London SE5 8UB  
7.00 pm

### 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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Members of the committee are summoned to attend this meeting

#### Councillor Nick Stanton

Leader of the Council  
Date: 1 February 2010



# Executive

Tuesday 9 February 2010  
7.00 pm

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
<b>4.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive questions from members of the public which have been submitted in advance of the meeting in accordance with the executive procedure rules.	
<b>5.</b>	<b>MINUTES</b>	1 - 5
	To approve as a correct record the Minutes of the open section of the meeting held on 26 January 2010.	

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<b>6.</b>	<b>PROPOSED CHILDREN AND YOUNG PEOPLE'S PLAN 2010-13</b>	6 - 50
	To consider the new Children and Young People's Plan for recommendation to Council Assembly.	
<b>7.</b>	<b>HEALTH INEQUALITIES STRATEGY</b>	51 - 66
	To approve a strategy for reducing health inequalities in Southwark.	
<b>8.</b>	<b>SOUTHWARK CCTV STRATEGY</b>	67 - 89
	To approve a Southwark CCTV strategy.	
<b>9.</b>	<b>GATEWAY 1: ARCHITECT AND LEAD CONSULTANT FRAMEWORK AGREEMENT</b>	90 - 104
	To seek approval to the procurement strategy outlined in the report for the procurement of the Architect and Lead Consultant Framework Agreement.	
<b>10.</b>	<b>REVENUE FINAL OUTTURN REPORT 2008/9</b>	105 - 110
	To note the General Fund outturn for 2008/09 and the net contribution to reserves and the Housing Revenue Account's (HRA) outturn for 2008/09.	
<b>11.</b>	<b>POLICY AND RESOURCES STRATEGY 2010/11 TO 2012/13 -THE 2010/11 REVENUE BUDGET (THE BUDGET AND POLICY FRAMEWORK) AND MEDIUM TERM RESOURCES STRATEGY</b>	111 - 161
	To agree a balanced budget for 2010/11 for recommendation to council assembly and agree the updated medium term resources strategy.	
<b>12.</b>	<b>CAPITAL PROGRAMME MONITORING REPORT AND REFRESH - 10 YEAR CAPITAL PROGRAMME</b>	162 - 182
	To note the current monitoring position for the capital programme 2009/10 – 2015/16.	
<b>13.</b>	<b>DRAFT BANKSIDE, BOROUGH AND LONDON BRIDGE OPPORTUNITY AREA SUPPLEMENTARY PLANNING DOCUMENT</b>	183 - 195
	To approve the draft Bankside, Borough and London Bridge Supplementary Planning Documents for consultation.	

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<b>14.</b>	<b>HEYGATE REHOUSING: COMPULSORY PURCHASE ORDERS</b>	196 - 213
	To seek approval to make compulsory purchase orders as set out in the report.	
<b>15.</b>	<b>RESOLUTION TO MAKE A COMPULSORY PURCHASE ORDER: PHASE 1 AYLESBURY ESTATE</b>	214 - 229
	To seek approval to make compulsory purchase orders as set out in the report.	
<b>16.</b>	<b>AUTHORITY TO PURCHASE LEASEHOLD INTERESTS IN LAKANAL HOUSE, SCEAUX GARDENS, CAMBERWELL</b>	230 - 234
	To seek approval to acquire leasehold premises as set out in the closed report.	
<b>17.</b>	<b>APPOINTMENT OF DEVELOPMENT PARTNER AND DISPOSAL OF COUNCIL LAND AT WOODDENE SE15</b>	235 - 242
	To seek approval to the disposal of Wooddene site as set out in the report.	
<b>18.</b>	<b>ABBEYFIELD ESTATE - OPTIONS FOR INVESTMENT REPORT</b>	243 - 262
	To consider re-housing and lettings policy as set out in the closed report.	
<b>19.</b>	<b>ELMINGTON SITES A AND B EDMUND STREET, CAMBERWELL, LONDON SE5</b>	263 - 268
	To seek approval to the disposal of Elmington Sites A and B.	
	<b>OTHER REPORTS</b>	
	The following items are also scheduled to be considered at this meeting:	
<b>20.</b>	<b>OUTCOME OF THE CONSULTATION PROCESS ON THE PROPOSED PERMANENT ENLARGEMENT OF SACRED HEART SCHOOL AND PROVISION OF A SPECIAL NEEDS UNIT</b>	
<b>21.</b>	<b>ELEPHANT AND CASTLE REGENERATION AGREEMENT - UPDATE REPORT</b>	
	<b>DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING</b>	

**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****22. MINUTES**

To approve as a correct record the Minutes of the closed section of the meeting held on 26 January 2010.

**23. AUTHORITY TO PURCHASE LEASEHOLD INTERESTS IN LAKANAL HOUSE, SCEAUX GARDENS, CAMBERWELL**

To consider closed information in respect of this item.

**24. APPOINTMENT OF DEVELOPMENT PARTNER AND DISPOSAL OF COUNCIL LAND AT WOODDENE PECKHAM HIGH ST / QUEENS ROAD PECKHAM SE15**

To consider closed information in respect of this item.

**25. ABBEYFIELD ESTATE - OPTIONS FOR INVESTMENT**

To consider closed information in respect of this item.

**26. ELMINGTON SITES A AND B EDMUND STREET, CAMBERWELL**

To consider closed information in respect of this item.

**Item No.**

**Title**

**Page No.**

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

Date: 1 February 2010



## EXECUTIVE

MINUTES of the Executive meeting held on Tuesday 26 January 2010 at 7.00 pm at the Town Hall, Peckham Road, London SE5 8UB

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**PRESENT:** Councillor Nick Stanton (Chair)  
Councillor Paul Kyriacou  
Councillor Linda Manchester  
Councillor Tim McNally  
Councillor Adele Morris  
Councillor David Noakes  
Councillor Paul Noblet  
Councillor Lewis Robinson

### 1. APOLOGIES

Apologies for absence were received from Councillors Kim Humphreys and Lisa Rajan.

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

There were no late items.

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Adele Morris declared a personal non-prejudicial interest in item 9, Housing Revenue Account – Rent Setting Report 2010-11 as two of her family members lived in council rented property.

### 4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

**5. MINUTES****RESOLVED:**

That the open minutes of the meeting held on 15 December 2009 be agreed as a correct record and signed by the Chair.

**6. HALF YEAR BUSINESS REPORT 2009-10****RESOLVED:**

That the half year business report for 2009-10 (appendix 1 of the report) be noted.

**7. REVIEW OF POPULATION AND MIGRATION - PREPARATION FOR THE 2011 CENSUS (REPORT OF SCRUTINY SUB-COMMITTEE C)**

Councillor Toby Eckersley, Chair of scrutiny sub-committee C was unable to attend the meeting to present the scrutiny report and submitted apologies accordingly.

**RESOLVED:**

That the comments of the finance director in response to the recommendations of scrutiny sub-committee C be noted and agreed as the executive's response.

**8. REVENUE MONITORING 2009-10 - QUARTER 2****RESOLVED:**

1. That the updated quarter two revenue monitoring report for the General Fund and Housing Revenue Account as at 30 November 2009 be noted.
2. That it be noted that the ongoing and unavoidable cost pressures will need to be addressed through the 2010-11 budget process.

**9. HOUSING REVENUE ACCOUNT - RENT-SETTING REPORT 2010-11**

Additional information arising from consultation with area housing forums, home owners council and tenant council was circulated at the meeting.

**RESOLVED:**

1. That approval be given to an average rent increase of 1.33% in accordance with the Government's required formula rent guidance



(see paragraphs 7 – 11 of the report). 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 5<sup>th</sup> April 2010. Average budgeted dwelling rent for 2010-11 will be £80.60 per week.

2. That approval be given to a freeze in tenant service charges such that each charge remains at the rate determined for 2009-10 (see paragraphs 21 – 23 of the report) with effect from 5<sup>th</sup> April 2010.
3. That an increase in rents and charges for all non-residential property be deferred, pending a further report on the charging structure for these properties, to be brought to the executive in 2010 (see paragraphs 24 -25 of the report). Each charge remains at the rate determined for 2009-10 with effect from 5<sup>th</sup> April 2010.
4. That approval be given to a standstill in heating and hot water charges such that each charge remains at the rate determined for 2009-10 (see paragraphs 26 – 28 of the report) with effect from 5<sup>th</sup> April 2010.

#### **10. RESPONSE TO THE MAYOR'S LONDON PLAN 2009 AND THE DRAFT REVISED INTERIM HOUSING SUPPLEMENTARY PLANNING GUIDANCE**

Comments of the planning committee were circulated at the meeting.

##### **RESOLVED:**

That the council's formal response to the 'draft alterations to the London Plan 2009' and the 'draft interim Housing Supplementary Planning Guidance' (Appendix A of the report) be agreed with the addition of the planning committee comments.

#### **11. NOMINATIONS TO PANELS, BOARDS AND FORUMS - 2009-10 - ADMISSIONS FORUM**

##### **RESOLVED:**

1. That Councillors Toby Eckersley and Nick Stanton be appointed as the local authority representatives to the Admissions Forum for the remainder of the 2009-10 year.
2. That Councillor Veronica Ward be appointed as the reserve member.

**12. POLICY AND RESOURCES STRATEGY 2010-11/ 2012-13 REVENUE BUDGET**

The policy and resources strategy 2010-11 / 2012-13 revenue budget report was not considered at this meeting.

**13. ELEPHANT AND CASTLE REGENERATION - UPDATE**

The Elephant and Castle regeneration update report was not considered at this 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.

**14. MINUTES**

The closed minutes of the meeting held on 15 December 2009 were agreed as a correct record and signed by the Chair.

**15. 549 LORDSHIP LANE, LONDON SE22 8LB**

The executive considered issues relating to the compulsory purchase order for 549 Lordship Lane SE22.

The meeting ended at 7.42 pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 3 FEBRUARY 2010.**

**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.**

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Proposed Children and Young People’s Plan 2010-13	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Children’s Services	

## RECOMMENDATION(S)

1. To note the proposed new Children and Young People’s Plan (CYPP) for 2010 to 2013 and its implications for the council.
2. To note that this proposed CYPP will be subject to final partner and public consultation, as set out in paragraphs 28 and 29, with publication by April 2010.
3. To note that the CYPP 2010-2013 will be subject to new statutory guidance, expected later this year, which may require revisions to these proposals.
4. To recommend to Council Assembly, following completion of partner and public consultation, that the proposed CYPP is formally adopted as Southwark Council's key policy framework document for children and young people.

## BACKGROUND INFORMATION

5. The report to the Executive in July 2009 set out the expected system-wide implications arising from changes to statutory guidance on children’s trusts, CYPPs and for the lead member and director of children’s services. The Apprenticeships, Skills, Children and Learning Act 2009, which received Royal Assent on 12 November 2009, amends the Children Act 2004 to enable the establishment of a children’s trust board. It is therefore expected that, from April 2010 children’s trusts will become a statutory body and the duty to cooperate will be further strengthened, including the addition of relevant partners, and requirements on the CYPP to set out local arrangements.
6. By April 2011, it is expected that the CYPP will need to meet new requirements as set out in draft statutory guidance, which is currently out for consultation. We anticipate that this guidance will require the CYPP, as the joint commissioning strategy of children’s trust partners, to set out in detail how partners will cooperate to improve wellbeing for children, young people and their families. It will need to show how partners will commission services to address locally identified needs, integrate provision better and focus on early intervention, safeguarding and reducing the impact of child poverty on outcomes. The CYPP will be expected to set out what actions will be delivered by which partner or partnership and what resources they will commit. The CYPP set out in appendix 1 will form the strategy for these developments.
7. The CYPP also needs to inform a wider range of planning arrangements,

including borough and council-wide strategic and partnership plans and those that impact on outcomes for children, such as our spatial plan and the PCT Strategic Commissioning Plan. It is expected that the plans of partners will form a complex array of inter-related strategic, commissioning and operational plans with their children and family aspects aligned through the CYPP and informing operational planning for frontline services. The CYPP will be central to future inspection arrangements of both the council and partners alike and is likely to have implications for the council's use of resources and capacity to improve outcomes, as well as direct implications for the planning arrangements of corporate, local strategic partnership, PCT, adult services and other significant council plans which will need to be aligned accordingly.

8. In addition, proposed Working Together [to safeguard children] guidance indicates that the children's trust, from April 2010, should draw on support and challenge from the local safeguarding children board. It is anticipated this will form the basis of a new annual safeguarding report from the safeguarding board to the children's trust board that will set out what improvements need to be made locally to improve safeguarding. In response, from April 2011, the CYPP is likely to need to set out what needs to be done by each partner to improve outcomes for safeguarding in a local area in line with the annual safeguarding report recommendations. This could impact on a range of council and partnership wide delivery arrangements in the future.

#### **KEY ISSUES FOR CONSIDERATION**

9. Development of the proposed CYPP commenced in April 2009 and has been overseen by the children's trust at each stage. Development to date has included a wide range of council and children's trust partners, including key personnel from leisure, the PCT, housing, regeneration, community safety and the voluntary sector.
10. The evidence gathering included a comprehensive joint strategic needs assessment, and senior and strategic conversations across the five ECM outcomes and cross-cutting themes including parenting, workforce and prevention to identify as a system what we are doing well, what we can build on and where we need to do it differently. This set the framework for stakeholder consultation through borough-wide storytelling events with children, young people, parents, carers and frontline staff with some 14 dedicated events from July to September 2009 and a wide range of workshops and programmes in schools, libraries, and a youth festival. Some 1,000 stories have been collected and used to shape and inform priorities. Partners have collectively then reviewed the data, stories and views of strategic and senior stakeholders to make sense of it and develop priorities.
11. The resultant priorities and commitments form the basis of the proposed CYPP, as set out in Appendix 1, which the Executive is asked to note, subject to the provisos below.
12. A summary of the needs assessment against the five Every Child Matters outcomes is being prepared, ahead of publication in April 2010 to meet statutory requirements. It is currently in draft form, and is expected to be finalised for Council Assembly's consideration on March 24 2010.
13. A statement of how the authority's budget will be used to contribute to the

commitments in the plan, plus a statement as to how the plan relates to the authority's performance management and review of services for children and relevant young persons are also being prepared. The information contained in the proposed plan (in Appendix 1) is currently draft, and will be expanded and finalised through final partner consultation, which will be completed by Council Assembly on March 24 2010.

14. The current CYPP expires on 1 April 2010, and the proposed CYPP as set out in Appendix 1 will meet current existing statutory requirements, by the time it goes to Council Assembly. It also anticipates the expected changes, which are currently out for consultation and due to come into effect in 2011. These changes are expected to require the CYPP to become the commissioning plan for services for children, young people and families from April 2011. In this context, commissioning means how we redesign services to better improve outcomes in line with local need using the range of resources available across children's trust and council partners.
15. The commitments outlined in Appendix 1 form the basis of the strategy and priorities for the proposed CYPP for 2010 to 2013. Once the CYPP has been agreed, these commitments will remain unchanged. In light of any revisions to meet the new guidance, it is anticipated these will have implications for the detail only, such as financial obligations or service configurations resulting from partnership decisions, not strategy.
16. The commissioning framework has been developed with partners, children, young people and parents and sets out how we as a children's trust wish to work, commission and deliver services. This will form the basis of all work in delivering the proposed CYPP. Central messages in the way we will work in improving outcomes for local children, young people and families are:

**Values:** ambition, high aspirations, shared responsibility and building social capital in our communities; building capacity of families and communities to raise their children and solve their problems independently

**Principles:** needs-led, targeted early intervention; thinking creatively, being realistic about impact, jointly deciding what to do and stop doing; making better use of specialist resources; simplifying the local system; shared choices

**Accountability:** commitment to cooperate as partners; an equipped workforce and shared focus; responding to the inspection agenda; benchmarked, evidence-based practice; constructive challenge of each other's action and solutions

**Quality standards:** services need to make a difference, build capacity and resilience of families, improve independence and self sufficiency (i.e. do not facilitate a dependency culture), safeguard children, narrow the gap in outcomes, and use integrated working principles and tools.

17. Key to the implementation of the CYPP will be working through partners over the coming year to:
  - Specify action based on needs assessment of where we want to target

resources and efforts and what we want to achieve through the CYPP. The transformed statutory landscape and the current harsh economic climate provide an opportunity to reshape the local marketplace and deliver the step change we require in how we commission and deliver provision to children, young people and their families

- Understand the causal factors leading to dependency and poor outcomes. Identifying how as a council we can work together jointly to negate the interdependencies between different provision and its impact on improving outcomes, such as the effect of social housing and issues such as domestic violence on the life chances of children, young people and families
- Identify the shared resources and jointly looking at how we can better use these across the system – making shared decisions about what to stop and where we will target for most impact against priority outcomes
- Commission provision in partnership that supports reducing dependency both in terms of the type of provision provided and the behaviours of the workforce

### **Policy implications**

18. As highlighted in the previous section, the CYPP as a document has significant implications for the council and partners going forward. However, in particular the Executive may wish to consider the following implications arising from emerging priorities
19. **Thinking families** – families at the centre of all we do. Priorities within this area may have implications for:
  - Future configuration of information and outreach services, as a key message has been the difficulty of parents getting information on local provision. Improving this within children's services will potentially impact on development and future delivery of corporate models and potentially the use of the CSC across a range of channels
  - Coordinating the range of activities on offer for children, young people and families across the council and partners, including how leisure, the sustainability agenda and cultural opportunities can be seen as part of a 'core offer'. This will include considering how we can work together to improve provision for those with learning difficulties and disabilities so they and their families can better access mainstream provision and take up the range of opportunities available in the borough
  - As we move forward in developing the 'think family' agenda, how we bring together family support and the continuum of provision that supports vulnerable families across the council and partners, the use of resources and enforcement to support families that pose challenges for a range of different council services and provision. This is likely to include how we share information, identify our families in greatest need in the borough and redefining who we will target collectively in our local

response to the agenda

20. **Narrowing the gap** – better life chances for all. Priorities within this area may have implications for:
- How as a borough we plan, commission and work differently across the range of provision available in health, children's and other providers (such as GPs, poly clinics, children's centres, local hospitals and one stop shops) to support better health outcomes for babies, infants and mothers
  - How we work across the council and partners to raise aspirations of local families, improve conditions for family life and better tackle generations of worklessness and dependency
21. **Raising the bar** – high-quality provision that meets local needs. Priorities within this area may have implications for:
- As a council, how we work together to equip schools as hubs of our local community. Developing improved pathways to a range of support to better meet the wide range of needs of their students and community
  - How we work across council services to support those groups within our community that are experiencing poorer outcomes across the board rather than addressing these only within service boundaries
22. **Succeeding into adulthood** – at-risk young people achieve wellbeing. Priorities within this area may have implications for:
- How we can use the range of partner expertise, provision and opportunities in the borough to improve skills and employability of young people. Utilising corporate relationships with the private sector to enable better pathways for young people to take up local learning and employment opportunities
  - How to utilise the range of resources available in the borough to better meet our corporate parent and statutory responsibilities in a joined-up way for care leavers and young offenders
23. **Working Together** – to safeguard children from harm. Priorities within this area may have implications for:
- How we work across the range of partners supporting vulnerable adults that are parents in safeguarding their children from harm, including shared assessment processes and support for those on a child protection plan
  - The future delivery of domestic abuse provision in the borough that is delivered in a joined-up way across all partners. A key risk factor for a range of services that are supporting families across the council



## **Community Impact Statement**

24. The work of the children's trust and the CYPP has wide-reaching implications for all children, young people and families, including the most vulnerable. A key underpinning principle will be to ensure it embeds considerations of equalities and human rights throughout its development, action and review. We are currently working to mainstream equalities in all aspects of the work such as the needs assessment, stakeholder engagement and performance review arrangements. The CYPP and children's trust will be underpinned by a range of equality impact assessments in line with the corporate model and approach.

## **Resource implications**

25. The CYPP is expected to require a statement of how the local authority's use of resources will contribute to the improvement of outcomes. Both the current statutory guidance and the revised guidance out to consultation note that detailed financial information is not required, but that the statement of resources should be sufficient to give confidence that the actions proposed by the CYPP are realistic, affordable and not merely a set of aspirations. Financial information will need to be available to elected members and boards of local partners when they are endorsing plans. This will need to be reflected in council budget setting processes.
26. |By April 2011, it is expected that the CYPP will have to show how the budgets of local partners involved in preparing the plan, including the voluntary sector, will be used to contribute to the delivery of the plan. It should also set out progress on the pooling and aligning of budgets and how children's trust partners intend to integrate the use of assets, resources and new technologies in support of delivery. It is particularly important where joint actions are proposed without a pooled budget that partners set out clearly the level of resources committed to and how budgets will be aligned or funding apportioned.
27. The quality of service provision is one of the most important factors in delivering overall improvement in outcomes. The challenging public sector financial context over the coming years makes it vital that services are evidence-based, cost-effective and efficient. The CYPP will be used as a driver to remove duplication where it exists across the children's system and target resources against the agreed set of priorities.

## **Consultation**

28. The proposed CYPP as set out in Appendix 1 is being considered and agreed by other children's trust partners, the PCT and the police, in line with statutory requirements. This will be completed when Council Assembly considers the proposed plan on March 24 2010. In addition, members are being consulted through the Education and Children's Services Scrutiny Sub-Committee and Corporate Parenting Board, as well as an open members' seminar to which all ward members were invited.
29. A programme of formal public consultation on the proposed CYPP is planned in line with statutory guidance and local requirements, and will take place in late February/early March. There has been widespread involvement of partners and stakeholders to date, including children, young people, parents and frontline staff.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

30. The Executive is being asked to note:
- i. the proposed new Children and Young People's Plan (CYPP) for 2010 to 2013 and its implications for the council.
  - ii. the further work which is being undertaken to complete the plan, including consultation and then to recommend the Plan to Council Assembly after this work is completed.
  - iii. the requirements of the CYPP are changing and those changes are expected to require a new plan to be published by 1 April 2011.
31. In accordance with the council's constitution agreement of the CYPP is a matter reserved for Council Assembly.
32. The report sets out that changes to the content of the CYPP are anticipated. However, the precise extent of these cannot be known until the guidance and regulations currently out to consultation, have been finalised. Although the proposed Plan is for 2010 to 2013, it is expected that a further plan will be brought back to Executive, as explained in the report.
33. The requirements of the CYPP are set out in the Children and Young People's Plan (England ) Regulations 2005 as amended, and require the plan to set out the improvements which the authority intend to make during the plan period to the well-being of children and relevant young persons so far as relating to—
- (a) physical and mental health and emotional well being;
  - (b) protection from harm and neglect;
  - (c) education, training and recreation;
  - (d) the contribution made by them to society; and
  - (e) social and economic well-being
34. The regulations set out specific matters which need to be covered in the plan, most of these have been covered. The report sets out the matters which are outstanding. They are the following:
- iv. Needs assessment against outcomes
  - v. A statement of how the council's budget will be used to contribute to these improvements
  - vi. A statement as to how the plan relates to the authority's performance management and review of services for children and relevant young persons.

### **Finance Director**

35. This report asks the Executive to note the priorities and partnership commissioning intentions to be included in the new CYPP, as well as the supporting vision and commissioning framework.
36. As required by current statutory guidance, the CYPP must include a statement of how the authority's budget will be used to contribute to the commitments in the plan. The information contained in the proposed plan (in Appendix 1) is currently draft, and will be expanded and finalised through final partner consultation, which will be completed by Council Assembly on March 24 2010.

37. In the introduction to the plan it is recognised that the Children and Young People's Plan for 2010 to 2013 will need to be implemented in a transformed statutory landscape and the harshest economic climate seen in decades.
38. The Council and each of partners will undoubtedly be facing severe financial challenges over the life of the plan. As set out previously in reports to Executive relating to the Policy and Resources Strategy 2010/11 to 2012/13, the government has given no indication of revenue support grant for local government for 2011/12 and beyond and has not provided any assurance that the existing grant floor will continue to be in place for future years. The failure to set out future grant allocation makes it extremely challenging to plan with any certainty for future years.
39. Further, the Council services included within the CYPP currently rely on significant specific grant funding streams, including Area Based Grant (£10.7M) and Sure Start (£16.4M). The future of these funding sources is particularly uncertain and there is, for example, no commitment to continue any Sure Start funding beyond March 2011.
40. Given the above, it will be particularly important for the Council and its partners to explore every opportunity for achieving efficiency gains by creatively aligning budgets and by joint commissioning of services to deliver the CYPP priorities.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Statutory Guidance on cooperation arrangements including the children's trust board and the children and young people's plan	Southwark Council Strategy and Partnerships Children's Services 160 Tooley Street London SE1 2TZ	Elaine Allegretti 53816
Young Southwark - Statutory Changes to Children's Trust Board Executive Report July 2009	Southwark Council Strategy and Partnerships Children's Services 160 Tooley Street London SE1 2TZ	Elaine Allegretti 53816
Children and Young People's Plan Guidance 2009 (January 2009)	Southwark Council Strategy and Partnerships Children's Services 160 Tooley Street London SE1 2TZ	Elaine Allegretti 53816
Children's Trust: Statutory Guidance on inter agency cooperation to improve wellbeing of children, young people and their families (November 2008)	Southwark Council Strategy and Partnerships Children's Services 160 Tooley Street London SE1 2TZ	Elaine Allegretti 53816

**APPENDICES**

No.	Title
Appendix 1	Draft CYPP 2010-2013

**AUDIT TRAIL**

<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Elaine Allegretti, Head of Strategy and Partnerships	
<b>Version</b>	Final	
<b>Dated</b>	18 January 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
<b>Executive Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	1 February 2010	

**APPENDICES**

Appendix 1 – Draft CYPP 2010-2013

**2010-2013****Children and Young People's Plan****Welcome**

We are pleased to introduce our Children and Young People's Plan for 2010 to 2013. It has been developed in an unprecedented environment, with a transformed statutory landscape and the harshest economic climate seen in decades.

We have not shied away from these challenges. We see this as a historic opportunity to reshape what services we offer to ensure they better meet the needs of the children, young people and the families we serve.

We are clear and committed to driving through the major changes we and our communities need. This means making sure services are of the highest quality and are based on evidence of need, and ensuring that everything we do makes the difference we expect. We will also work to enable families and the community to raise their children and solve their problems independently.

We will ensure our efforts and resources work best for our communities and are targeted only on the priorities identified in this plan. We will decide together how we will target our limited resources for maximum effect. Sometimes this means knowing what to stop as well as which new directions to take to make sure we get the best value and have the biggest impact.

We will be focused on tackling the causes and consequences of child poverty and improving family life. We recognise the importance of having a home and neighbourhood you enjoy living in, and will work make sure vulnerable and disadvantaged children, young people and families have the best chances in life.

We will focus our efforts and resources on acting early to try and prevent problems where we can. We will also harness the expertise and resources of schools, health partners and the voluntary and community sector – everyone who is involved in the lives of children, young people and families in Southwark.

Now that we have agreed our priorities, we are committed to creating a workforce able to achieve our vision. This means greater efforts towards working together to ensure that we are all focused on increasing families' independence and helping children and young people flourish.

We are proud of how we listen to the voice of our communities – and it is at the heart of this plan. Our priorities were developed by involving those who have the biggest stake in our borough – our children, young people, parents, carers, staff and practitioners. Together we aspire to shape the borough for the better and to ensure every child, young person, family and community thrives.

[Signatures of all Young Southwark executive members to be included]

## How was the plan developed?

Understanding the views of children, young people, families and staff is very important to us, and we are committed to making sure they influence how services are designed and run. These views are more than an 'add on' – they are a central part of our needs assessment and support our understanding of what is working well, not so well and where we need to change things.

When developing this plan, we wanted a way in which all evidence and the views of stakeholders, particularly children, young people and families, could inform the plan's commitments.

We began by using comprehensive performance data and a high-level service review to identify themes and areas. Then we went out into our communities and workforce, and asked them to tell us a story. We organised more than a dozen events, which included Saturday family sessions, as well as activities specifically for children and young people in libraries, a festival and schools.

We were honoured and delighted that more than 1,000 children, young people, parents, carers, staff and practitioners responded. Their stories tell of the ups and downs of growing up in Southwark, of the challenges and celebrations of local families, and of the difference we can make when we get things right, and where sometimes we are getting things wrong.

The stories told us about childcare and schools and activities for young people, about life with children with special needs, about crime and healthcare, about being a new parent, growing up or being a grandparent. They also told us about dedicated people who helped make a difference and of frustrated times when it was not clear where to turn.

Many spoke of pride of living or working in Southwark – all provided fresh insights into family life and gave us a powerful evidence base to inform this plan. We also involved young people, parents and practitioners in helping us to make sense of the stories, particularly in relation to some of the emerging cross-cutting themes and supporting the interpretation of evidence such as data.

The stories have been especially powerful in helping us to understand where and how we need to do things differently, but also helping us to build on what children, young

people and families are telling us is working well and their ideas for making it work even better.

We are proud of our communities' contribution and have published a selection as a companion to this plan, alongside a summary of the comprehensive needs assessment used to shape it.

The involvement of children, young people, families and staff does not stop with the plan's publication. Just as they helped shape it, we will ensure they play an equally important role reviewing and challenging our progress. Together, we can shape the borough for the better.



## How does the plan fit with national priorities?

This plan recognises and addresses the far-reaching implications of statutory changes to children's trusts, Children and Young People's Plans and the roles of lead members and directors of children's services, which came into force on 1 April 2010.

By April 2011, this plan, as the joint strategy of children's trust partners, will set out in detail how we will cooperate to improve wellbeing for children, young people and their families. It will show how we as partners will commission services to address locally identified needs, integrate provision better and focus on early intervention, safeguarding and reducing the impact of child poverty on life chances. The plan will also set out what actions will be delivered by which partner or partnership, and what resources they will commit.

This plan informs a wider range of planning arrangements, including borough and council-wide strategic and partnership plans and those that impact on life chances for children, such as our spatial plan and the PCT Strategic Commissioning Plan. The plans of partners form a complex array of inter-related strategic, commissioning and operational plans with their children and family aspects aligned through the plan and informing operational planning for frontline services.

This plan is central to future inspection arrangements of both the council and partners alike. In addition, *Working Together to Safeguard Children* guidance has set out how the children's trust should draw on support and challenge from the Southwark Safeguarding Children Board. This work is ongoing and will form the basis of a new annual safeguarding report from the safeguarding board to the children's trust board.

This will set out what improvements needs to be made locally to improve safeguarding. and, in response, this plan will include what needs to be done by each partner to improve outcomes for safeguarding in a local area in line with the annual safeguarding report recommendations.

## Our vision

“Every child, young person and family in Southwark has high expectations and the best opportunities. We will work together in a way that makes a difference, helps overcome inequality and disadvantage, and increases families’ abilities to raise their children successfully. We will work to increase independence and build the capacity of children, young people and families to have healthy and independent lives, feel safe and secure, and achieve their full potential.”

In order to achieve this, we will work in partnership across five priorities:

- **Thinking family** – families at the centre of all we do
- **Narrowing the gap** – better and more equal life chances for all
- **Raising the bar** – high-quality provision that meets local needs
- **Succeeding into adulthood** – at-risk young people achieve wellbeing
- **Working together** – children are safeguarded from harm

## **A new way of working**

This plan represents our commitment to work in new and different ways. We are committed to focusing our efforts and resources on ensuring we enhance the abilities and strengths of our children, young people and families and to removing the barriers to them fulfilling their potential.

In modernising and redesigning our services, we will align or redirect resources according to the priorities agreed in this plan to improve their life chances in the most efficient and effective way possible.

This model of commissioning has major implications for the way we work and provide services, for our policy and practice, and for the competencies of our workforce.

We have developed a range of strategies which set out what we agree we need to do to ensure we meet the commitments set out in this plan – they are the plan's enablers and building blocks.

Collectively they provide the vehicles for implementing the plan's priorities, be that through information sharing protocols, models for commissioning third sector involvement or ways to work in a more integrated way.

[detail of supporting strategies to come]

They will explain in more detail the scope and priorities for universal, preventative and specialist services, as well as addressing the needs of cross-cutting issues such as the involvement of the third sector, our action to address child poverty and the development needs of our workforce.

## Our principles and values

We, Young Southwark, agree to follow these principles and values when jointly commissioning services across the partnership to create better futures for children, young people and families.

The framework they create will both inform how we commission services by and through the children's trust board, and be used to challenge the decisions of the partnership and all partners.

The children's trust board will continue to work throughout the duration of this plan to ensure that these principles and values are shared and understood by all partners.

### **This framework sets out:**

- 1. Our values for working together as partners and a community to improve the life chances of local children, young people and families**
- 2. Our principles for redesigning services**
- 3. Our commitments to share accountability for achieving local priorities**
- 4. Our quality pledge for services based on what children, young people, families and people working with them have told us are important**

### **1. Our values for working together as partners and a community to improve the life chances of local children, young people and their families**

We will be ambitious for our children, young people, their families and the community. Our starting point is that parents and carers are best placed to promote their child's wellbeing.

All partners will share responsibility for achieving the priorities in this plan, working together to carry out the changes needed locally.

We will jointly prioritise and decide what action we need to take to address local priorities and issues.

We will work to build social capital in our communities to help respond to local priorities.

## **2. Our principles for redesigning services**

Our services will be shaped by the needs of our communities. We will look to offer services as locally as possible and will always prioritise the use of resources on the commitments in this plan.

At all times, we will work together to simplify the local system and improve its value for money and effectiveness.

Our role in keeping children and young people safe has been central to the development of all the commitments in this plan, and will inform all actions overseeing and implementing them.

When redesigning services, we will make shared choices about where, when and how we narrow the gap in individual or group outcomes.

We will think creatively and be open to the opportunities of doing things in new ways.

When decisions impact on other partners, we will decide together what we are going to do differently or stop doing.

When changing the way we do things, we will be clear and realistic about the impact we want to have.

We will target early intervention and preventative services to help further strengthen and build capacity in universal services to meet needs earlier and more effectively.

We will ensure specialist services help to support the development of strong universal and targeted services as the bedrock of local provision.

We will make the most and appropriate use of specialist services and non-statutory and community partners so that resources are targeted at those most in need.

## **3. Our commitments to share accountability for achieving local priorities**

As the children's trust board, we have a clear and separate identity while working within the wider co-operation arrangements to improve the life chances of children, young people and families across the five Every Child Matters outcomes.

We will work together to develop and equip a workforce that can deliver the changes needed at all levels across the partnership.

We will strengthen our partnership-wide priorities and areas for service improvement with robust and systematic performance, risk management and evaluation systems.

Our shared focus is to improve the life chances for children and young people and families while recognising the need to respond to inspection and regulation requirements.

We will make sure that we are clear about the roles, responsibilities and resources each partner brings to achieve the priorities in this plan.

We will seek to continually improve as a local area and will benchmark our performance against local and national best practice, and evidenced-based models.

We will use our shared commitment to local priorities to challenge each other and the solutions we develop as a partnership.

#### **4. Our quality pledge for services based on what children, young people, families and people working with them have told us are important**

Every service will be measured for its impact against the following pledges:

- Our services will be of high quality and **make a positive difference** to the lives of children, young people and families
  
- They will seek to **build the ability and resilience** of children, young people and their families to be independent
  - We will make use of family, community and social networks, and ensure every staff member, agency and partner acts to support independence
  - Where children, young people and their families have additional needs, there will be clear pathways that they and practitioners can use, and where appropriate they are supported in their transition between services
  
- They will ensure children and young people are **safeguarded** in all we do
  - Each staff member, agency and partner will have the skills and knowledge to take appropriate action for those identified at risk of harm

- We will ensure the system is fit to deliver the step change in local arrangements to protect children from harm
- At all times they work to **narrow the gap** and improve life chances for all
  - We will recognise the importance of outreach and parental engagement in designing and providing services
- They will improve the use of **integrated** working practices
  - We will use local and national common tools and processes, and ensure information sharing and the role of the lead professional are central to how we deliver services in partnership with families and other agencies
  - We will recognise children and young people as part of families and ensure the family story is understood and respected when families interact with our services//a range of council and children's trust partners

## **Our local priorities and the results we expect**

### **Thinking family – families at the centre of all we do**

- Simplifying how you access services and information about them
- Improving the quality, suitability and range of activities for children and young people
- Independence for children and young people with learning difficulties and/or disabilities, and their families
- Children and families being a healthy weight
- Supporting vulnerable families through an effective continuum of parenting provision (TBC)

### **Narrowing the gap – better and more equal life chances for all**

- Better health for babies, infants and mothers
- Early years provision that meets the needs of vulnerable children
- Looked after children achieving their educational potential
- Raising the achievement of those groups falling behind

### **Raising the bar – high-quality provision that meets local needs**

- Children are school ready and schools are child ready
- Every school and setting aspires to excellence
- Schools and settings are able to meet their students' needs
- Raising attainment at 19

### **Succeeding into adulthood – at-risk young people achieve wellbeing**

- More young people in education, employment or training
- Looked after young people succeed as young adults
- Less crime by and against young people
- Lower rates of teenage conceptions

### **Working together – children are safeguarded from harm**

- A stronger family-based approach to safeguarding
- Services that meet the needs of our children and community
- Fewer children and families experiencing domestic abuse



## Thinking family – families at the centre of all we do

### *Our priority is...* **Simplifying how you access services and information about them**

*You can expect...* To find it easier to learn about and use universal services covering birth to adulthood. Age, culture or level of need or resources will not be a barrier because we will reach out in ways most appropriate to our diverse communities. You will also see more parents shaping services and participating in their community, empowered by strong local networks.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
Put in one, easily accessible place, information on what is universally available for children, young people and families, up to aged 19	Children, young people, parents and practitioners report a better experience when accessing information, advice and guidance
Make better use of existing community providers of information and services to children, young people and families	A more streamlined information service and improved performance across a range of areas as targeted by outreach activities
Better coordinate and target outreach and parental engagement activities to narrow the gap in life chances	A robust infrastructure which supports parental engagement at all levels and is central to how we improve services

## Thinking family – families at the centre of all we do

### *Our priority is...* Improving the quality, suitability and range of activities for children and young people

*You can expect...* More children and young people choosing to play, volunteer, participate and be active in Southwark. More will be shaping services, being part of their community and participating in the decisions that affect their lives – and those who are vulnerable will find the support and opportunities they need to get back on track and realise their potential.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Bring together a borough-wide offer of good-quality play opportunities and activities for children and young people which also meet the needs of at-risk groups</p> <p>Provide young people with opportunities to be active citizens and participate in their local community</p>	<p>Improved quality and suitability of youth provision in the borough</p> <p>A well communicated and coordinated programme of activities for young people that meets a range of local needs</p> <p>More children and young people participating in activities such as volunteering, contributing to the decisions that affect their lives and involved in planning and evaluating youth work</p>

## Thinking family – families at the centre of all we do

### ***Our priority is...* Independence for children and young people with learning difficulties and/or disabilities, and their families**

*You can expect...* Services focused on building the capacity and skills in children, young people and their families to be more independent and enable them to make better use of a wider range of local opportunities and services. You can also expect a more streamlined, consistent approach to transition between life stages or services.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Improve the experience of children, young people and their families moving from early years to school and from children's to adult services</p>	<p>A more streamlined, consistent approach to transition between services or life stages, and for children, young people and their families to report a better experience</p>
<p>Provide care and short break support to enable children, young people and their families to make the most of universal services such as local leisure facilities and childcare placements</p>	<p>More children, young people and families receiving care and short breaks outside the home and choosing to use a wider range of local facilities</p>
<p>Build the capacity of children, young people and families to live independent lives at all key stages of their development, from birth to young adulthood</p>	<p>Children, young people and their families with the skills to enable them to lead more independent lives and better use the range of opportunities available to them</p>

## Thinking family – families at the centre of all we do

### *Our priority is...* **Children and families being a healthy weight**

*You can expect...* Partners to be more active in encouraging children, young people and families to live healthy lifestyles and to improve how we identify those in need of support. Children, young people and families with unhealthy weights can expect effective tailored services that meet their needs by bringing together the right mix of advice, treatments and providers.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Enable children, young people and families to maintain a healthy weight through effective early intervention and prevention activity</p> <p>Target those at risk of an unhealthy weight through tailored advice and support, and help reduce the prevalence of overweight children, young people and families</p> <p>Develop a range of effective treatments for anorexia, obesity and other weight disorders through timely, multi-component, family-based interventions</p>	<p>Reduced rates of overweight children in key at-risk groups</p> <p>Lower rates of childhood obesity at year 6 and reception</p>

## Narrowing the gap – better and more equal life chances for all

### *Our priority is...* **Better health for babies, infants and mothers**

*You can expect...* Antenatal support that is high quality, coordinated and accessible, and more pregnant women using it earlier in their pregnancy. There will be fewer deaths in infancy and more babies will have good health. Practitioners will be working more closely with partners and better able to identify and take action to support families with additional needs.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Provide a coordinated approach to ensure women can access high-quality antenatal support at an earlier stage of pregnancy</p> <p>Promote the health of children in their early years including improving joint working between health visitors and early years services to identify families in need of targeted support, and to establish effective pathways for practitioners working with families with additional needs</p>	<p>A reduction in infant mortality rates</p> <p>A higher percentage of women seeing a midwife or a maternity healthcare professional by 12 completed weeks of pregnancy</p> <p>Higher MMR immunisation rates at age 2, and more infants being breastfed at 6–8 weeks</p> <p>A more efficient and effective approach to assessing a child's health needs that leads to improved health for the child</p>

## Narrowing the gap – better and more equal life chances for all

### *Our priority is...* **Early years provision that meets the needs of vulnerable children**

*You can expect...* Settings have the necessary skills and access to appropriate expert support to ensure vulnerable children achieve better health, wellbeing and educational outcomes. Parents will get better support in understanding and dealing with their and their child's needs. Children's centres will be the hub of services, working with partners to provide seamless, effective support.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Meet the social and emotional needs of children and better support parents in the development of their child's social and emotional needs</p> <p>Provide suitable early years placements for vulnerable groups such as children with a child protection plan, children in need and those with learning difficulties and/or disabilities</p> <p>Supports local developments and needs in line with the revised Healthy Child Programme continuum for those with additional needs</p>	<p>To narrow the gap in achievement at foundation stage profile for the lowest achieving 20%, and for PSED and CLLD scales and other vulnerable groups</p> <p>Better joined-up support for children and families through Sure Start children centre hubs across the network of early years practitioners, providers and settings</p>

## Narrowing the gap – better and more equal life chances for all

### *Our priority is...* **Looked after children achieving their educational potential**

*You can expect...* More looked after children and young people attending school, realising their educational potential and overcoming the gap in achievement with their peers. They can expect partners to be working together to maximise local expertise and provision, offer flexible, quality educational opportunities appropriate to their need, and support them when changing schools.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Better use the variety of expertise and services available across children's trust partners to help keep looked after children in education and support them in achieving their educational potential</p> <p>Manage the transition of looked after children from one educational setting to another</p> <p>Are flexible and able to respond to the educational needs of looked after children wherever they are placed</p>	<p>Greater numbers of looked after children achieving their learning and educational potential</p> <p>To further narrow the gap in educational achievement between looked after children and their peers</p> <p>More looked after children attending school or an equivalent</p>

## Narrowing the gap – better and more equal life chances for all

### *Our priority is...* **Raising the achievement of those groups falling behind**

*You can expect...* More children and young people reaching at least the educational achievement of their national peers. Their schools will be more strategic, coherent and effective in targeting pupil underachievement and sharing good practice. The aspirations of children, young people and their families will also be higher through their greater use of activities and services in and out of school.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Target cohorts of children and young people to help buck the trend of key underachieving pupils</p> <p>Ensure good practice and learning is spread across the whole system</p> <p>Be targeted in our approach to raising the aspirations of children, young people, their parents and the community through an improved range of coordinated in-school and out-of-school provision</p>	<p>Continued improvements in achievement and attainment up to the age of 19, to approach and exceed national figures</p> <p>A further narrowing of the gap between underachieving groups and their peers</p> <p>Improved quality and range of provision both in and out of school, and greater take-up</p> <p>More coherence and strategic drive to initiatives that support curriculum and staff development</p>



## Raising the bar – high-quality provision that meets local needs

*Our priority is...* **Children are school ready and schools are child ready**

*You can expect...* All children able to access high-quality early years settings which address their child's social, emotional, physical and learning needs so they are well prepared for the challenge of starting school. Schools will be better informed about the needs of their children and will be able to support them whatever stage of development the child has achieved.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Are high quality, age appropriate and help prepare children for school by supporting them to participate and achieve early learning skills</p> <p>Ensure there are sufficient school places that meet all the needs of local children irrespective of their developmental stage and where possible close to their home</p> <p>Better support the transition of children from early years to school settings so their social, emotional, physical and learning needs are met</p>	<p>More children able to access good-quality early years settings</p> <p>Improved achievement in the early years foundation stage and at KS1</p> <p>More children to access places in local schools that meet their requirements</p>

## Raising the bar – high-quality provision that meets local needs

*Our priority is...* **Every school and setting aspires to excellence**

*You can expect...* More families choosing a Southwark school or setting because standards are higher, and more children and young people realising their potential. Schools can expect quality services and strong leadership from the local authority and, as leaders too, will be working together and with partners to ensure every child, young person, family and community thrives.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Enable children and young people to reach their full potential through a consistent range of high-quality services that are based on need and delivered collaboratively across a range of providers</p> <p>Raise standards through sustainable, strong leadership at school and borough level</p> <p>Incorporate the voice of pupils, parents and the community, and encourage members of the community to be involved in school leadership</p>	<p>All aspects of provision judged good or better by Ofsted, and more schools and settings classified as 'outstanding'</p> <p>Schools to rate local authority services highly and for demand for local authority services to be high</p> <p>Schools to be making a major contribution to improving life chances of children, young people and families</p> <p>Increased pupil and parent satisfaction reported of Southwark's schools, with fewer parents opting out of Southwark's schools and settings</p>

## Raising the bar – high-quality provision that meets local needs

*Our priority is...* **Schools and settings are able to meet their students' needs**

*You can expect...* Children and young people overcoming barriers to learning and achieving their full potential. They and their families can expect their school to be inclusive and have the capacity and skills to meet their social, emotional and additional learning needs. Schools, working together and with partners, can expect to access specialist support when appropriate.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Through consistent, high-quality services, build the capacity of universal settings to better identify and take targeted action to meet the social and emotional needs of vulnerable children, young people and their families</p> <p>Reconfigure how we provide community mental health support to children, young people and their families in mainstream settings, including when and how to access specialist provision</p> <p>Enable partners to make better use of the specialist learning skills and resources available in the borough</p> <p>Create and use a clearer framework of tiered support for children with additional learning needs</p>	<p>Greater numbers of young people with barriers to learning achieving higher, including less exclusions and improved attendance</p> <p>More young people feeling safe and fewer incidences of bullying</p> <p>Investment in early intervention to be according to need and evidence of what works, while building the capacity of families to solve their own problems</p> <p>Universal settings to be confident and equipped to meet their students' and families' needs</p> <p>A greater consensus about what works and how we can share expertise and best practice across the system, as well as more quality referrals and better use of specialist provision</p>

## Raising the bar – high-quality provision that meets local needs

### *Our priority is...* **Raising attainment at 19**

*You can expect...* More young people staying in education or training after 16, choosing to do this locally and achieving better qualifications. More will be making good choices about their future because they and their parents will be receiving quality careers and education advice, and the curriculum and opportunities on offer will meet their needs and those of local employers.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Deliver a high-quality, broad, balanced curriculum for those aged 14 to 19, ensuring that it is both coordinated and meets the needs of our employers and young learners at levels one, two and three</p> <p>Provide good-quality careers and education advice and guidance that results in young people making good choices</p> <p>Build capacity with local businesses to ensure there are better pathways for young people into employment</p>	<p>More young people choosing to take up appropriate provision locally</p> <p>Attainment at level two and three to rise and the gap with national figures to disappear</p> <p>Less young people dropping out post-16</p> <p>More young people taking up apprenticeships and work placements in the local area</p>

## Succeeding into adulthood – at-risk young people achieve wellbeing

*Our priority is...* **More young people in education, employment or training**

*You can expect...* More young people choosing and remaining in a quality local education placement suitable to their needs. Parents and the community will have higher aspirations for their children, young people at risk of dropping out will have been identified and guided on to an appropriate path to employment, and those in need will be receiving tailored advice and support.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Work collaboratively to identify earlier and target those groups at risk of not taking up education, employment or training, and support them to access a broad, balanced curriculum</p> <p>Identify and target quality advice at an earlier age to young people at risk of not taking up education, employment or training</p> <p>Work with the community to increase aspirations and engage parents in supporting their child's post-16 choices</p> <p>Provide co-ordinated, tailored advice, guidance and support for those not in education, employment or training, to enable them to take up and remain in one of a range of quality local placements appropriate to their needs</p>	<p>More young people in education, employment or training including those at greater risk and with more complex needs</p> <p>A broader range of quality education, training and employment opportunities</p>

## Succeeding into adulthood – at-risk young people achieve wellbeing

### *Our priority is...* **Looked after young people succeed as young adults**

*You can expect...* More looked after young people living in a stable placement, taking up education, employment or training, and managing independent lives successfully. All partners will bring together their services to support those under 22 years into adulthood, and specialist expertise will be available to ensure the most vulnerable are safeguarded.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Consolidate what's on offer across council, children's trust and local strategic partnership partners for looked after children aged 16 to 21 to support them to move successfully into adulthood</p> <p>Provide tailored support for those that need it in order to succeed in adulthood and be independent</p> <p>Ensure a multi-agency response that draws on a range of specialist services and expertise for looked after young people with very complex needs</p>	<p>More looked after young people in education training and employment</p> <p>More stability in placements</p> <p>More care leavers managing their lives successfully as young adults</p> <p>Better safeguarding of those at risk of harm to themselves and others through improved specialist support</p>

## Succeeding into adulthood – at-risk young people achieve wellbeing

*Our priority is...* **Less crime by and against young people**

*You can expect...* Fewer and less serious crimes being committed by young people and a fall in reoffending. There will also be less young people being victims or fearful of crime and antisocial behaviour. And more young offenders will be choosing to enter education, employment or training, living in suitable accommodation and leading a law-abiding lifestyle.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Target early intervention services at young people and their families who are at risk of involvement in crime as either victim or perpetrator</p> <p>Prevent reoffending and reduce the seriousness of crimes through a model of multi-agency, evidenced-based intervention and support</p> <p>Assist young offenders to engage positively in their community through supported opportunities to enter education, employment or training, live in suitable accommodation and develop law-abiding lifestyles</p>	<p>Fewer and less serious crimes being committed by young people</p> <p>Less young people becoming victims of crime and fewer being fearful of crime and antisocial behaviour among young people</p> <p>More young people who have committed crimes taking up education, employment or training opportunities, living in suitable accommodation and desisting from offending lifestyles</p>

## Succeeding into adulthood – at-risk young people achieve wellbeing

### *Our priority is...* **Lower rates of teenage conceptions**

*You can expect...* More young people, whatever their level of need, making positive choices about their sexual health and relationships, and more parents feeling able to guide their child's choices. Young people will be accessing quality advice and contraception when and how they need it, and there will be self-development opportunities for our vulnerable young people.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Ensure good-quality sexual health information, advice and guidance is available to all young people and their families</p> <p>Increase access to contraception</p> <p>Provide targeted information and support on a range of services including sexual health, educational and self-development opportunities to at-risk groups, including looked after children, teenage mothers, vulnerable parents and young offenders</p>	<p>More young people are able to make positive choices around sexual health and relationships, and more parents feel able to guide and influence their child's choices</p> <p>A rise in the number of young people accessing contraception</p> <p>Reduced rates of teenage pregnancy, and more teenage parents in training or employment</p>



## Working together – children are safeguarded from harm

### *Our priority is...* **A stronger family based approach to safeguarding**

*You can expect...* Partners to reshape services for vulnerable families so they are more responsive, integrated and effective. You can also expect us to bring together the widest range of knowledge and expertise to support children with a child protection plan, which will lead to less time on plans, fewer re-registrations and improved outcomes for the child and family.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Enable the joint assessment of children and their families that recognises the difficulties being experienced in the household, and draws on evidence from all services involved with the family</p> <p>Reshape the way we support children with a child protection plan that builds on the wide range of knowledge and expertise of all the professionals involved with the family</p> <p>Improve the effectiveness of joint work to ensure there is appropriate multi-agency targeted, specialist support when needed, and that there is a more efficient use of resources by those working with a child and their family</p>	<p>Improved joint assessments and greater integrated working across the partnership</p> <p>More effective child protection plans which will result in less time being spent on them</p> <p>Fewer hospital admissions caused by unintentional and deliberate injuries to children and young people</p>

## Working together – children are safeguarded from harm

### *Our priority is...* **Services that meet the needs of our children and community**

*You can expect...* More children to be safe because services are meeting their and the community needs, and the workforce is able to recognise and act on potential signs of abuse and neglect. Partners, with the community, will also work better together to ensure children are protected from harm and to improve the quality of referrals to social care.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Develop provision that responds to local community and safeguarding needs to keep children safe</p> <p>Improve the quality and consistency of contact and referrals to social care or to other agencies as appropriate</p> <p>Secure a well-trained workforce able to understand child development, and recognise and act on potential signs of abuse and neglect</p> <p>Deliver the system-wide improvements to achieve the step change required by <i>Working Together to Safeguard Children</i> guidance</p> <p>Develop the positive relationship with the borough's communities to build their capacity to keep children safe</p>	<p>More children are safe and/or report they feel safe</p> <p>More good-quality and timely referrals to the most appropriate agency</p> <p>Improvements to frontline practice in line with serious case review recommendations, SSCB annual report and <i>Working Together to Safeguard Children</i> guidance</p> <p>All agencies will be reviewing safeguarding performance and be reporting to the Southwark Safeguarding Children Board</p> <p>More voluntary, community and faith group involvement in safeguarding children</p>

## Working together – children are safeguarded from harm

### *Our priority is...* **Fewer children and families experiencing domestic abuse**

*You can expect...* Fewer instances of domestic violence and repeat victimisation because we are working better together to ensure prevention, intervention and enforcement services are more coordinated and effective. Children in families experiencing domestic abuse will be safer and have better life chances, and more young people will choose to engage in positive relationships.

<b>We will commission services that...</b>	<b>As a result, we expect...</b>
<p>Develop a partnership-wide approach to prevention, intervention and enforcement activities to ensure a more integrated continuum of support for families experiencing domestic abuse</p> <p>Improve the coordination of support for children in families experiencing domestic abuse, both through greater integrated working by partners across the system and better training opportunities</p> <p>Ensure that information, guidance and support services for young people encourage positive relationships</p>	<p>Lower rates of domestic violence and repeat victimisation</p> <p>A fall in the negative impact of domestic abuse on children's safety and life chances</p> <p>Less sexual offences by and against young people, and more young people aware of and choosing to engage in positive relationships</p>

## **Review of needs, stakeholder views and performance**

This plan has been developed in collaboration with a wide range of children's trust partners at all levels, and has been overseen by the children's trust board at each stage.

The priorities and commitments identified in this plan are the result of detailed analysis of a comprehensive joint strategic needs assessment, widespread stakeholder consultation and extensive performance review, as follows:

### **Needs assessment**

We undertook a comprehensive joint strategic needs assessment across the five Every Child Matters outcomes and cross-cutting themes including schools, parenting, workforce and safeguarding to identify as a system what we are doing well, what we can build on and where we need to do it differently.

A summary of this analysis is included in this plan and is available as a separate document [to be confirmed]. It is available [details to follow].

### **Views of children, young people and families in Southwark**

The needs assessment set a framework for stakeholder consultation through borough-wide storytelling events with children, young people, parents, carers and frontline staff. Some 1,000 stories have been collected and used to shape and inform priorities. In addition, a parent and child survey collected a further 800 views on issues across the five Every Child Matters outcomes.

A selection of the stories collected has been published [due April 2010] and is available [details to follow].

### **Performance review**

The third strand to the plan's development was a senior management review of our performance to date, to identify what we are doing well and what we can build on and where we need to do it differently – against each of the Every Child Matters outcomes.

We are publishing this analysis alongside the needs assessment, and it includes

summaries for each outcome, showing how we are building on our strengths and addressing areas for improvement.

## **Use of resources**

### **Investing in outcomes for children, young people and families**

We are committed to providing the resources needed to deliver effective services for children, young people and families, and to ensuring these resources are used efficiently. Over the past three years [details to follow to include description of funding arrangements].

### **Current expenditure plans**

The finance and resource requirements arising from the Children and Young People's Plan can be divided between direct expenditure by the three core providers (education, social care and health) and expenditure by other council departments, the police and the voluntary sector, which also impact upon the outcomes sought by the plan.

[Table to come]

### **Resources**

The resources required to fund the above expenditure, come from a variety of sources as follows:

[Table to come]

### **Directing resources to priority outcomes**

Because this plan has been developed in the harshest economic climate seen for decades, this strategy and its commissioning plan focus on identifying priorities, detailing what is achievable on current resource assumptions, and mapping the core resources available.

We will also use the priorities to identify system-wide priority and improve the use of resources by working to reduce duplication and better utilise a range of partnership-wide resources to deliver outcomes.

## **What happens next?**

### **Financial planning and governance**

The quality of service provision is one of the most important factors in delivering overall improvement in outcomes. The challenging public sector financial context over the coming years makes it vital that services are evidence-based, cost-effective and efficient. This plan is the driver to remove duplication where it exists across the children's system and target resources against the agreed set of priorities.

We anticipate that, by April 2011, the future statutory guidance will require the CYPP to include a statement of how the local authority's use of resources will contribute to the improvement of outcomes. We, therefore, intend to publish, in April 2011, financial information which details that the commitments in this plan are realistic, affordable and not merely a set of aspirations.

We also anticipate that, by April 2011, this plan will also have to show how the budgets of local partners involved in preparing it, including the voluntary sector, will be used to contribute to the delivery of the plan.

We, therefore, will set out our progress on pooling and aligning budgets and how children's trust partners intend to integrate the use of assets, resources and new technologies in support of delivery. It is particularly important where joint actions are proposed without a pooled budget that partners set out clearly the level of resources committed to and how budgets will be aligned or funding apportioned.

Over the coming months, we will oversee the development of partnership and governance arrangements to ensure we have robust infrastructure for delivering the commitments in this plan.

### **Supporting strategies**

We have developed a range of strategies which set out what we agree we need to do to ensure we meet the commitments set out in this plan – they are the plan's enablers or building blocks.

Collectively they provide the vehicles for implementing the plan's priorities, be that through information sharing protocols, third sector involvement or ways to work in a more integrated way.

They will explain in more detail the scope and priorities for universal, preventative and specialist services, as well as addressing the needs of cross-cutting issues such as the involvement of the third sector, our action to address child poverty and the development needs of our workforce.

We will publish these strategies in summer 2010. For copies, go to [details to be confirmed]

### **And so the work begins...**

Now we embark on achieving our priorities and making sure the major changes we and our communities need take place over the next three years.

We know that by working together, being of one mind, we will be more effective because we will jointly plan and apply the use of our resources and improve the services on offer.

And now that we have set our priorities, it is our workforce who will make them happen. We are confident we will meet the expectations and challenges you have told us matter because of our staff's skills and commitment to turning our aspirations into changes you see in your daily lives.

Above all, we must ensure that everything we do is focused on ensuring all children, young people and families have the best chances in life.

Although this plan is our strategic intentions for the whole borough, it should and will translate into changes to the services you use or work with – the schools, youth clubs, and antenatal services in your neighbourhood.

It aims to help families be more independent and able to solve their own problems. And for more children and young people to be healthier, happier, safer and achieving their full potential.



<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Health Inequalities Strategy and Summary.	
<b>Ward(s) or groups affected:</b>		People living in the most deprived parts of Southwark; Black and Minority Ethnic Communities; people living with mental health problems	
<b>From:</b>		Strategic Director of Health and Community Services	

### RECOMMENDATION(S)

1. Executive is asked to approve this Strategy for reducing Health Inequalities in Southwark.

### BACKGROUND INFORMATION

2. There has been considerable progress in health improvement in Southwark in recent years as shown by the improvements in life expectancy for both men and women.
3. Female life expectancy in Southwark is now above the national average at 82.02 years and male life expectancy of 76.6 years in the borough is now only 0.7 years below the England figure. This means that there has been considerable narrowing of the gap between Southwark and the England average in a key health indicator.
4. However within this overall progress there are still marked differences within Southwark on this indicator. The gap in life expectancy between the most deprived fifth and the least deprived fifth of the population is 3.4 years for women and 5.2 years for men. The gap between local authority wards in the borough is much bigger at about 10 years for females and 17 years for males.
5. This strategy sets out to address this health gap. The target for this strategy is to narrow the life expectancy gap for people in some of the most deprived and least deprived parts of Southwark by 20% by 2020.
6. The purpose of this strategy is not to resolve all health issues for Southwark, but to specifically focus on narrowing the gap in health outcomes between those with the worst experience and the best. It is designed to complement other strategies rather than duplicate them and frame a strategic approach with a deliverable action plan.
7. Southwark has many strategies, actions and services in place already that are addressing different aspects of health or the determinants of health. For instance the Core Strategy and Housing Strategy implementation will have significant impacts on improving health, especially for those more at risk of poor health outcomes. Southwark's improving education attainment will have considerable long term health benefits for children as they grow into adulthood. The improving quality of primary care is helping to reduce complications of illness for those with established problems such as high blood pressure and diabetes.

## KEY ISSUES FOR CONSIDERATION

### Policy and Review Background

8. This strategy was developed through review and analysis of local situation and building on a range of national advice, local audit. These included.
- Extensive analysis of data on health, of the causes of ill health and on evidence for what works in addressing inequalities.
  - The advice of the Department of Health National Support Team visit to Southwark in June 2009 following review of action on Health Inequalities in the area
  - Audit Commission review of Health Inequalities in Southwark and recommendation to develop a Southwark Strategy for Health Inequalities

### Specific Targets to be addressed

9. The context of this strategy is the National PSA target on life expectancy. This is expressed locally as the LAA target of All Age All Cause Mortality. This strategy assists with achieving this target. It also supports the achievement of the NHS target on Life Expectancy.
10. There is a recently set new NHS target to narrow the gap in mortality between those living in the parts of the borough experiencing the lowest life expectancy and the parts experiencing the highest. This strategy will support the achievement of this target also.
11. The specific aim of this strategy is to reduce the life expectancy gap between the most deprived quintile and the least deprived of the population of Southwark by 20% by 2020.

### Delivery of the Plan

12. The plan provides a framework of five themed action areas, with particular focus on those living in the most deprived quintile. Each of these has a delivery plan that sets out in more detail the actions.
13. These themed action areas are
- i) Cardiovascular Disease and Diabetes – Improving outcomes from these diseases for those at risk in the most deprived areas through more intense focus and work with specific GP practices in those areas
  - ii) Infant Mortality and Early Years – Improving outcomes for those in the most deprived areas through improving maternity outcomes with more ‘at- risk’ women booking early and reducing teenage pregnancy.
  - iii) Cancer – Reducing the death rates from cancer through more targeted interventions on screening for cancers.
  - iv) Lifestyles – Targeted interventions on smoking, alcohol, physical activity and healthy eating. Increasing detection of HIV and Healthy living packages for those

with long term mental health problems.

v) Life Chances. Actions to improve employment, training, education attainment, housing, access to benefits for those living in the most deprived areas.

14. The focus of the delivery plans will be on those living in the most deprived quintiles (fifth) of the population to narrow the gap between them and the least deprived fifth.
15. These will have an impact at different times over the short term, medium and long term, with actions on specific diseases likely to impact in the shorter term and actions on employment and education having a longer term impact.
16. The approach to the plan is not to attempt to solve all health problems but to deliver a series of focused actions that are likely to have the most benefit in narrowing the gap.

### Strategic Interconnections

17. The strategy does not stand alone nor does it attempt to achieve improvements by itself. It is designed to complement and act with other strategies and plans. The other strategies that will support the reduction of inequalities are as follows.

Children's and Young Peoples Plan (in draft form)	Narrowing the Gap and improving education attainment will have long term benefits for health of young people as they grow older
Employment and Enterprise Strategy (Under review)	Improving access to employment and income has significant impact on health of the poorest
Sports and Physical Activity Strategy	Will improve the uptake of physical activity for those who do not traditionally participate in physical activity and use a wider range of non traditional settings
Healthy Weight Strategy	Targetted approach to reducing obesity and a population approach to lowering the average weight
NHS Southwark Strategic Plan	Commissioning plan for the NHS in Southwark to improve health and health services for local community
Southwark Alcohol Strategy	Reduce the numbers of those engaged in harmful drinking
Regeneration and Major Projects work	Significant long term impact on the health and quality of lives through improved housing and better social environment for the deprived areas that will undergo major regeneration programmes
Housing Strategy	Long term impact through improving the quality of social housing for the most deprived

18. These interconnected strategies will have significant impact on improving life chances and improving healthy living. This health inequality strategy has been developed to complement these and provide a focussed approach to help achieve a specific reduction in the life expectancy gap.

**Impact and Risk**

19. This builds on existing strategies of the council and supports achievement of a LAA target. Not acting on it will increase the chances that the gaps in health outcomes may get exacerbated unintentionally.
20. The impact of not doing this is likely to be a continuing widening of the gap on life expectancy between those with the best and worst health outcomes, perpetuating the current increase in this trend.

**Community Impact Statement**

21. This strategy was developed because not all people have the same health experience. People who are living in more deprived areas are more likely to have worse health. This is due to a combination of factors that include income, education and home surroundings that can lead to a less likely healthy lifestyle. People from BME communities are more likely to live in more deprived communities and suffer health problems. People from African communities are more at risk of HIV as are men who have sex with men (MSM). People who have longstanding mental health problems are more likely to long term disabled and also to have physical health problems with shorter life expectancy.
22. It is specifically designed to address needs for better health for :
  - i) those who are most likely to have poorer health outcomes such as those living in the most deprived areas,
  - ii) people from BME communities
  - iii) people living with long term mental health problems
  - iv) MSM
23. It does not specifically address needs based on age or gender

**Resource implications**

24. Resource implications relate to the different strands of the delivery plan. For four of the Themes the resource implications rest with the PCT. For the fifth Theme the elements for the council are being delivered through existing programmes of work and or are linked to existing strategies.

**Legal/Financial Implications**

25. There are no obvious legal implications of the strategy or major financial implications

**Consultation and monitoring of plan**

26. The strategy and delivery plans have been developed through extensive consultation with partnership groups, stakeholder groups, and with individual officers (see acknowledgements at end of strategy).
27. Consultation has taken place at different stages of development with: Stakeholder Workshops Two stakeholder workshops earlier in 2009 with representatives from different stakeholder agencies and community representatives. This informed the drafting of the strategy

National Support Team Intensive review by the Department of Health National Support Team with interviews with many stakeholders and a workshop with the Community representatives. This informed the drafting of the strategy

Consultation Consultation on draft report took place with the PCT Board, Young Southwark, PCT PEC, User Involvement and Patient experience Committee, Health and Social Care Scrutiny and Healthy Southwark Partnership Board.

Young Southwark Executive - 6th September 2009

PCT Professional Executive Committee 10<sup>th</sup> September 2009

PCT Trust Board - 26<sup>th</sup> September 2009

User Involvement and Patient Experience Committee – 22<sup>nd</sup> September 2009

PCT Executive Commissioning – 30<sup>th</sup> September 2009

Scrutiny Committee – 7<sup>th</sup> October 2009

Healthy Southwark Partnership Board – 20<sup>th</sup> October 2009

28. The strategy has been approved by NHS Southwark Board and by Healthy Southwark Partnership Board.
29. The monitoring and review of implementation of this strategy is through the Healthy Southwark Partnership Board successor body (title not agreed yet).

#### **. BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Strategy to reduce health inequalities in Southwark 2009-2010 Summary December 2009	Public Health NHS Southwark 160 Tooley Street London SE1P 5LX	Dr Ann Marie Connolly Director of Public Health NHS Southwark & Southwark Council 0207 525 0406
Strategy to reduce health inequalities in Southwark 2009-2010 November 2009	Public Health NHS Southwark 160 Tooley Street London SE1P 5LX	Dr Ann-Marie Connolly Director of Public Health NHS Southwark & Southwark Council 0207 525 0406

<b>Lead Officer</b>	Susanna White	
<b>Report Author</b>	Paul Brotherton Jean Rowe, Jeff Lake & Dr. Ann Marie Connolly	
<b>Version</b>	Final	
<b>Dated</b>	1 February 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No

Finance Director	No	No
List other officers here	Susanna White	Yes
<b>Executive Member</b>	David Noakes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		1 February 2010

# **Strategy to reduce health inequalities within Southwark 2009-2020**

## **Summary January 2010**

Summary Version 4 January 2010

# Strategy to Reduce Health Inequalities within Southwark

## 2009-2020

### Summary

#### 1. Introduction

1.1. Southwark has a young mobile and ethnically diverse population with very high levels of social deprivation. Despite the deprivation there has been considerable progress in narrowing the health gap that exists between Southwark and England as measured through life expectancy. Female life expectancy in Southwark is now above the national average at 82.02 years and male life expectancy of 76.6 years in the borough is now only 0.7 years below the England figure.

1.2. Despite this overall progress there are still stark inequalities within Southwark. The gap in life expectancy between the most deprived fifth and the least deprived fifth of the population is 3.4 years for women and 5.2 years for men. The gap between local authority wards in the borough is much bigger at about 10 years for females and 17 years for males.

1.3. While Southwark has many actions and services in place that address different aspects of health inequalities or their determinants, it has lacked an explicit strategy.

1.4. This strategy sets out to address this gap. The target in this strategy is to narrow the life expectancy gap between the most deprived parts of the borough and the least deprived parts of Southwark by 20% by 2020.

#### 2. Overall Aim and Approach

2.1. This strategy sets out our intentions to address health inequalities in Southwark. It has the following aim:

Our aim is to reduce inequalities in health in Southwark by narrowing the gap between those at greatest risk of poor health outcomes and those who have the best health



### 3. Defining Health inequalities

3.1. Health inequalities are defined as the differences in health status or in the distribution of health determinants between different population groups (WHO 2008).

3.2. Clear socio-economic gradients exist in relation to health determinants and health outcomes. There is a complex array of factors and causes of inequalities in health outcomes and they operate at many different levels. However there are three main domains into which these factors can be classified and which are amenable to intervention:

- Socio-economic environment
- Lifestyles and behaviours
- Access to effective health, social care and other services

3.3. The delivery plan for this strategy is configured to address these three domains

### 4. Policy and Audit Context

4.1. There has been a significant policy aim from national level since 2001 to achieve targets relating to improving life expectancy of people in different geographical areas and between different social groups, with PSA targets being set for Life Expectancy.

4.2. A series of national reviews of actions and achievements since the introduction of the PSA target provides useful guidance on where to focus attention.

4.3. An Audit Commission report on health inequalities in Southwark (Audit Commission, 2008) found that health inequalities have been identified as key improvement areas within key primary care trust, council, and partnership documents. Nevertheless, it concluded that a more explicit approach to addressing health inequalities is required, supported by systematic mechanisms to ensure delivery. A number of recommendations were made:

- develop a joint overarching health inequalities strategy that coordinates and provides a focus for initiatives to tackle inequalities
- develop robust outcome measures that can help effectively evaluate the impact of initiatives

and also

- ensure the overview and scrutiny committee provides effective challenge on a wide range of health inequality issues
- make better use of available health intelligence and data to influence commissioning

- undertake further work to identify the most appropriate interventions for different community groups
- develop a structured training programme for staff, non executive directors and members to address the skills and competencies needed to effectively address health inequalities
- develop a clear and explicit plan towards corporate responsibility in respect of the wider determinants of health across departments and organisations.

## **5. Where are we now?**

5.1. There is considerable analysis of data highlighting the inequalities in determinants, in lifestyles and in access to care for Southwark residents. A few key pieces of information are summarised here as examples extracted from the background data that has informed the strategy.

### 5.2. Determinants of health.

5.2.1. Socio economic factors are key influence on inequalities and Southwark has high levels of social deprivation compared to most local authorities. The Index of Multiple Deprivation (IMD) for 2007 combines a number of different measures into a composite index and local authorities are ranked in accordance with Southwark number 26 out 354 (amongst the most deprived) in England and ranked 9 out of 33 in London. This represents some improvement since the previous index in 2004.

5.2.2. 58% of the population is within the bottom fifth most deprived areas of nationally.

5.2.3. Other indicators show that while Southwark has a larger % of people with higher qualifications compared with London (42.6% compared with 37.4%), it also has a higher % of people with no qualifications (16.2% compared with 12.8%).

### 5.3. Lifestyles

5.3.1 Estimated smoking prevalence suggest that smoking rates vary widely and there may be (estimated) two fold differences in smoking levels across the borough between different wards.

### 5.4. Access to care

The proportion of people on Southwark GP disease registers that have their blood sugar controlled at target level ranges from 35% to 78%. Similarly the percentage of people on GP registers with their blood pressure controlled ranges from 55% to 96%, suggesting that many patients are receiving sub-optimal care.

### 5.5. Outcomes

5.5.1. There has been considerable progress in narrowing the gap on average life expectancy for Southwark population compared with the national average.

5.5.2. The gap between wards in male life expectancy has grown from 7.2 years (1999-2003) to 16.9 years (2002-2006). For women the gap in the same period has grown from 6 years to 9.9 years.

5.5.3. For those who live a longer life, in terms of quality of life, mental health problems are the largest cause of disability affected years of survival.

5.5.4. Progress has also been made in reducing mortality rates, including those for cancer, heart disease and infant mortality.

### 5.6. Evidence base for interventions

5.6.1. Evidence for the impact of some interventions to address health inequalities is robust, particularly relating to health care interventions and some lifestyle interventions.

5.6.2. However for some other approaches, such as complex socio-economic interventions, these are not so easy to test. As they have longer term outcomes it is not always easy to see the immediate impact of the service or action.

## **6. Action to address inequalities**

6.1. There are many activities and strategies already underway which are addressing the causes and impacts of health inequalities. However there is some way further to go to achieve a narrowing of the gap in health outcomes.

6.2 The aim is:

**To reduce the life expectancy gap between the most deprived quintile and the least deprived of the population of Southwark by 20% by 2020.**

This means an increase in average life expectancy for females in the poorest areas of 0.7 years and for males of 1 year.

6.3. The key objectives in reducing health inequalities are to

- Achieve Southwark's agreed life expectancy target
- Deliver improvement in quality as well as quantity of life, particularly focused on communities in greatest need
- Ensure collaboration across sectors in reducing health inequalities with coordinated action in the short medium and long term
- Ensure that addressing inequalities runs as a thread through all major PCT and council strategies and plans
- Ensure that services fit those in greatest need

- Ensure that prioritization and investment to address inequalities is based on a clear and realistic understanding of the scale and effectiveness needed to deliver change at the population level

6.4. Principles underpinning this approach are

- Ensure that addressing health inequalities is everyone's business across the partnership
- Build on and complement existing strategies
- Employ systematic methods of needs assessment, evaluation and equity impact assessment to support decision making and commissioning
- Ensure that community engagement is a central component in planning
- Ensure that there is appropriate balance between achievement of short medium and long term objectives
- Ensure that actions are focused on measureable achievement and outcomes

6.4. The theme areas for the strategy have been chosen based on key guidance and evidence from the

- National Support Team on Health Inequalities,
- Local plans and strategies
- Analysis of data on the major issues
- Quantitative and qualitative research data
- Best practice and other evidence

6.5. Southwark's strategic approach is to identify those actions which ensure the best outcomes for the largest numbers of peoples and which can be scaled up as far as possible to meet the strategic goals.

6.6. This will require special efforts to target the populations that need them most, focusing actions where they can have maximum impact. There are two reasons: a) some people are more at risk of particular diseases such as black men with hypertension and stroke and b) delivery needs to target those areas with poorest indicators e.g. some GP practices and/or housing estates

6.7. While the focus of this strategy is on improving life expectancy this should be seen as part of a more holistic approach to improving health and well-being. There is increasing recognition of the interplay between mental health and physical health and the crucial role of the early years of life.

6.8. Five key Theme Areas have been identified with detailed delivery plans developed for each of them. The five theme areas are:

- Diabetes and Heart Disease
- Infant Mortality/Early years
- Cancer
- Lifestyles

- Life Chances

6.9. The impact of these interventions for these theme areas will deliver outcomes over different timescales in the short medium or long term, with the more immediate impacts likely to be seen from medical interventions and the impact of lifestyles and life chances interventions requiring a longer timescale for impact.

6.10. The interventions supporting each of these themes are set out in the following table, alongside the rationale for their inclusion.

Theme	Intervention	Rationale	Delivery by
Cardiovascular disease and diabetes	For people living in the most deprived quintile (MDQ) <ul style="list-style-type: none"> <li>• Implement the NHS health checks in high risk communities</li> <li>• Improve CVD and diabetes case finding</li> <li>• Improve Blood pressure control</li> <li>• Achieve good cholesterol control</li> </ul>	These are the biggest causes of early mortality in Southwark and there are strong inequalities between socio-economic groups and between some ethnic groups. Improving the prevention, detection and treatment of these conditions is known to be one the most effective ways of reducing inequalities.	NHS  Theme coordinator - NHS officer
Infant mortality/ early years	<ul style="list-style-type: none"> <li>• Early referral and access to maternity care</li> <li>• Reduction in teenage pregnancy rate</li> </ul>	Infant mortality rates are very high in more deprived areas and are a key contributor to reduced life expectancy. Health in early years is vital in setting the pattern for later life and early intervention can pay dividends for the future.	NHS  Theme coordinator - NHS officer
Cancer	<ul style="list-style-type: none"> <li>• Improve coverage of Cervical screening through working with primary care</li> <li>• Improve bowel</li> </ul>	Cancer is the second biggest cause of inequalities in Southwark. Early detection and treatment of cancers is crucial to improving people's health outcomes and	NHS  Theme coordinator - NHS officer

	screening through health promotion activities in specific areas	can prevent avoidable deaths.	
Lifestyles	<p>For those in the MDQs</p> <ul style="list-style-type: none"> <li>• Increase numbers of smoking quitters</li> <li>• Train GP practices in brief interventions for alcohol problems</li> <li>• Develop local walking initiatives</li> <li>• Healthy eating as part of a family approach weight management programme</li> <li>• Improve access to HIV testing for MSM and African communities</li> <li>• Healthy living package for people with enduring mental health problems</li> </ul>	Smoking, alcohol use and physical activity levels are key determinants of health. Rates vary between different population groups and there is increasingly good evidence of interventions to tackle unhealthy lifestyles	NHS  Theme coordinator - NHS officer
Life chances	<ul style="list-style-type: none"> <li>• Increase free school meal uptake</li> <li>• Improve employment through:</li> <li>• Access into employment for school leavers</li> <li>• NEETs increase</li> </ul>	Many health problems have their origins in wider social and economic conditions. Reducing inequalities in the longer term will depend on action to improve the life chances of people in greatest need. Mental health problems	Southwark Council  Theme coordinator - Council officer

	<p>employment</p> <ul style="list-style-type: none"> <li>• Increase employment through recruitment into local NHS</li> <li>• Benefits advice</li> <li>• Improve access to (IAPT) psychological therapies for those from BME communities</li> <li>• Improve energy efficiency of homes in all tenures</li> </ul>	substantially affect life chances as well as being a source of health inequalities in themselves.	
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## 7. Contribution of other strategies

7.1. This strategy is not the sole focus on health inequalities, but works with and complements other major Southwark strategies. These other strategies all contribute to reduction of health inequalities.

Major Strategy	Contribution to Reducing Health Inequalities
Children's and Young Peoples Plan (in draft form)	Narrowing the Gap and improving education attainment will have long term benefits for health of young people as they grow older
Employment and Enterprise Strategy (Under review)	Improving access to employment and income has significant impact on health of the poorest
Sports and Physical Activity Strategy	Will improve the uptake of physical activity for those who do not traditionally participate in physical activity and use a wider range of non traditional settings
Healthy Weight Strategy	Targeted approach to reducing obesity and a population approach to lowering the average weight
NHS Southwark Strategic Plan	Commissioning plan for the NHS in Southwark to improve health and health services for local community
Southwark Alcohol Strategy	Reduce the numbers of those engaged in harmful drinking

Regeneration and Major Projects work	Significant long term impact on the health and quality of lives through improved housing and better social environment for the deprived areas that will undergo major regeneration programmes
Housing Strategy	Long term impact through improving the quality of social housing for the most deprived

## 8. Delivering the strategy

8.1. Each of the delivery strands has a key lead whose role it is to coordinate the delivery of the plan.

8.2. The strategy and delivery plan will be monitored by the Healthy Southwark Partnership Board (or its revised successor partnership board).

8.3. Metrics for monitoring outcomes are being devised to help effectively evaluate impact of the strategy and initiatives.



<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Southwark CCTV Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment & Housing	

### RECOMMENDATIONS

1. That the Southwark CCTV Strategy in set in appendix 1, and the following key recommendations, be agreed:
  - To establish improved measures to monitor performance and the cost effectiveness of CCTV in Southwark.
  - To work with other public space CCTV schemes to improve co-ordination and explore potential for sharing costs.
  - To seek external capital investment to provide a more effective Southwark CCTV system which will reduce revenue costs, improve performance and be able to respond more flexibly to intelligence led deployment.
  - To establish independent auditing of the CCTV monitoring suite.
  - To develop a CCTV communications plan to support the CCTV Strategy. This will be incorporated within the Community Safety communications plan for 2010/11.

### BACKGROUND INFORMATION

2. CCTV can be a valuable tool to make Southwark safer if it's used in situations where it is likely to be effective and is part of a co-ordinated approach to tackling crime and anti-social behaviour. Public support for CCTV can put authorities under pressure to install CCTV in situations where it is not likely to be effective.
3. Much of Southwark Council's public CCTV was funded by Home Office capital grants and is outdated. Little or no revenue funding was provided and these capital funding sources are no longer available. Changing patterns of crime and anti-social behaviour, together with increasing financial pressures on public sector budgets means that a new approach to CCTV is required. Many public and private organisations have CCTV in Southwark and it is in everybody's interests for it to be effective.
4. CCTV is a key service for the Police and other partner agencies in the detection of crime. The Police use CCTV evidence to identify and prosecute offenders. They also use the CCTV facilities as part of planned operations and in response to real time incidents.
5. The strategy will help to make best use of all CCTV to make Southwark safer as well as providing a framework to set longer term ambitions to create a more flexible, cost effective Council CCTV network, encouraging an increase in partnership working as funding opportunities arise.

## KEY ISSUES FOR CONSIDERATION

### Effectiveness of CCTV & National Context

6. Research into the effectiveness of CCTV identifies that CCTV is often not the best or most cost-effective intervention. CCTV is seen as most effective when it is used alongside other community safety interventions.
7. Home Office research in 2005 (Gill & Spriggs, Assessing the impact of CCTV) found that residents tend to be supportive of CCTV and have a perception that it deters crime and helps to catch criminals. This can create public pressure for CCTV even in situations where it is unlikely to be effective. The study's overall conclusion was that 'The use of CCTV needs to be supported by a strategy outlining the objectives of the system and how these will be fulfilled'.
8. The National CCTV Strategy (2007) supported the use of CCTV but identified the need for a range of improvements particularly to develop national performance indicators to measure the effectiveness of public space CCTV. The Home Office has recently announced the establishment of a National CCTV Oversight Body to take forward the National CCTV Strategy's recommendations and the appointment of an interim CCTV Regulator to advise on the regulatory framework which could lead to new regulatory requirements. Southwark's CCTV Strategy takes account of the best practice recommendations in the National CCTV Strategy.
9. A recent systematic review of the effectiveness of CCTV concluded: 'CCTV surveillance should continue to be used to prevent crime in public space, but that it is more narrowly targeted than its present use would indicate. Future CCTV schemes should employ high-quality evaluation designs with long follow-up periods.' (Welsh & Farrington, 2008).
10. The Council's CCTV resources must therefore be more carefully prioritised for those issues where CCTV is most likely to be a cost-effective way of improving people's feelings of safety in Southwark or meeting other Southwark Council priorities such as parking enforcement. This will require clear objectives, analysis of the problem and systems for performance monitoring and evaluation. CCTV needs to be part of a co-ordinated response to a problem with responsibilities for follow-up interventions if evidence is captured.

### CCTV in Southwark

11. The Council has a network of 160 public space CCTV cameras connected to a 24/7 monitoring suite as well as over 300 cameras on housing estates. The vast majority of the council CCTV system in Southwark was funded through extensive Home Office capital monies that were made available in 2000 and 2001. The monies provided by the Home Office were capital allocations, there was no, or very limited, revenue funding made available. As a result the current CCTV system has old and outdated technology, with cameras and the recording infrastructure, at the end of its working life.
12. Many organisations in Southwark have CCTV cameras including Transport for London, stations, hospitals, offices and retailers. The total coverage is much more extensive than the Council's CCTV network although other organisations' individual CCTV systems are generally smaller than the Council's.

There is potential to make Southwark safer by making better use of all CCTV in Southwark. The Safer Southwark Partnership (SSP) annual review process will identify locations or crime and anti-social behaviour types where CCTV can be most effective to meet SSP priorities.

### **CCTV Strategy Aim**

13. The strategy aims to “To make Southwark a safe place to live, work and visit. Making best use of CCTV systems across the borough is one way of enabling partners to achieve this ”
14. We will do this by:-
  - Improving best practice and co-ordination of all CCTV through the Safer Southwark and Local Strategic Partnership networks.
  - Developing the Council’s public space CCTV network into a more flexible and cost-effective resource.
  - Improve the partnership working between the police, Transport for London, large businesses and other agencies who can make better use of CCTV facilities.

### **CCTV Strategy Key Themes**

15. A Safer Southwark  
We will improve the effectiveness of CCTV in Southwark to support Safer Southwark Partnership priorities.
16. Working in Partnership  
We will work with residents, businesses and other organisations to make best use of all CCTV in Southwark. We will build on the good working relationships that we have built with the Police, Transport for London and other key partner agencies.
17. Effective Council CCTV:  
We will work with partner agencies to have CCTV in high crime town centres areas supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour. We will use an intelligence led approach to identify how and where our relocatable cameras will have the maximum benefit.
18. Proportionate  
All use of CCTV by Southwark Council will be proportionate and in line with the Council’s CCTV Code of Practice.
19. Communication  
We will publicise CCTV systems and their results to reassure the public and reduce fear of crime.

### **The Council’s Public Space CCTV System- present**

20. The Council’s CCTV system has developed over a number of years in partnership with the Police. Technology has developed as well as the Community Safety function and the CCTV system has been reviewed to ensure investment will achieve results and represent value for money.

21. There is often strong public demand for CCTV but the high capital and revenue costs means its use must be prioritised where it is likely to be effective and where it represents best value for money to improve people's feelings of safety or meet other Southwark Council priorities such as for parking enforcement.
22. The current CCTV infrastructure is outdated and in many cases fails to comply with the current CCTV legislation. The community safety CCTV monitoring suite is still recording images on tape and the equipment is no longer manufactured.
23. Operational improvements have been made to the service during 2009/10 including:
  - Development of performance monitoring for the control room
  - Integration with Safer Southwark Partnership tasking structures
  - Development of training for Safer Southwark Partnership staff on how to get the best out of CCTV. The training session has been trialed on Council staff during November and December and will formally start in February 2010.
  - Investment in specialist 'Sentryscope' cameras and proposals to move 4 'Sentryscope' cameras to Burgess Park to reduce crime, fear of crime and support the regeneration objectives.
24. The new performance recording system started in August 2009. From 1 August to 30 November operators in the main CCTV monitoring centre recorded 727 incidents. These included crime and anti-social incidents such as public order/drunkenness (18%) and assaults (10%), as well as incidents where the Council has wider responsibilities such as road traffic accidents (8%) and missing persons/welfare concerns (7%).
25. When a CCTV operator identifies an incident they will contact the police or other appropriate service while monitoring the incident. For example, a CCTV operator identified someone in Southwark being chased by a group of people. The victim was attacked by the group but the rapid intervention of the CCTV operator ensured the police arrived quickly on the scene, arrested the perpetrators and prevented more serious injury to the victim.
26. The CCTV operator may also be notified of an incident by the police after they have received a call from the public and the CCTV operator will monitor the scene to guide the appropriate services and ensure good quality evidence is obtained to identify suspects. In a recent incident a CCTV operator identified a group of robbery suspects from a description circulated by the police leading to their arrest.
27. In October, 61 pieces of footage were released to the police or other authorised agencies. CCTV evidence assists to reduce criminal justice costs for example by reducing police investigation time if police are called to the scene in response to a CCTV operator, by providing images of identification for a suspect and making suspects more likely to plead guilty at an earlier stage thus reducing costs to the judicial system. This also reduces distress for the victim.

28. CCTV is used in Southwark to help keep Southwark's roads free flowing and safe. It has been used to take enforcement action against motorists making illegal right or left turns, or ignoring 'no-entry' signs which makes roads unsafe for other drivers. The number of Penalty Charge Notices (PCNs) for these types of offences often decreases within a few months of a camera being used which demonstrates increased level of compliance by motorists, helping to make Southwark's roads safer.

### **The Council's Public Space CCTV System- future**

29. The Council's CCTV system must be fit for purpose and meet legal requirements. It will not be affordable or cost effective to fund the cost of repairing or replacing all CCTV equipment that is at the end of its natural life. The Council is therefore proposing to move to a smaller number of fixed cameras in high crime town centres supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour across the borough.
30. This will be supported by a high quality CCTV monitoring suite to act as a best practice hub for monitoring and post event evidence review and retrieval. The digital upgrade due to take place in 2010/11 will increase the capacity of the monitoring suite and provide an excellent opportunity to develop partnerships with other CCTV schemes to share costs. The new technology will provide new functions delivering:
- Improved evidential quality.
  - Quicker searching of recorded footage.
  - Instant playback – allowing operators to review an incident immediately allowing more accurate descriptions of suspects.
  - Management and performance information to monitor effectiveness, productivity.
  - Automatically generated audit trails to assist monitoring compliance with CCTV Code of Practice
  - A flexible relocatable service which the council can provide to other organizations at a charge including monitor and maintenance costs.
31. The increased functions of the digital system will allow more cameras to be monitored by existing operator levels and to allocate resources more appropriately. Cameras in some areas could reduce their costs by only having reactive monitoring for example in response to a police or public call, for pre-planned operations, or for retrospective reviewing of evidence.
32. Quicker evidence retrieval will help use CCTV more efficiently to tackle serious anti-social behaviour that enormously affects people's quality of life but is often intermittent in its nature so does not require the high cost of 24/7 monitoring. A digital control room will improve the interface with parking's specialist digital parking enforcement equipment.
33. An asset management review of the current cameras both on housing estates and the public realm will provide clear information on which cameras can be removed and which cameras are most effective. This review has already started and will be completed in 2010-11.

34. Key action 4.3 of the CCTV Strategy sets criteria that any new cameras must meet before connection to the Council's CCTV system. This is important to ensure appropriate allocation of resources because the capital cost of a new camera connected to the CCTV monitoring suite is over £25,000 with annual revenue costs of £5,000 per year.
35. Southwark's CCTV system mostly uses rented telephone lines to transmit images from cameras to the monitoring suite. The costs are high (2009/10 budget £125,825) and expected to rise above inflation. The Council aims to develop a better value transmission network that will reduce these costs and make it cheaper to move cameras around. This will be a 'hybrid' network using a mixture of borough fibre, radio nodes and internet technology.
36. CCTV must be used proportionately to maintain the confidence of the public and meet all the Council's legal responsibilities. Establishing an independent auditing scheme will help monitor compliance with the Southwark CCTV code of practice and reassure the public that the scheme is being used proportionately.
37. Residents and businesses need feedback about how the cameras are performing in their areas to maintain confidence in the system and to encourage reporting. Publicising CCTV can also reassure the public, deter potential offenders and reduce fear of crime. Use of relocatable cameras requires information to the residents and businesses about the cameras so they are aware the cameras are not permanent. The CCTV Communications approach will build on the experience of the Safer Southwark Partnership communications work to increase feelings of safety and improve community cohesion.
38. Many of the key actions outlined in the CCTV Strategy can be delivered within existing resources, for example developing improved performance measures (CCTV Strategy key recommendation 1) or providing regular training and advice for partners to get the most out of CCTV (CCTV Strategy key action 3.2). The ambitions to develop a more flexible transmission network with lower revenue costs will require investment and clear priorities will help take advantage of future funding opportunities both internal and external such as major developments or regeneration projects, s106 or Central Government grants.

### **Options for Southwark Council's CCTV**

39. The following paragraphs set out different costed options for the Council, with indicative capital and revenue costs. With the exception of the upgrade to the digital monitoring suite, there is no capital or revenue growth funding secured for the CCTV system. The options illustrate that there will be increases to capital and revenue costs in future years even if no strategic investment is made in the system.
40. Option 1:- make the system more effective and cost-effective as outlined in paragraphs 29-38 above. This would involve changing to a smaller number of fixed cameras in high crime town centres supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour across the borough. This will require investing in different transmission networks to reduce revenue costs. This is the preferred option. The table below outlines capital costs for developing the transmission system and replacing priority antiquated cameras (it does not include the cost of the digital upgrade). This would result in projected savings of £234,000 over five years. For these purposes other revenue costs are treated as cost neutral. For example, introduction of planned preventative

maintenance which is not currently taking place is assumed to offset any potential reduction in repairs costs due to a reduced number of cameras.

41. This investment therefore reduces the revenue costs to the Council and would allow the council and its partners to use CCTV cameras more flexibly. We will have the ability to move cameras to locations across the borough to respond to emerging crime and anti social behaviour issues. We would do this by using the analysis and intelligence processes that are already well established in the community safety partnership in Southwark. Option 1 is the preferred option.

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
,000's	Capital	Revenue	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
<b>Option 1</b> Transmission development & priority camera replacements	50		350		350		300		0		1050	0
Transmission savings		-7		-30		-48		-68		-81		-234
Total funding required											1050	-234

42. Option 2:- to continue with the current CCTV service. The current CCTV infrastructure is outdated and outmoded. It is becoming difficult to source equipment to repair the CCTV system. Many cameras are irreparable, unused, redundant or no longer monitored. The council is in breach of legislation if cameras that are not in use or fit for purpose, remain in situ. The cost of replacements and repairs to the current system (including stand alone CCTV systems on housing estates) is likely to amount to £500,000 per annum for 4 years, plus additional maintenance costs for planned maintenance of replaced equipment that was not previously being maintained. In addition the cost of telephone line rentals has increased to over £1,000 per annum with future above inflation rises predicted. This would further increase the revenue costs compared to microwave, radio or internet technology. This option would require significant capital and revenue investment without prioritising resources or achieving revenue savings in future years. The table below sets out the estimated capital costs of bringing existing cameras into compliance and associated increased maintenance and revenue costs.

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
,000's	Capital	Revenue	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
<b>Option 2</b> Equipment compliance	500		500		500		500		0		2000	0
Increased maintenance		200		200		200		200		200		1000
Increased transmission costs		6		13		20		27		35		101
Total funding required											2000	1101

43. Option 3:- to provide parking enforcement CCTV only. The current parking enforcement CCTV monitoring suite may need to be relocated as the site is being considered as a possible site for development as part of the Peckham and Nunhead Area Action Plan. The Southwark Police Station CCTV monitoring suite space is provided by the Police as a partnership community safety initiative and may not be available in the future if the only function is parking enforcement. An estimated cost of providing this option would be £1-2m. The parking service transmission would still require upgrading to reduce the increasing costs of telecommunication lines in line with option 1. Some of these costs could be offset by a saving on our 24/7 community safety monitoring costs which amount to £260,000 per annum. The risk would be a severe loss in public confidence, an impact on the council partnership working, particularly with the Police, to prevent and detect crime and a likely increase in the fear of crime. CCTV has been instrumental in the past in the detection of crime and anti social behaviour. The Council and its partner agencies rely heavily on CCTV footage and the CCTV system in identifying criminals and as part of planned operations. As set out below, this is the lowest cost option, however significant capital investment would still be required and stopping use of CCTV for community safety purposes would have wider implications.

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
,000's	Capital	Revenue	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
<b>Option 3</b> Parking Enforcement control room											1500	
transmission development & priority camera replacements	50		200		200		200				650	
Transmission savings		-7		-30		-48		-68		-81		-234



Community Safety monitoring		-260		-260		-260		-260		-260		-1300
Total funding required											2150	-1534

### Policy implications

44. The recommendations within the CCTV Strategy will contribute across Southwark Council's six Corporate Plan themes, with a particular focus on:
- places where people love to live
  - tackling the crimes which concern people the most
45. The proposals to bring the strategic direction of crime and anti-social behaviour objectives within the Safer Southwark Partnership will help meet Southwark's Rolling Plan objectives.

### Community Impact Statement

46. All areas of the borough are affected by crime, anti-social behaviour and fear of crime but they do not affect everybody equally. Incorporating CCTV into the Safer Southwark Partnership's annual strategic assessment process will provide a more rigorous process for future priority setting based on analysis and consultation.
47. Fear of crime varies across the community Council areas and impacts most on vulnerable groups such as the elderly, ethnic minorities groups and single women. These groups must be considered when developing the Communications Plan proposed in the CCTV Strategy. Making people feel safer in their local environment can increase feelings of belonging and community cohesion, reduce both real and perceived levels of crime, and encourage people to spend more time out and about in their community, engaging with others and improving their health and well-being.
48. An equalities impact assessment has been carried out on the CCTV Strategy and is attached in Appendix 2.
49. Southwark's CCTV system is governed by the Southwark CCTV Code of Practice to ensure it is being used proportionately and in line with legislative requirements. The establishment of independent visitors will provide additional scrutiny.

## RESOURCE IMPLICATIONS

### Budget issues

50. The annual budgeted revenue cost of the central CCTV system connected to the CCTV monitoring suites is £658,606. This includes repairs and maintenance, 24/7 community safety monitoring and rented telephone lines. This excludes the cost of monitoring for parking and other road traffic enforcement undertaken as part of the Council's parking enforcement contract, nor does it include revenue costs of stand-alone CCTV systems on Council housing estates. The annual revenue budget is already facing pressures. CCTV Operators' shift patterns are being reviewed to reduce the cost of monitoring which is above the annual monitoring budget. There is no planned preventative maintenance taking place, and telephone line rental costs are expected to rise above inflation.

	2009/10 budget
Maintenance & Repairs	94,682
Transmission (Telephone line rental)	125,825
24/7 Community Safety Monitoring	259,442
Other costs (incl staffing & technical consultancy)	178,657
Total	658,606

51. The estimated total cost of the digital upgrade of the main CCTV monitoring centre is £390,000 including technical consultancy and project management costs. This funding has been identified as follows. It is anticipated that £165,000 will be secured from Home Office grants to the Council or other Safer Southwark Partnership members during 2010/11, £20,000 allocated from the 2010/11 CCTV technical consultancy budget (£2009/10 budget £22,710) and £205,000 from the Council's Modernisation funds.
52. The maintenance of the digital upgrade is estimated at £23,600 pa to be met from within the existing CCTV repairs and maintenance budget as the digital upgrade will be replacing equipment that is already covered by this budget, for example replacing video recording equipment with digital recording equipment. The provision of the repairs and maintenance service will be reviewed to let a contract to commence in 2011. The review will consider other similar contracts such as Facilities and Property Management Services, and contracts within Housing Management to obtain the best possible value for money for the Council.
53. The cost of works required to join the Transport for London Camera sharing scheme is estimated at £92,000 and is being funded from the 2009/10 Safer Stronger Communities Grant Funding, as agreed by the Safer Southwark Partnership Board on 19 November 2009. This represents excellent value for money as the Council will gain access to 64 cameras for the one-off capital cost of less than 4 cameras. These works are being procured in line with corporate procurement guidelines and will be undertaken by the end of March 2010.
54. The following table provides a summary of the estimated net growth or savings compared to 2009/10 budgets for options 1-3 outlined earlier in this report. The costs are estimated and will be refined following the development of the asset management plan. The transmission costs in this report are calculated based on 5% year on year price increases but these could be even higher in which case the transmission savings in option 1 will increase, and the transmission costs in

option 2 will increase.

55. The proposed budget for 2010/11 currently has no provision for any of these options. If the strategy is agreed then this will provide priorities for seeking external funding such as grant funding, s106 or in partnership with other organisations, or internally by co-ordinating with other street improvement works, or future bids to the capital programme. If funding is not found to invest in the transmission infrastructure then the budgets will have to be managed by removing all non-compliant equipment, and considering other cost reductions such as reducing CCTV monitoring levels to less than 24/7 to offset the costs of increased transmission. No investment in relocatable resources will mean that areas without fixed CCTV will not be able to call on temporary CCTV to tackle particular crime or anti-social behaviour problems.

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
,000's	Capital	Revenue	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
<b>Option 1</b>	50	-7	350	-30	350	-48	300	-68	0	-81	1050	-234
<b>Option 2</b>	500	206	500	213	500	220	500	227	0	235	2000	1101
<b>Option 3</b>	50	-267	200	-290	200	-308	200	-328	1500	-341	2150	-1534

### Staffing issues

56. There are no staffing issues arising from this report.

### Consultation

57. The CCTV Strategy has been developed using findings from consultation undertaken by the Safer Southwark Partnership as part of its Strategic Assessment and Rolling Plan adoption.
58. Officers from across the Council and the Police have also been consulted in the development of the strategy.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

59. This matter is considered to relate to cross-cutting issues and therefore is being considered by the full Executive.
60. Recorded images of individuals are considered to be 'personal data' and therefore all CCTV systems must comply with the Data Protection Act 1998 ('the DPA'). The DPA contains eight data protection principles which say that personal data must be i) fairly and lawfully processed, ii) processed for limited purposes and not in any manner incompatible with those purposes, iii) adequate, relevant and not excessive, iv) accurate, v) not kept for longer than is necessary, vi) processed in accordance with individuals' rights vii) secure and viii) not transferred to countries without adequate protection.

61. In practical terms this means data captured by a CCTV system must be gathered fairly and lawfully. It must also ordinarily be captured for one single purpose and all CCTV images must be relevant i.e. if those images are being recorded for the purposes of preventing and detecting crime and anti-social behaviour they must be adequate to record images for identification of suspects and evidential quality for court proceedings. It is important that CCTV images are not kept longer than is necessary for the purpose/s for which they were collected.
62. The Information Commissioner has issued a Code of Practice for CCTV systems. The Code of Practice is designed to build and maintain public confidence in CCTV systems and to ensure that they operate within the law. All data controllers (such as the council) are strongly advised to follow the guidance set out in the Code. In this regard the Code, amongst other things, requires consideration of who should be responsible for viewing and analysing the data as well as the establishment of procedures for recording the captured images faithfully. Signs stating that CCTV is in operation must also be clearly visible so as to ensure all personal information is processed fairly.
63. All CCTV systems must also accord with Article 8 of the European Convention on Human Rights (ECHR) i.e. the right to respect for private and family life, home and correspondence. Article 8 of the ECHR was incorporated into UK Law by the Human Rights Act 1998 ('the HRA'). The Home Office advice for local authorities on how to comply with Article 8 is to ensure the gathering of data is: proportionate, legal, accountable, necessary and causes minimum interference to privacy.
64. The Regulation of Investigatory Powers Act 2000 ('RIPA') covers covert surveillance activities including the method of data gathering and use of the information gained. Directed surveillance by CCTV is essentially covert surveillance of individuals while in a public place for the purpose of a specific investigation or operation conducted in a way that is likely to obtain private information about a person. The power to use RIPA was extended to local councils in 2003 and formal authorisation is required.
65. However there has been considerable criticism of the way councils have sometimes used CCTV under RIPA. This criticism has recently lead to the Government announcing new measures to strengthen the use of RIPA. The council therefore need to be aware of these new requirements in the operation of its CCTV strategy.
66. The recommendations contained in paragraph 1 of this report are lawful and proportionate and will promote the Council's objectives on tackling crime, the fear, causes of crime and anti- social behaviour.
67. The creation of a National CCTV Oversight Body and appointment of an interim CCTV Regulator may lead to new legislation or regulatory requirements for the Council in the future.

**Finance Director (FS002-10)**

68. The proposed strategy depends on a successful implementation of a cost effective CCTV system. This report proposes options to make the Council's CCTV system fit for purpose and to meet legal requirements. The estimated capital and revenue impacts of the proposed three options are set out in paragraphs 40 to 43. All options require capital investment ranging from £1.0m to £2.1m and as yet this funding has not been identified. Options 1 and 3 both generate revenue savings however option 3 requires the higher capital investment (£2.1m against £1.0m). Option 1 is estimated will save £0.2m and option 3 £1.5m over the first five years. Option 1 is the preferred option for service delivery.
69. However it is stated that if funding is not found to invest in the transmission infrastructure then the budgets will have to be managed by removing all non-compliant equipment, and considering other cost reductions such as reducing CCTV monitoring levels to less than 24/7 to offset the costs of increased transmission. .
70. A digital upgrade of the main CCTV monitoring centre is due to take place in 2010/11. This will increase the capacity of the monitoring suite and provide opportunities to develop partnerships with other CCTV schemes to share costs. It is estimated to cost £390,000 for the initial investment and the funding for this has been identified. The maintenance of the digital upgrade is estimated to cost an additional £23,600 pa and is to be contained within the existing CCTV repairs and maintenance budget.

**Head of Procurement**

71. Not applicable.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Safer Southwark Partnership revised rolling plan 2009-12	London Borough of Southwark website	<a href="http://www.southwark.gov.uk">www.southwark.gov.uk</a>
National CCTV Strategy (2007)	Home Office Website	<a href="http://www.crimereduction.homeoffice.gov.uk/cctv">http://www.crimereduction.homeoffice.gov.uk/cctv</a>
Gill & Spriggs 'Assessing the Impact of CCTV' 2005, (Home Office Research Study 292)	Home Office website	<a href="http://www.homeoffice.gov.uk">www.homeoffice.gov.uk</a>
Welsh & Farrington 'Effects of Closed Circuit Television Surveillance on Crime' 2008, (Home Office Research Study 252)	Home Office website	<a href="http://www.homeoffice.gov.uk">www.homeoffice.gov.uk</a>
Southwark CCTV Code of Practice	Community Safety & Enforcement London Borough of Southwark	Ian Gentry CCTV Manager 020 7525 5924

**APPENDICES**

No.	Title
Appendix 1	Southwark CCTV Strategy
Appendix 2	Equalities and Human Rights Impact Assessment

**AUDIT TRAIL**

<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment and Housing	
<b>Report Author</b>	Ruth Clark, Community Safety & Enforcement	
<b>Version</b>	Final	
<b>Dated</b>	25 January 2010	
<b>Key Decision?</b>	Yes/No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Executive Member</b>	Yes/No	Yes/No
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	1 February 2010	

## Southwark CCTV Strategy

### Executive Summary of Recommendations

The strategy aims:-

***“To make Southwark a safe place to live, work and visit. Making best use of CCTV systems across the borough is one way of enabling partners to achieve this”***

The Council will do this by:

- Improving best practice and co-ordination of all CCTV through the Safer Southwark and Local Strategic Partnership networks.
- Developing the Council’s public space CCTV network into a more flexible and cost-effective resource.
- Improve the partnership working between the police, Transport for London, large businesses and other agencies who can make better use of CCTV facilities.

The key recommendations are as follows

1. To establish improved measures to monitor performance and cost effectiveness of CCTV in Southwark.
2. To work with other public space CCTV schemes to improve co-ordination and explore potential for sharing costs.
3. To seek external capital investment to provide a more effective Southwark CCTV system which will reduce revenue costs, improve performance and be able to respond more flexibly to intelligence led deployment.
4. To establish independent auditing of the CCTV monitoring suite.
5. To develop a CCTV communications plan to support the CCTV Strategy. This will be incorporated within the Community Safety communications plan for 2010/11.

### Overview

The council and its partnership agencies that form the Safer Southwark Partnership are committed to making Southwark a Safer place to live

We have invested in a range of services which:-

- provide reassurance to our communities and prevent crime and anti social behaviour,
- identify those people most likely to impacted by crime and anti social behaviour as victims witness and offenders,
- provide intensive support for victims, offenders and families,
- and deliver enforcement action against those people who cause crime and anti social behaviour.

CCTV is one of a number of services that the council and its partners use as part of our joint approach. CCTV can be most effective when it is used alongside a number of community

safety solutions and in a way that responds to partnership intelligence and analytical information.

## **Southwark Council Corporate Plan 2009-11**

The Council's corporate plan 2009-11 sets out the contribution which Southwark Council makes towards the Southwark 2016 objectives of improving life chances, making Southwark a better place for people and continuing to deliver integrated, customer focused and efficient public services.

Improving the effectiveness of CCTV in Southwark will contribute across the six Corporate Plan themes, with a particular focus on:

- Places where people love to live
- Tackling the crimes which concern people the most

CCTV is most effective as part of a co-ordinated approach to tackle crime and anti-social behaviour and the corporate plan provides a framework to achieve this.

### **1. Introduction**

The vast majority of the council CCTV system in Southwark was funded through extensive Home Office capital monies that were made available in 2000 and 2001. The monies provided by the Home Office was capital allocations, there was no or very limited revenue funding made available.

As a result the current Southwark CCTV system has old and outdated technology with cameras and the recording infrastructure, at the end of its working life.

CCTV can be a valuable tool to make Southwark safer if it's used in situations where it is likely to be effective and is part of a co-ordinated approach to tackling crime and anti-social behaviour. Making people feel safer in their local environment can increase feelings of belonging and community cohesion, reduce both real and perceived levels of crime, and encourage people to spend more time out and about in their community, engaging with others and improving their health and well-being.

Changing patterns of crime and anti-social behaviour, together with increasing financial pressures on public sector budgets means that a new approach to CCTV is required. Many public and private organisations have CCTV in Southwark and it is in everybody's interests for it to be effective.

### **Our Aims and objectives**

The strategy aims:-

***“To make Southwark a safe place to live, work and visit. Making best use of CCTV systems across the borough is one way of enabling partners to achieve this ”***

The Council will do this by:

- Improving best practice and co-ordination of all CCTV through the Safer Southwark and Local Strategic Partnership networks.



- Developing the Council's public space CCTV network into a more flexible and cost-effective resource.
- Improve the partnership working between the police, Transport for London, large businesses and other agencies who can make better use of CCTV facilities.

### **CCTV Strategy Key Themes**

<i>A Safer Southwark:</i>	we will improve the effectiveness of CCTV in Southwark to support Safer Southwark Partnership priorities.
<i>Working in Partnership:</i>	we will work with residents, businesses and other organisations to make best use of all CCTV in Southwark. We will build on the good working relationships that we have built with the Police Transport for London and other key partner agencies
<i>Effective Council CCTV:</i>	we will work with partner agencies to have CCTV in high crime town centres areas supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour. We will use an intelligence led approach to identify how and where our relocatable cameras will have the maximum benefit.
<i>Proportionate:</i>	all use of CCTV by Southwark Council will be proportionate and in line with the Council's CCTV Code of Practice
<i>Communication:</i>	we will publicise CCTV systems and their results to deter offenders, reassure the public and reduce fear of crime.

## **2. A Safer Southwark**

The Council and the Police operate a public space CCTV system linked to a 24/7 monitoring suite but this is only a small proportion of CCTV in Southwark. Many stations, schools and hospitals have CCTV systems, as do private sector organisations such as offices and retailers. The Council needs to work with other organisations to encourage best practice and co-ordinate activity to tackle particular problems. This will draw on evaluation of schemes outside Southwark and the work of the Home Office National CCTV Strategy to develop improved standards for performance and evaluation.

CCTV needs to have a clear purpose and be part of a package of measures if it is to be effective in reducing crime and disorder, and CCTV is often not the most effective intervention. Different crime types or functions and locations require different equipment so it is important to be clear about the objectives before installation. Incorporating CCTV within the Safer Southwark Partnership will ensure it is one of the tools available to tackle crime, anti-social behaviour and fear of crime as part of a co-ordinated approach involving enforcement, prevention, and wider community action to engage communities in crime prevention and community safety. The Safer Southwark Partnership's annual strategic assessment process will provide a rigorous process for future priority setting based on analysis and consultation.

### **Key Recommendation**

- 2.1 Establish improved measures to monitor performance and cost effectiveness of CCTV in Southwark.

### **Key Actions**

- 2.2 The Safer Southwark Partnership strategic assessment process and rolling plan 2010/11 will identify priority locations and crimes in Southwark where CCTV will be most effective.
- 2.3 Incorporate the analytical and intelligence outcomes of CCTV in the Safer Southwark Partnership hallmarks of effective partnership.
- 2.4 Improved performance monitoring and evaluation of cameras will be developed. Ineffective cameras will be moved.

### **3. Working in Partnership**

CCTV is most effective when it is part of a co-ordinated approach to a defined problem and this is best done across the Council and with other partners such as the Police, voluntary sector, Business Improvement Districts, local communities and other members of Southwark's Local Strategic Partnership. This may include providing best practice advice, co-ordination between CCTV schemes to tackle an identified crime or anti-social behaviour problem, and partnership with other CCTV schemes to reduce costs.

The Council's CCTV operators need frontline officers, residents and businesses to contact the monitoring suite if they think a crime is about to happen, is happening or has happened. CCTV Operators are skilled in identifying incidents but it might not always be obvious to them. For example, if a shop worker has been the victim of a crime or abuse within their premises they could call the monitoring suite to identify the perpetrator leaving the premises.

The Transport for London Camera sharing initiative is an example of CCTV partnership. This will give the Council access to an additional 64 cameras in Southwark, in priority locations identified by the Safer Southwark Strategic assessment 2009/10. This initiative will make best use of public resources and provides access to locations where the Council has few or no CCTV cameras such as the Old Kent Road.

### **Key Recommendation**

- 3.1. To work with other public space CCTV schemes to improve co-ordination and explore potential for sharing costs.

### **Key Actions**

- 3.2 Provide regular training and advice for partners to get the most out of CCTV.
- 3.3 We will work with Business Improvement Districts and other organisations to make better use of existing CCTV systems (public and private) around the Borough and Bankside crime hotspot.
- 3.4 Southwark's CCTV monitoring suite will routinely provide information to help Safer Southwark Partners tackle problems more effectively.

### **4. Effective Council CCTV**

Southwark Council operates a public space CCTV system of 160 cameras monitored in two CCTV monitoring suites: one primarily focusing on parking and other traffic infringements, and the other on crime and anti-social behaviour. 22 of the cameras are relocatable. Crime takes priority if an incident is witnessed during use by parking enforcement. This CCTV system is operated in partnership with the Police.

There are other CCTV resources within the Council; local systems on housing estates; Parking Services use CCTV mounted in cars; specialist Sentriescope cameras are used in open spaces, and the Council's Environmental Enforcement Team has 7 locally recording,

relocatable cameras and a CCTV van. Many Council buildings have CCTV for access control and site security purposes.

CCTV cameras are expensive to install and the annual costs for monitoring, maintenance and transmission of images quickly mount up. The Council's CCTV resources must be prioritised for those issues where CCTV is most likely to be a cost-effective way of improving people's feelings of safety in Southwark or meeting other Southwark Council priorities such as for parking enforcement.

The Council is therefore proposing to move from a large number of fixed cameras to a smaller number of fixed cameras in high crime town centres supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour across the borough. This will be supported by a high quality CCTV monitoring suite to act as a best practice hub for monitoring and post event evidence review and retrieval. A digital upgrade due to take place in 2010/11 will increase the capacity of the monitoring suite and provide an excellent opportunity to develop partnerships with other CCTV schemes to share costs.

Southwark's CCTV system mostly uses rented telephone lines to transmit images from cameras to the monitoring suite. The costs are high and expected to rise above inflation. The Council aims to develop a better value transmission network that will reduce the cost of transmission. This will be a 'hybrid' network using a mixture of borough fibre, radio nodes and internet technology.

Some of these ambitions will require investment that may not be immediately available but clear priorities will help take advantage of future funding opportunities both internal and external such as major developments or regeneration projects, s106 or Central Government grants.

### **Key Recommendation**

- 4.1 To seek external capital investment to provide a more effective Southwark CCTV system which will reduce revenue costs, improve performance and be able to respond more flexibly to intelligence led deployment.

### **Key Actions**

- 4.2 To seek investment to develop a borough-wide CCTV network providing:
- Fixed cameras in high crime town centres.
  - Flexible relocatable cameras to tackle changing patterns of crime, anti-social behaviour and other Southwark Council priorities.
  - Reduced transmission costs.
  - A CCTV monitoring suite as an efficient central hub for monitoring and evidence retrieval.
  - Results and value for money.
- 4.3 New fixed public space CCTV cameras to be connected to the Southwark CCTV system must meet the following criteria:

- Demonstrate how it will contribute to the priorities of Southwark Council and the Safer Southwark Partnership, supported by analysis.
- Availability of capital and 10 year's revenue funding which does not put pressure on the councils finances.
- Value for money
- Meet the requirements of the Home Office Scientific Development Branch CCTV Requirements Manual 2009
- Clear consultation process.

- Demonstrate need for fixed cameras rather than relocatables. (New fixed CCTV locations should first be tested by relocatable CCTV).
- The Council will introduce a formal sign-off process based on the above criteria for any proposals to introduce new fixed CCTV.

- 4.4 Upgrade the CCTV monitoring suite to digital and consider co-locating parking enforcement and crime and disorder CCTV monitoring suites.
- 4.5 Review the need for CCTV cameras and other equipment near or beyond its life expectancy. Cameras that are not cost effective will not be replaced.
- 4.6 A CCTV asset management plan to be agreed across Environment and Housing.
- 4.7 Review relevant contracts across Environment and Housing, and Corporate Facilities Management to identify efficiencies in repairs and maintenance and monitoring costs.
- 4.8 The Council aims to reduce transmission costs of CCTV by:
- Routinely considering laying borough fibre as part of street improvements
  - Utilising the MUSCO scheme
  - Identifying funding opportunities for cheaper relocatable CCTV such as radio nodes.
  - 'Designing in' infra-structure for fixed or re-locatable cameras at an early stage of redevelopments such as Aylesbury and Heygate.
- 4.9 Southwark Council's Community Safety relocatable cameras will be tasked by the Partnership Operations Group in line with Safer Southwark Priorities.

## 5. Proportionate

CCTV is a valuable tool for reducing crime and anti-social behaviour and managing the public realm but it must be used proportionately to maintain the confidence and support of the public. Southwark's CCTV system is governed by a CCTV Code of Practice to ensure its use is proportionate, that images can only be viewed by authorised officers, that images not required as evidence are deleted after 31 days and that the Council is meeting all legal requirements. Independent audit visits to the CCTV monitoring suite will provide additional level of auditing for compliance with the CCTV Code of Practice.

The Council can assist partners to establish their own codes of practice and operating procedures.

### Key Recommendation

- 5.1 To establish independent auditing of the CCTV monitoring suite.

### Key Actions

- 5.2 Carry out an assessment and review to ensure that London Borough of Southwark CCTV cameras comply with the CCTV Code of Practice. This includes stand-alone systems not connected to the central monitoring suite.

## 6. Communications

Residents and businesses need feedback about how the cameras are performing in their areas to maintain confidence in the system and to encourage reporting.

Publicising CCTV can also reassure the public, deter potential offenders and reduce fear of crime. Use of relocatable cameras requires information to the residents and businesses about the cameras so they are aware the cameras are not permanent.

The CCTV Communications approach will build on the experience of the Safer Southwark Partnership communications work to increase feelings of safety and improve community cohesion.

### **Key Recommendation**

- 6.1. Develop a CCTV communications plan to support the CCTV Strategy. This will be incorporated within the Community Safety communications plan for 2010/11.

### **Key Actions**

- 6.2 To incorporate CCTV outcomes as part of the councils overall approach to improving confidence and reducing the fear of crime for the communities of Southwark.

## **7. Measuring our improvements**

As part of our approach to improve the effectiveness for CCTV in Southwark, an annual action plan will be established, based on the above recommendations and key actions.

The action plan will be reviewed on a regular basis through the Partnership Operations Group and the Safer Southwark Partnership ASB Strategic Group.

## Equality and Human Rights Impact Assessment

### Southwark CCTV Strategy

This Equality and Human Rights Impact Assessment identifies the main issues for the CCTV Strategy in relation to equality, diversity and community cohesion. This is a new strategy; no previous assessment has been carried out on a CCTV Strategy.

#### Theme: A Safer Southwark

*'CCTV in areas most affected by crime supported by relocatable cameras to tackle changing patterns of crime and anti-social behaviour'*

Crime, anti-social behaviour and fear of crime do not affect people equally. People of different ethnicity, faith, age, sexual orientation, gender, and disability have different experiences. There is a correlation between areas of deprivation and higher crime rates. Crime analysis in Southwark indicates that crime disproportionately impacts on young people, both as victims and perpetrators. The residents' survey shows that although fear of crime has reduced, it varies across the community Council areas and impacts most on vulnerable groups such as older people, ethnic minorities groups and single women.

CCTV is most effective when it is part of a co-ordinated approach to a defined problem. Integrating Southwark's CCTV system with the Safer Southwark Partnership will ensure it is one of the tools available to tackle and reduce crime as part of a co-ordinated approach involving enforcement, prevention, and wider community action to engage communities in crime prevention and community safety. Incorporating CCTV into the Safer Southwark Partnership's annual strategic assessment process will provide a more rigorous process for future priority setting based on analysis and consultation. The 2009/10 Safer Southwark Partnership Priorities are:

- Serious violent Crime
- Preventing Youth Crime
- Anti-social behaviour
- Drugs and alcohol
- Reducing re-offending
- Communities and communications

Formally stating that Southwark's CCTV system will be used to support Safer Southwark priorities provides clarity about how priorities for the system are set.

The introduction of clear criteria will provide transparency for installation of new cameras. Developing more flexible relocatable CCTV system helps provide more flexible tool to tackle changing patterns of crime anti-social behaviour and fear of crime to support priorities identified through the Safer Southwark Partnership's annual strategic assessment process.

#### Theme: Equipment and Infra-structure

*'A well maintained system and investment in appropriate technology to make it more effective and minimise costs.'*

A well-maintained system is important to ensure the Council meets its responsibilities under the Data Protection Act to ensure that any personal information stored is fit for purpose and handled appropriately.

If cameras are to be removed it is important that this is communicated to local communities and this needs to include vulnerable and hard to reach groups. This will need to include information to allay fears of increased crime and anti-social behaviour following the removal of a camera. This might include details of how a problem has been dealt with so the camera is no longer required, or information about alternative measures to tackle local issues.

### **Theme: Proportionate**

*'use of CCTV by Southwark Council will be proportionate and in line with the Council's CCTV Code of Practice'*

The Council is aware that although there is a strong public demand for CCTV, not everyone supports it and some people have concerns about appropriate use, invasion of privacy and growth of a surveillance culture. The Council's CCTV Code of Practice governs the use of the CCTV system to ensure it meets legal requirements under legislation such as the Data Protection Act and the Regulation of Investigatory Powers Act. The CCTV Code of Practice is designed to ensure the system is only used appropriately, supported by documented procedures and audit trails. Public perception and confidence is essential for the effective operation of the system therefore the CCTV Strategy also needs to communicate to address this and work through the Community Safety Communications strategy to involve vulnerable groups and groups who could consider themselves inappropriately targeted.

The establishment of the independent visitors' scheme will assist public confidence. This will include a volunteer recruitment plan outlining what action the scheme will take to recruit a diverse group of visitors. Becoming an independent auditor will require a level of commitment that not everyone is able to make, so this should be augmented by inviting vulnerable groups to visit the monitoring suite and talks to community groups.

The Council's CCTV Code of Practice will be published on the Council's website. Information about individual's rights to access images of themselves ('personal data') is already available on the Council's website. This will be reviewed to assess if it needs to be provided in any other ways such as other languages in line with corporate guidelines.

### **Theme: Working in Partnership**

*'we will work with residents, businesses and other organisations to make best use of all CCTV in Southwark'*

The Safer Southwark partnership falls under the umbrella of Southwark's Local Strategic Partnership, which will help provide a network of organisations and consultation mechanisms to ensure vulnerable and hard to reach groups are involved.

### **Theme: Communication**

*'we will promote the CCTV system and its results to reassure the public and reduce fear of crime'*

Communication is essential for CCTV to be effective. The CCTV communications approach needs to build on the experience of the Safer Southwark Partnership communications work to reach vulnerable and hard to reach groups. This underpins the whole of the CCTV strategy if it is to be successful in reducing people's fear of crime and helping to create more cohesive communities.

<b>Item No.:</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting name:</b> Executive
<b>Report title</b>	Gateway 1 - Procurement Strategy Approval Architect and Lead Consultant Framework Agreement		
<b>Ward(s) or groups affected</b>	All		
<b>From</b>	Strategic Director of Environment and Housing		

## RECOMMENDATION

1. That the Executive approve the procurement strategy outlined in this report for the procurement of the Architect and Lead Consultant Framework Agreement.

## BACKGROUND INFORMATION

2. The estimated annual cost of the Framework is £3,200,000 for a period of four years making a total contract value of £12,800,000.
3. This contract will have no provision for extension.
4. European Union (EU) Regulations do not allow for the term of Framework Agreements to extend beyond forty-eight months. However programmed services ordered before the expiry of this term may be carried out beyond this period.
5. The existing Framework Agreement was originally set up by Southwark Building Design Service (SBDS) to complement the Council's in-house capacity.
6. The existing contract was awarded in September 2006 to six architectural firms namely; Architype Ltd, AMA Alexi Marmot Associates Ltd, De Rijke March Morgan Ltd, Eger Architects, Purcell Miller Triton and Weston Williamson Ltd.
7. The existing arrangement has proved efficient and economic, providing flexibility to meet client programmes when in-house resources are insufficient or specialist expertise is required.
8. The new Framework Agreement will be awarded to eight architectural firms with expertise in the following areas:
  - General Architecture (Building Extension, Annex, Refurbishment, Education Building, Community Development)
  - Master Planning and Urban Design,
  - Space Planning and;
  - Listed Buildings.
9. The eight firms will cut across all areas of expertise. As a benchmark all firms to be shortlisted would be required to have general architecture expertise plus at least one of the other categories. The appointment of eight consultancies will mitigate the risk of over stretching the financial threshold of the firms.



10. It is estimated that the average annual fee value of work required to be contracted to consultants will be up to £400,000 although this cannot be guaranteed. The financial threshold to the amount of work that can be ordered from each consultancy on an annual basis is currently £100,000. The contract panel (as described in paragraph 25) recommend an increase to £400,000 for the following reasons;

- The Regeneration and Neighbourhoods Department are one of the major users of this type of service and were not consulted when the existing Framework Agreement was procured. Their annual spend was not considered when determining the annual fee threshold per firm.
- The Regeneration and Neighbourhoods (Capital Project Division) on a single project is over the £100,000 threshold.
- The table below is a summary of the spend analysis exercise conducted on the consultancies. This reveals that the annual threshold of £100,000 per annum was exceeded by some of the firms, although, it is not clear if the fees were earned through call-offs from the Framework Agreement.

<b>Firm / Year</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	<b>01.04.09 - Date</b>
Architype Ltd	101,917.30	398,890.07	144,719.39	132,966.45
AMA Alexi Marmot	11,267.58	0	81,966.82	33,979.20
De Rijke Marsh	351,862.81	0	47,110.36	0
Eger Architects	141,267.79	279,457.81	254,793.47	33,465.00
Purcell Miller	0	2,455.75	0	0
Weston Williamson	0	1,645.00	0	0

11. In the first instance this corporate contract will be managed and monitored by the Environment and Housing Procurement team on behalf of all council departments. This arrangement will be subject to further consideration as part of the ongoing shared services review. The necessary mechanisms will be in place to ensure that consultants do not exceed the spend limit. (See Appendix 3).
12. Contracts will be called-off on the basis of lowest price with preference given to firm's knowledge of a particular project, area of expertise, complexity and available resources.

### **Reasons for this procurement**

13. This procurement will replace the existing contract which expires on 17<sup>th</sup> September 2010. The anticipated start date for this framework is 1<sup>st</sup> December 2010, clients requiring the services of an architect after the expiry date of the existing contract and before the commencement of this contract would have to select from the approved list if the value is below the EU threshold and for values above the EU threshold an Official Journal of European Union (OJEU) advert would be placed.

14. Due to the re-organisation of housing services and the disbandment of SBDS there is the need to complement the capacity of the in-house architects within the Environment & Housing Department and other directorates.
15. Although Framework Agreements must be established in accordance with EU Procurement Rules the individual call-offs made throughout the term of the agreement are not subject to these rules. As a result the pre-contract period for individual contracts is substantially reduced. There is no obligation on the Council to award any contract during the term of the Framework Agreement.

### **Market considerations**

16. As a publicly advertised tender all organisations including Small Medium Enterprises (SMEs)/Black Minority Enterprises (BMEs) will be able to participate in expressing an interest and tendering. Although the value of the proposed framework may not attract some small firms due to their financial and resources constraints.
17. There is a high level of interest in the market for construction design consultancy firms wanting to be part of a Framework Agreement.
18. Architectural firms interested in tendering will be sought through advertisements in the OJEU, trade journals and local press. It is anticipated that there will be high volume of responses to the adverts.

### **Other Options**

19. The option to use other Architectural Framework Agreements managed by accredited professional buying organisations such as the Buying Solutions and the Council's approved list, were considered but decided against for the following reasons:
  - Due to the national remit of the Buying Solutions framework. These are in most instances awarded on the basis of a more generalised specification and organisations wishing to use them undertake further mini tenders to identify who can deliver the specifics of certain projects etc. By having its own Framework Agreement the Council will have ensured that those companies selected are already capable of supporting the projects the Council are currently running, and those coming up in the near future etc.
  - Analysis of the newly procured Buying Solution framework agreement reveals that there are only five architectural firms out of the twelve consultancies under the Project Management and Full Design Team Services category.
  - Clarifications obtained from Buying Solutions by the Council's approved list team suggested that further assessment would be necessary for consultants chosen from Buying Solution framework as such firms will not have been vetted to the standard required for the Council's approved list.
  - The option to use the Approved list was also considered, but this could not be utilised owing to the total project value being above the European Procurement threshold for services consultancy.

- The option to use the existing Transport Planning and Street Consultancy Services contract with Mouchel (formerly Mouchel Parkman) was also considered. On review this could not be utilised owing to the contract's scope of services and areas of expertise which differs from that required for this framework.
20. Discussions with Regeneration and Neighbourhoods have shown that there are occasions where the total project Architect fees exceed the EU threshold over the term of the project and therefore would require a full EU tender to be undertaken. It is therefore proposed that where such fees are estimated below the EU threshold the approved list will continue to be utilised. For those projects with estimated fees over the EU threshold that can be facilitated within the £400k cap per annum per contractor, the Framework will be used.

### **Summary of the business case/justification for the procurement**

21. The volume of work being undertaken by the Regeneration and Neighbourhood Department and other departments is significant and will be for a number of years. Some of the planned future programmes include;
- Local Services Delivery Project to 19 Spa Road, Walworth Town Hall, Peckham Town Hall etc.
  - Primary School Capital Programme
  - Major projects.
22. The Council does not have adequate in-house capacity to deliver the necessary architectural roles for these works. The total contract value of several individual projects will be over the OJEU threshold so would require the EU tendering rules to be used. To undertake an EU tendering exercise on a regular basis will be time consuming and could delay key delivery dates on projects. Procuring this Framework Agreement will shorten any procurement exercises requiring the services of architects in the four years following the letting of this agreement.
23. The Framework Agreement will provide medium-term partnership with all the design consultants appointed. The existing arrangement provides additional resources and / or expertise when needed and is more beneficial in terms of providing a consistent and high quality service which can be readily implemented as client programmes demand.

### **Identified risks and how they will be managed**

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

<b>Risk No.</b>	<b>Risk Identification</b>	<b>Likelihood</b>	<b>Risk Control</b>
1	Gateway 1 approval delayed	3	Contingency plan for resubmitting report
2	Procurement process becomes delayed	5	Timetable needs to be realistic and able to accommodate changes, continuous review of the procurement process to

			ascertain whether on course for start date.
3	Deadline for advertising contract delayed	3	Re-assess and re-evaluate position, link into Risk Control 2 above
4	Challenges to outcome of procurement	3	Adhere to EU Regulations. Seek legal advice throughout procurement.
5	Award date delayed	3	- End users to either select from the approved list or place an OJEU advert. - Linked to risk 4 above.

Key-

1 = Extremely Unlikely to occur

10= Extremely likely to occur

## KEY ISSUES FOR CONSIDERATION

### Policy implications

25. There are no specific implications associated with this contract.
26. Procurement project plan. (See Appendix 1)

### TUPE implications

27. The incumbent consultants have confirmed that TUPE would not apply should they not be successful in the tendering exercise.

### Development of the tender documentation

28. The procurement will be led by a member of the Environment and Housing's Procurement Team with a contract panel comprising:
  - Representatives from Legal contracts section
  - Representatives from Regeneration and Neighbourhoods
29. The specification and contract documentation will be developed with the involvement of all key stakeholders and end users.
30. The specification of the Framework Agreement will be based on:
  - GC/Works/5 General Conditions for the appointment of consultants Framework Agreement
  - Consultation with the user group mentioned in paragraph 26
  - Lessons learned from existing Framework Agreement.

### Advertising the contract

31. The Framework Agreement will be advertised in the notices that will be issued by OJEU, the local press and the relevant trade publication. The incumbent consultants will be made aware of the advert.

## Evaluations

32. This procurement will follow the EU restricted procedure. In response to the framework notices, consultants interested in tendering will be required to formally express an interest in order to receive a Pre-Qualification Questionnaire (PQQ). The PQQs returned will be evaluated by both the contract panel and the Approved List Team.
33. The short listing process is an evaluation of each applicant's economic and financial standing, technical knowledge, experience, ability to deliver quality architectural services (with expertise in such areas as described in paragraph 10) and capacity to do the work. A quality threshold will be set by the contract panel, tenderers would be ranked and only the top scoring (or equal) twenty-four firms that meet or exceed the quality threshold would be invited to tender. The full details of the selection criteria and pass mark will be made known to all those that express an interest.
34. Overall Assessment of PQQ Short listing Criteria (see Appendix 2)
35. For the tender evaluation process price evaluation will be undertaken by members of the Contract Panel in conjunction with Regeneration and Neighbourhood finance team. Method statements will be used to determine quality. As part of the method statements tenderers will also be required to answer a model question on Project Execution to demonstrate what they have to offer in terms of service delivery, processes and procedures for quality control, managing works which falls outside of working hours etc. Answers to each question on the method statement will have a point range of 0-5 with weightings to be determined by the contract panel. Necessary clarifications will be carried out with legal and corporate procurement. In keeping with the EU procurement guidelines, the scoring matrix will be included in the tender document.
36. The award criteria will follow the Most Economically Advantageous Tender (MEAT) protocol. The assessment of the tenders will be based on quality (50%) and price (50%). The overall score for evaluation will be calculated by adding the scores for price and quality together. The highest score will be ranked highest.
37. Where there are joint scores for the eighth place the award will be based on the highest score achieved on price. This will be declared in the contract document.

## Community Impact Statement

38. The use of this framework will enable client programmes and budgets to be met in the event that the in-house resources are insufficient thus benefiting the community.
39. Five out of the six current suppliers are local and have the capacity to apply for this work.

40. The consultants would be expected to be members of an accredited apprenticeship scheme that provides vocational trainings and job opportunities to residents; and also work with the Council in the operation of their Local Labour Scheme to support the training and employment of residents by providing early and regular information on job vacancies to the Local Labour Scheme so that local people can be considered for posts.
41. The Framework Agreement is open to use by all departments within the Council. Access details will follow in the award report.

#### **Other implications or issues**

42. The proposed contract will be based on the GC/Works/5 General Conditions for the Appointment of Consultants: Framework Agreement (1999). This form of contract identified and allocates responsibilities to the Employer's Representative who will act on behalf of the Employer in dealing with any matter concerning the Consultant's Appointment generally. The Employer's Representative will be the Environment and Housing Procurement Team.
43. The contract also identifies the role of the "client", named in each individual order (call-offs), who will act on behalf of the Employer in issuing instructions to the Consultants or in dealing with any other matter concerning the order. The identified client in each case will be the business manager requesting the service under the Framework Agreement.
44. In order to ensure that the roles and responsibilities of the Employer's Representative and Client are clearly understood by all parties, a protocol will be prepared and agreed by the prospective users of the Framework Agreement prior to the contract award.
45. Housing Investment will not be utilising the services of this framework category. The type of work being undertaking does not require the services of an architect. Moreover, housing investment will be moving to a partnering form of contract in which the contractors will be responsible for the redesign element.
46. Housing Investment would not be able to call-off from this framework should there be a need in future for the services of an architect as leaseholders consultation would be required which cannot be carried out retrospectively, the provision of this service would have to be tendered separately.

#### **Sustainability considerations**

47. Consultants will be required to demonstrate their understanding of sustainable design, challenges and opportunities specific to sustainability.
48. Consultants will ensure that specifications prepared for works specifically exclude the use of materials accepted as being deleterious at the time and subsequently ensure that such materials are not used in connection with the works.
49. Consultants will be asked to provide a method statement on the use of vehicles with low emissions, planning of journeys and the use of alternative travel methods, e.g. bus, tube etc, around the Borough during the contract period.

50. As part of the tendering process all bidders will be given a copy of the Council's current Environment Policy, to which they must adhere.

### **Resource implications**

### **Staffing Implications**

51. The Framework Agreement is to complement in-house resources; there will be no staffing implications.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance (KM122009)**

52. This report seeks the Executive's approval to the procurement strategy for architect and lead consultants. As the value of the services to be provided exceeds £4 million, the approval of this procurement strategy is reserved to the Executive, as it is considered a Strategic procurement.
53. The nature of these services is such that any appointment in excess of £140,000 will be subject to the full application of the EU procurement Regulations. As the Council anticipates use of architects and lead consultants within the next four years, it is more efficient (both in terms of cost and process) for the council to procure a framework arrangement for providing these services, with a number of providers. Provided that the framework consultants are appointed in accordance with an EU compliant process, future call-offs from the framework will not be subject to the OJEU process, provided work is given to those consultants in accordance with the procured terms of use. The EU regulations do not permit framework arrangements to be let in excess of four years, unless there are exceptional reasons. There are no exceptional reasons relating to this procurement, and therefore the Strategic Director of Communities, Law & Governance advises that the contract period be limited to four years.'

### **Finance Director (PB122009)**

54. The estimated annual cost for this Framework Agreement is £3.2 million per annum for a period of four years, taking the estimated total agreement cost to £12.8 million. No commitment is given through the agreement for any minimum or maximum level of Council expenditure.
55. This agreement is the continuation of a similar Framework Agreement that was awarded in 2006 from which contracts are awarded depending on business requirements. The maximum amount of work that can be contracted from any one of the identified consultants, the fee threshold, will £400K per annum per consultancy. This is an increase from the previous agreement threshold of £100K per annum per consultancy, in order to take account of expenditure requirements for Regeneration & Neighbourhoods projects. Any projects requiring annual expenditure in excess of the £400K fee threshold would need to be awarded outside of this agreement and in accordance with EU procurement rules. As outlined in this report, the agreement does not require any additional funding and should business units require work to be completed from within the agreement, then funding will need to be found from within the existing budgetary resources of each service for the full period of work.

**Corporate Procurement (JM122009)**

56. With an advised value of £12.8m, this procurement meets the criteria of a Part A EU services strategic protocol requiring that all reasonable steps are taken to obtain at least five tenders following a publicly advertised competitive tender. This report confirms the intention to comply with both CSOs and EU procurement legislation.
57. The report advises the service delivery options that have been considered and the reasons for the recommendation for the Council to once again seek to put its own framework in place. It is also noted that the service review has resulted in the raising of the annual fee value from £100k to £400k for the reasons stated.
58. It is intended that a total of eight organisations will be awarded contracts under the framework. Award will be based on MEAT (most economically advantageous tender) using the EU restricted procedure and applying a quality/price ration of 50:50. The report confirms that the evaluation panel will agree a minimum quality threshold and all applicants will be advised of the evaluation methodology to be used accordingly.
59. The assigned resources would appear to support the proposed project timetable to ensure that the new framework is in place before the current arrangement expires.

**Regeneration and Neighbourhoods (JN122009)**

60. As this is the renewal of a historical SBDS architect and lead consultant framework agreement, the related costs will only be incurred by business units and departments if and when they place an official order under the framework agreement. There are therefore no immediate financial implications.

**KEY POINT SUMMARY**

- This procurement will follow a general protocol.
- This contract is for services and is replacing an existing provision.
- EU Regulations will be followed during the procurement of this framework agreement.
- Restricted procurement route will be used for this framework agreement.



## APPENDICES

No	Title
1	Procurement Project Plan
2	Overall Assessment of PQQ Short listing Criteria
3	Architect and Lead Consultant Framework Contract - Contract Management & Operational Procedures

## AUDIT TRAIL

<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment and Housing		
<b>Report Author</b>	Mike Green, Head of Environment and Housing Procurement		
<b>Version</b>	Final		
<b>Dated</b>	9 February 2010		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	October 2009
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director of Communities Law & Governance.	Yes	Yes	
Finance Director	Yes	Yes	
Corporate Procurement	Yes	Yes	
Strategic Director of Regeneration and Neighbourhoods	Yes	Yes	
Executive Member	Yes	No	
<b>Date final report sent to Constitutional Support Officer</b>		1 February 2010	

**Gateway 1 - Procurement Strategy Approval  
Architect and Lead Consultant Framework Agreement**

**Appendix 1**

**Procurement Project Plan**

<b>Activity</b>	<b>Complete by:</b>
<b>Gateway 1: Procurement strategy for approval report (this report)</b>	
DCRB Approval	Sept 2009
CCRB Approval	Nov. 2009
<b>Executive Approval</b>	Feb. 2010
Call-in period (8 days)	Feb. 2010
Completion of tender documentation	11 Dec. 2009
Advertise the contract	25 Feb. 2010
Closing date for expressions of interest	2 April 2010
Completion of short-listing of applicants	2 June 2010
Invitation to tenders	9 June 2010
Closing date for return of tenders	23 July 2010
Tender Opening (Tooley Street)	27 July 2010
Completion of evaluation of tenders	13 Sept 2010
Completion of any post-tender clarification meetings	8 Sept. 2010
<b>Gateway 2: Contract award for approval report</b>	
DCRB Review	21 Sept. 2010
CCRB / CMT Review	30 Sept. 2010
<b>Executive Approval</b>	Oct. 2010
Call-in period (10 days)	Oct. 2010
<b>Alcatel Period</b>	2 Nov – 12 Nov. 2010
Contract award	19 Nov. 2010
Contract start	1 Dec. 2010
Contract completion date	30 Nov. 2014

**Gateway 1 - Procurement Strategy Approval  
Architect and Lead Consultant Framework Agreement**

**Appendix 2**

**Overall Assessment of PQQ Short listing Criteria**

<b>Criteria</b>	<b>Score Breakdown</b>	<b>Max Available Points</b>	<b>Min Pass Threshold</b>
Preliminary Financial Evaluation	<b>PQQ SECTION B</b>		Pass/Fail
	Financial Evaluation		
	Suitable Levels of Insurance		
Technical ability to Demonstrate Capability and Capacity to Deliver the Service	<b>PQQ SECTION C</b>	70	40
	Administrative Capability (20)		
	I.T. Capability (5)		
	Customer Services Capability (5)		
	Experience of Similar Contracts in other Local Authorities (40)		
Quality Assurance	Management of contractors (30)	30	20
Health & Safety	PQQ Section D		Pass/Fail
Equalities	PQQ Section F		Pass/Fail
Short listing Questions		100	70
<b>TOTAL</b>		<b>200</b>	<b>130</b>

## **Gateway 1 - Procurement Strategy Approval Architect and Lead Consultant Framework Agreement**

### **Appendix 3**

#### **Architect and Lead Consultant framework contract – contract management and operational procedures**

##### **Introduction**

The successful companies for the architect and lead consultant framework contract will be ranked according to the prices they submitted during the tendering process with the cheapest consultancy being ranked the highest.

During tendering it was stated that there would be set criteria used when choosing the architect for any particular project. This paper describes the operational procedure and details how and when the criteria should be used.

##### **Placing an order**

All orders will be placed via the Environment and Housing procurement team. Architects will be instructed not to accept any work (that is being ordered (as part of this framework) unless members of that team have placed the order. This procurement structure arrangement via Environment and Housing procurement will stay in place until such time as any council wide changes are made.

##### **Exemptions**

Each time work is allocated to an architect, the E & H procurement team will apply the criteria unless appropriate justification is provided by the client.

##### **APPROPRIATE JUSTIFICATION**

Situations may arise where there is adequate and appropriate justification not to follow the criteria set out in this document. Specific issues may arise that would suggest that one practice would be more suited to a particular project than another architect. This may relate to knowledge of a particular project where a contractor has previous experience from working on the project before. In such cases a request should be made to the E & H procurement team and subject to financial situation and resources available an order may be placed direct with a preferred architect regardless of the price.

##### **Allocation of work**

The allocation of work will occur once the necessary set criteria has been applied. The criteria should be applied in stages.

##### **STAGE 1 - HIGHEST RANKED CONTRACTOR**

To ensure value for money is achieved, given that all architectural practices have demonstrated the ability to deliver the services covered by the framework agreement category, the highest ranked contractor (lowest price available) will always be considered for the allocation of work in the first instance.

**STAGE 2 - ANNUAL FINANCIAL CAPACITY**

A review of the annual financial capacity will take place. The value of the order should be added to the annual spend to date with that architect. If the combined value falls within the annual financial limitation then Stage 2 can be completed satisfactorily and Stage 3 applied. If however there is not enough financial capacity left for the current year then the criteria should be applied to the next highest-ranking architect.

**STAGE 3 – PERFORMANCE**

A review of performance on current and completed work assignments will be carried out. All contractors receiving work through the framework arrangement will have their performance monitored. The Environment and Housing procurement team will gather regular feedback from clients and instances of poor performance will be investigated. Provided there are no issues with performance then stage 3 can be completed satisfactorily and stage 4 applied.

**STAGE 4 – RESOURCE AVAILABILITY**

The architect will be contacted to ascertain whether relevant resources are available for the work assignment. If resources are available then the order will be placed. If, however, the necessary resources are not available then the criteria should be applied (starting with Stage 2) to the next highest-ranking contractor.

Once the architect has been identified for allocation of work and the price agreed (if this is only an estimate then the department will wish to ensure that there are appropriate gateways in place to restrict unauthorised spend) a purchase order should be placed on SAP. This order will reflect the account to which the order relates and sufficient budget should be available against which payment will be made. The purchase order must be accessible both by the client department and by the team who will monitor spend and authorise payment.

**Monitoring**

The Environment and Housing procurement team will ensure that all information required to apply the criteria detailed above is up to date and readily available. This will include tracking the annual spend with each consultancy and gathering performance monitoring information.

Annual checks will be carried out on all consultancies appearing on the framework category list. This will include financial checks, insurance etc.

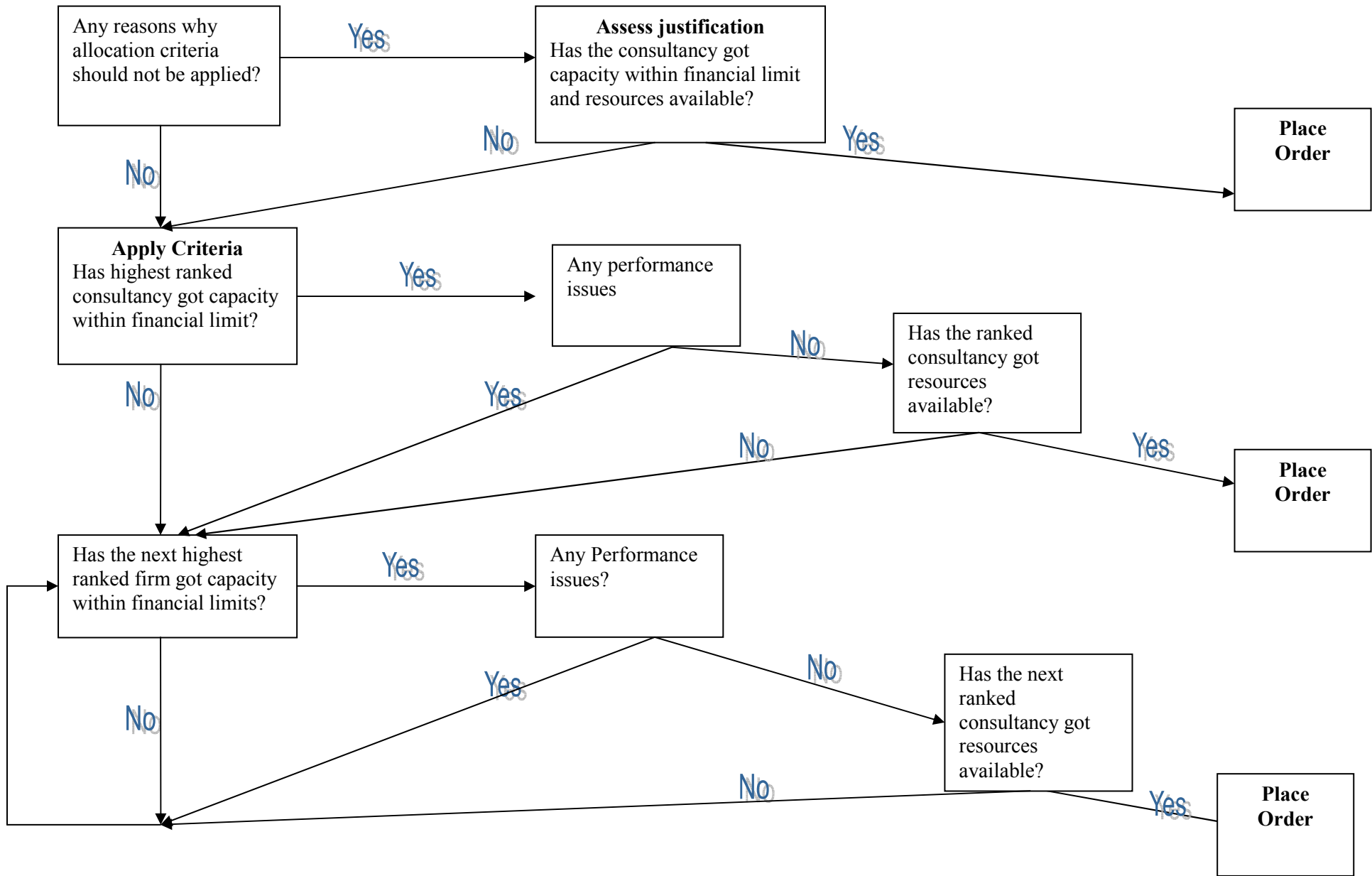
**Payments**

All invoices relating to the work ordered through the framework agreements should be sent to the Environment and Housing procurement section. On receipt of invoice the relevant client department will be asked to verify the payment and confirmation that payment should be made.

**Performance**

The client department will be responsible for monitoring and managing the contractors' work. The Environment and Housing Procurement team will gather performance monitoring information from departments. It is vital that departments complete the necessary monitoring forms as this will be the only mechanism used to assess performance.

# OPERATIONAL FLOWCHART



<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Revenue Final Outturn - 2008/09	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>From:</b>		Finance Director	

### RECOMMENDATIONS

1. That the Executive notes:
  - the favourable General Fund outturn for 2008/09 and the net contribution to reserves;
  - the Housing Revenue Account's (HRA) outturn for 2008/09 being in line with budget;
  - achievements of budgeted targets for the year for growth, commitments and savings; and
  - the Collection Fund's year-end surplus balance.

### BACKGROUND INFORMATION

2. The purpose of this report is to note the council's financial position for the General Fund, the HRA and planned use of reserves and balances for 2008/09. It also reports on specific performance in meeting targets for budget savings and the outturn position on the Collection Account. Any key variations against budget are explained.
3. This report would normally be anticipated around July following the end of the financial year. For 2008/09, this was not possible as the council was awaiting the conclusion of work by the external auditor. This meant that the target for completion of the audit was extended by agreement between the District Auditor and the Finance Director. The extended process and the associated reasons were reported to the Audit and Governance Committee who received regular updates.
4. While the main reasons for the extended audit related to issues of capital accounting principles not directly related to this report, the potential impact of any findings on the contents of this report may have been significant, not least from the need to confirm the accounting treatments for the Canada Water regeneration scheme and especially for the sale proceeds from disposal of the site. Given the complexity of this and, given its potential implications for the viability of future regeneration schemes, the council wished to ensure that the District Auditor had reached an opinion on this matter as it could have affected accounting treatment in the revenue accounts. This matter has now been resolved and did not affect the revenue outturn position. Some adjustments were made to the Income and Expenditure account, but these consequence were reversed out to adjustment accounts.
5. The capital outturn position for 2008/09 was reported to Executive at its meeting on 29<sup>th</sup> September 2009.

## KEY ISSUES FOR CONSIDERATION

### General Fund Overall Position

6. In February 2008, Council Assembly set a net budget for the year 2008/09 of £309m. Table 1 below provides an outturn position of net expenditure against budget as at the end of March 2009.

**Table 1: General Fund outturn position for 2008/09 at year end**

<b>Service</b>	<b>Budget £000</b>	<b>Outturn £000</b>	<b>Variance £000</b>
Children's Services – Core	143,740	143,945	205
Children's Services – DSG	(2,938)	(2,938)	0
Health & Community Services	102,502	103,394	892
Environment & Housing	81,233	81,161	(72)
Regeneration & Neighbourhoods	17,663	17,629	(34)
Major Projects	12,247	11,786	(461)
Deputy Chief Executive	58,724	58,416	(308)
Communities, Law & Governance	14,652	14,927	275
Financial Management Services	18,226	18,267	41
<b>Total for services</b>	<b>446,049</b>	<b>446,587</b>	<b>538</b>
Other operating income and expenditure	(146,258)	(153,452)	(7,194)
Planned contributions to reserves	9,239	9,239	0
<b>Total</b>	<b>309,030</b>	<b>302,374</b>	<b>(6,656)</b>

7. For services, total net budget of approximately £446m was exceeded by £538k. This represents an adverse variation of around less than 0.2%.
8. This was offset by a favourable variance for the year of £7.194m on other operating income and expenditure. After taking into account planned contributions to reserves of £9.239m, the resulting net underspend is £6.656m, which has also been appropriated to earmarked reserves and balances.
9. The favourable variance on other operating income and expenditure arises mainly from returns on investments and a lower than anticipated contribution to the pension fund. Both of these are considered to be one-off events and highly unlikely to be repeated in future years. The net surplus was transferred to general fund balances and earmarked reserves in line with the Medium Term Resources Strategy, and will be used to mitigate against future risks and cost pressures, arising from, amongst others, social care, regeneration and development projects and supporting the modernisation agenda.
10. Commitments of approximately £27.9m were agreed by Council Assembly as part of the approval of the 2008/09 General Fund budget. The outturn position in Table 1 reflects the allocation of these commitments across all council services.



11. As part of the setting of the 2008/09 General Fund budget, the Council committed to a programme of savings and efficiencies in excess of £24.9m. Again, the outturn position reflects the delivery of these targets. There was a shortfall of £0.4m in achievement of the target, representing less than 2% of the total savings target.
12. 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.
13. The allocations to revenue budgets are reflected in Table 1 and were subject to approval arrangements. Reserves were utilised throughout the year and the outturn includes a net appropriation to reserves of £15.895m, being the net favourable variance of £6.656m and the planned contribution of reserves of £9.239m.

### **Key General Fund pressures**

#### **Children's Services**

14. Increased pressure on Children's Services budgets for Home to School Transport and Children Looked After Placements was largely offset by a significant one-off windfall in grant received from the Home Office for support provided to asylum seekers in previous financial years. Management action was also taken to delay filling vacancies in non front-line areas of the service and opportunities were taken to maximise the use of specific grant funding wherever possible. Nevertheless, the final outturn shows a minor adverse variance.

#### **Health & Community Services**

15. The £0.892m adverse variance is attributable to ongoing demand pressures across Learning Disabilities and Physical Disabilities, with an increase in the number of people requiring learning disability services, and a small number of individual placements with high costs. The actual financial impact of these pressures was higher than the final outturn position because management action during the year was successful in containing the potential level of overspend.

#### **Environment and Housing**

16. An underspend of £0.072m within the Sustainable Services division and an overspend of £0.243m within the Culture, Libraries, Learning and Leisure division were the most significant variances within the overall favourable variance of £0.072m for the service. The underspend within Sustainable Services was due mainly to a reduction in waste contract costs resulting from tonnage diversion from landfill to SELCHP and contract performance management. There were also a number of vacancies within the division during the year. The overspend within the Culture, Libraries, Learning and Leisure division was due mainly to the delay in transferring the Surrey Docks Water Sports Centre to Fusion, an overspend on events and underachievement of income from events, and the Education Library Service, which was closed at the end of the financial year.

### **Regeneration & Neighbourhoods**

17. Within the net favourable variance of £0.034m, the service experienced reduced building control fees due to the depressed property market and reduction in property development activities. As a consequence, there was an adverse variance of £0.20m in the planning and transport division. This was, however, offset by a favourable variance of £0.28m in the departmental overhead and business support division, arising from a combination of the vacant Director post, higher than budgeted income from recharges to the HRA and reduced spend on professional fees.

### **Major Projects**

18. The favourable variance of £0.461m was due to reprofiling on major regeneration projects, resulting in underspends on associated legal fees, financial advice, costs associated with compulsory purchase orders, master-planning and stakeholder engagement costs. Across the division, further savings arose from staff vacancies and a reduction in the planned use of external consultants.

### **Deputy Chief Executive**

19. The total favourable variance within the Deputy Chief Executive's department was £0.308m. This included an adverse variance on Revenues and Benefits operational costs, which was offset by year end transfers carried out after the final position on benefits paid and associated subsidy had been established. There were favourable variances in Organisational Development and in the use of consultants. There was a net overspend of £0.449m in Property Services, most of which related to the centralising of various properties under property management responsibility. Property Services was transferred to Regeneration and Neighbourhoods during 2008/09 and has been reported as part of that department from 2009/10.

### **Communities, Law & Governance**

20. The £0.275m adverse variance is largely the result of the under recovery of land charges income in Democratic Services. This is due to both reduced housing market activity and the increase in the use of 'personal searches' over local authority searches as these are cheaper to the individual.

### **Financial Management Services**

21. There were no significant variances within the service.

### **Housing Revenue Account (HRA)**

22. The Housing Revenue Account (HRA) outturn was within budget, after taking account the planned use of reserves of £12.2m.

23. During 2008/09 the HRA has been subject to significant budget pressure, particularly on the operational side within Housing Management, where the demand for mechanical and electrical engineering, voids and reactive repairs continues to run ahead of the resources available. Whilst good progress was made towards managing and containing these pressures, the position was also mitigated by favourable budget movements in rent debit, void loss and leaseholder billing, which effectively mask the underlying budget pressures inherent in the system.

24. It is both prudent and necessary for the HRA to maintain a level of reserves sufficient to meet a range of commitments and financial risks and to mitigate against fluctuations

in income and expenditure year on year. Reserves are held for both specific and general purposes, such as regeneration schemes and service/ operational improvements, as well as financial/economic risks and events beyond the Council's control. During 2008/09, £12.2m (net) was released, principally comprising: Decent Homes works of £7.4m and Housing Subsidy of £4.7m, both of which were pre-planned. Other movements and realignment of reserves has occurred where appropriate following reassessment of commitments and risks for 2009/10. The underlying budget deficit has also been subsumed within the overall HRA balance at year end.

### Savings and Efficiencies – 2008/09 Outturn

25. For the General Fund and HRA combined, the Council targets savings and efficiencies of more than £24.9m in 2008/09. These savings were monitored closely throughout the year, as their delivery is important to the achievement of the Council's business plan, and support the delivery of the critical services to residents and businesses. A summary of the outturn position is shown in Table 2 below.

**Table 2: Savings and efficiencies as at outturn 2008/09**

Service	Budget £000	Outturn £000	Variance £000
Children's Services	(2,471)	(2,471)	0
Health & Community Services	(2,361)	(2,211)	150
Environment & Housing	(2,373)	(2,501)	(128)
Regeneration & Neighbourhoods	(910)	(882)	28
Major Projects	(300)	(300)	0
Deputy Chief Executive	(1,596)	(1,437)	159
Communities, Law & Governance	(270)	(270)	0
Financial Management Services	(540)	(540)	0
Corporate	(1,160)	(1,160)	0
<b>Total for General Fund Services</b>	<b>(11,981)</b>	<b>(11,772)</b>	<b>209</b>
HRA	(12,947)	(12,753)	194
<b>Total savings</b>	<b>(24,928)</b>	<b>(24,525)</b>	<b>403</b>

26. As set out above, the General Fund under achieved planned savings by £0.209m (1.7% of the original target). This was mainly due to a delay in the integration of day care services within Health and Community Services, and underachievement of consultancy savings within the Deputy Chief Executive's department.

27. The HRA had a shortfall of £0.194m against its planned savings (1.5% of the original target). This was due to a loss of income on balances, resulting from a combination of the drop in interest rates in 2008/09 combined with the reducing level of balances.

### Collection Fund

28. 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 the 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. The outturn was a surplus of £1.035m for the year, which has increased the surplus balance on the Collection Fund to £3.028m as at 31 March 2009.

### Community Impact Statement

29. This report monitors expenditure on council services, compared to the planned budget agreed in February 2008. Although this monitoring report has been judged to have no or a very small impact on local people and communities, the expenditure it is reporting was designed to have an impact on local people and communities, which will have been considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the Council's policies and objectives as set out in Southwark 2016.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
2008/09 Revenue Monitoring / Outturn	160 Tooley Street	Chris O'Brien 020 7525 7468

<b>Lead Officer</b>	Duncan Whitfield, Finance Director	
<b>Report Author</b>	Jennifer Seeley, Deputy Finance Director	
<b>Version</b>	Final	
<b>Dated</b>	29 <sup>th</sup> January 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
List other officers here		
<b>Executive Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	29/01/2010	

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Policy and Resources Strategy 2010/11 to 2012/13 – The 2010/11 Revenue Budget (The Budget and Policy Framework) and Medium Term Resources Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Finance Director	

## RECOMMENDATIONS

1. The Executive:
  - i. Agrees a balanced budget for 2010/11 for recommendation to Council Assembly on 23 February 2010 as set out in paragraph 18 and Appendices A to D, based on a council tax increase of 0%, which is in line with local policy priorities.
  - ii. Agrees the updated Medium Term Resources Strategy (MTRS) as set out in Appendix E.
  - iii. In view of the current economic climate and uncertainty with regards future grant settlements, instructs the Finance Director and other Chief Officers to closely monitor and review business and budget plans and processes.

## BACKGROUND

2. On 20<sup>th</sup> October 2009, a report was presented to Executive which set the context for the business and budget planning round. It noted the continued uncertainty of local government financing arrangements for 2011/12 and beyond not least with regard to the recession at that time and economic climate looking forward. The report also agreed initial changes to a refreshed MTRS which is in line with local priorities as expressed through the corporate plan.
3. On 9<sup>th</sup> December 2009 the Chancellor of the Exchequer announced the pre-budget report (PBR). This sets out the government's broad financial policies for 2010/11 and future years. The PBR confirms that the government will stick to planned levels of overall departmental spending in 2010/11, with increases in public sector current expenditure of 0.8% per annum in real terms for 2011/12 to 2014/15.
4. Other PBR proposals include the freeze on public sector salaries (i.e. fixed at 1%) for 2011/12 and 2012/13. National insurance will increase by a further 0.5% from April 2011. This is in addition to the 0.5% increase announced in the 2009/10 budget. Spending on frontline schools will increase by 0.7% per annum in real terms. The emphasis in the PBR of any increase in resources to police, schools and health will have significant implications for all other spending areas across local government. £11billion will be saved through a programme of 'smarter government', together with a further £5billion from targeting and prioritising spending and reforms across public sector pay and pensions. However, specific details are yet to be announced.
5. On 15<sup>th</sup> December 2009, a report was presented to Executive which set out confirmation of the provisional local government settlement for 2010/11. This confirmed that Southwark would receive the minimum 1.5% increase in grant. There were no changes to that set out in the 2009/10 settlement and 2010/11 indicative settlement. There was no indication of grant settlement beyond 2010/11. This creates uncertainty and increases the challenge in planning resources over the medium term. However, the Executive is asked to approve an updated MTRS which provides a framework for planning for 2010/11 and beyond.

## KEY ISSUES FOR CONSIDERATION

### Revenue monitoring

6. On 26<sup>th</sup> January the revenue monitoring report was presented to Executive. The report set out the current financial position which highlighted a £1.3m adverse variance. This is largely as a result of unavoidable pressures within children's services and adult social care. Management action will continue to mitigate the impact of these pressures and where these are ongoing they will be addressed through the 2010/11 budget, details of which are set out below.

### Final settlement 2010/11 and recent issues arising

7. 2010/11 represents the third year of a three year budget programme agreed by council assembly in February 2008. It was appropriate and relevant for the council to agree a three year budget at that time. The council has continued to deliver against overall objectives to date over that three year period. This is against a backdrop of unprecedented changes in the global financial environment as a result of the economic downturn. The recession that has followed the crisis had a significant impact on the UK economy. London, as a global financial centre, was and remains particularly vulnerable, even in the light of the very small growth experienced most recently in the economy. It is within this context that there is a need for the council to comprehensively review its plans at this time, including agreement of the 2010/11 budget.
8. On 15th December 2009, the Executive noted the provisional 2010/11 local government settlement. First announced in November 2007, the settlement covers the remaining period of the Comprehensive Spending Review (CSR) 2007.
9. The final settlement for 2010/11 was announced on 21 January 2010 and contains no changes to the formula grant announced in November 2007. Southwark will therefore not receive any additional grant to that originally announced.
10. The council will be receiving some £238m in specific and 'unringfenced' revenue grant (£176.1m relates to DSG an increase of 4.8%) from the government in 2010/11, an increase of £14m (6.1%). This is based on the announcements received to date, confirmation is still awaited on some £2m of specific grants (based on 2009/10 allocations). However after 2010/11 (the third year of the current Comprehensive Spending Review) there is no certainty as to the level of these grants or whether some will continue in the future.
11. In 2010/11 the expected allocation for area based grant (ABG) is £43.956m. The overall the level of grant has fallen by £0.828m (1.85%) from 2009/10 to 2010/11. Like other grants, it remains unclear as to what will be the level and status of area based grant from 2011/12. A potential risk relates to the possibility for area based grant to be subsumed within general grant allocation and the consequential impact on overall resources to Southwark. For 2010/11 budget it is proposed to passport all Area Based Grant and Working Neighbourhoods Fund (WNF). In 'passporting' WNF grant the council will continue to closely monitor the delivery of performance against worklessness targets, in particular seeking to ensure that resources support activity that achieves value for money outcomes.
12. Supporting people grant will be included within area based grant for 2010/11. Nationally supporting people grant is £1.636bn. Southwark's allocation is £18.766m. This is the same as the 2009/10 allocation.
13. The government has given no indication of grant for local government for 2011/12 and beyond and has not provided any assurance that a grant floor would continue to be in place for future years. The failure to set out future grant allocation makes it extremely challenging to plan with any certainty for future years. This is made more significant due to continued impact of economic uncertainty on council services. Officers, through relevant representative bodies, are continuing to lobby for changes to be made to the government's grant formula and to seek assurance on the determination of the "grant floor" in future years.

14. Up until most recently inflation had fallen to record low level but officers had reported concern as to the potential for future instability and volatility moving forward. In November 2009 the inflation rate (i.e. the Retail Price Index) moved into positive territory for the first time since January 2009. This was followed by an unprecedented monthly increase of 2.1% to reach on overall RPI of 2.4% in December 2009. This rate of increase is the highest recorded for thirty years. The impact of such volatility on council's expenditure is significant in that higher inflation leads to increases in running costs associated with service delivery; at the same time as rising demand pressures across most council services.
15. Separately, the unprecedented recent low interest rates have had a significant impact on the value of return to the council from short term investments. The forecast for the average return rate on our investments in 2009/10 is projected to be 1.4%, which compares to 5.5% for 2008/09. The latest estimates suggest that the rate of return on investments will decrease further from the 2009/10 position. Combined with continued demand pressures, including the impact of economic uncertainty, this increases the complexity in how the council effectively manages resources to support local priorities and key services.
16. A further consequence of low interest rates is the council's ability to meet its future commitments in relation to the costs of pensions. This will need to be quantified from the next actuarial review.
17. Taken as a whole, this uncertainty strengthens the importance of maintaining a robust MTRS within which to plan council business and sustain delivery of essential frontline services.

#### 2010/11 Budget

18. The proposed budget for 2010/11 is summarised in table 1 below. Table 1 sets out the expected resources based on the information received to date in the local government settlement. A summary of the commitments and savings are described in paragraphs 19 to 38 of this report and set out in further detail in appendices A to D.

Table 1. 2010/11 proposed budget

	<b>2010/11 proposed budget</b>
Formula grant	(230.7)
Council Tax @ 0%	(88.0)
Projected collection fund (surplus)/ deficit 2009/10	(1.2)
<b>Total income resources</b>	<b>(319.9)</b>
<b>2009/10 budget</b>	<b>315.2</b>
Inflation	4.8
Salary Clawback 2009/10	(1.0)
Commitments	14.3
Efficiencies and Improved use of Resources	(11.0)
Income generation	(0.7)
Other savings	(1.7)
<b>2010/11 budget proposals</b>	<b>319.9</b>

19. The budget proposed for 2010/11 includes some £14.3million commitments arising from increased demand pressures. The council is experiencing a number of new and emerging pressures not least the impact of continued economic uncertainty, and additional demand pressures across the council, particularly with regards social care. These pressures relate to external factors that are beyond the control of the council and include changes to regulation, legislation alongside recommendations from government. The council will continue to mitigate the overall impact of these pressures on service delivery.
20. The council is delivering on an ambitious programme of savings to achieve value for money outcomes across services. As part of this ambitious programme of savings the budget proposed for 2010/11 includes savings of some £13.4million. The delivery of modernisation is a central part of meeting saving targets, with the office accommodation move to Tooley Street facilitating further improvement in medium to longer-term savings. This includes the rationalisation of management structures, shared service delivery, better use of information technology and reduced costs resulting from co-location (e.g. reduced staff travel across the borough). A key challenge will be to deliver more with fewer resources overall, especially where the service costs relate largely to salaries. In taking forward the savings programme the council will therefore need to continue to build on a robust MTRS including raising organisational capacity through skills development of staff.
21. Savings are also proposed as a result of service re-configuration and design which are focused on securing improved service delivery at the frontline whilst achieving value for money. Further savings are proposed resulting from better contract management and procurement.
22. £0.7m (of the overall £13.4m savings) relates to resources generated from income. Through the budget process it has been necessary to review income from fees and charges to ensure that they are sensitive to the impact on residents during the current recession whilst at the same time providing resources to support local priorities and meet demand costs. This includes raising levels where best appropriate to bring them in line with other London authorities
23. In proposing savings the council continues to recognise the importance of the contribution of voluntary and community sector providers in delivering local priorities. It is important that providers are able to effectively forward plan and the council, in as far as it is able, needs to take this into consideration when planning and preparing future budgets. In order to give providers the time to effectively respond to any reconfiguration in resources, where possible a minimum of three months notice will be given on any intended changes.
24. The following paragraphs summarise the budget proposals across each of the council's departments.

#### Childrens Services

25. The budget proposals for children's services in 2010/11 include commitments of some £2.7m. In particular, there has been a significant increase in the number of children requiring care and support and in the complexity of cases. This is at the same time as additional rigour being applied from external regulation and inspection particularly with regard safeguarding. These demands are driving up cost pressures within the social care system. This is compounded by the issue of retaining and recruiting high quality staff which has been reported on a national scale.



26. As a result of an ongoing review of costs across all services (including utilising benchmarking data on costs compared to similar authorities) the council is seeking to identify those areas where higher costs cannot be easily justified in terms of client demand or other local factors. Opportunities for modernisation in these service areas are being rigorously explored and savings proposals for 2010/11. Some £2.2m savings have been targeted at these areas; including improved commissioning and procurement (£350k), more effective combining of funding streams (£400k) and service reconfiguration and redesign (£1.35m). Some £100k will be generated through income generation.
27. The schools forum members continue constructively with the authority to protect funding allocations to priority activities. Strong support, for example, has been received from both Headteachers Executive and the Schools Forum for the development of a subscription scheme for schools to buy back valued support services provided by the council. This will ease the pressure on core funded budgets in 2010/11. It will prepare schools for the more fundamental changes in funding that are likely from 2011/12 onwards.

### Health and Community Services

28. The budget proposals for health and community services in 2010/11 includes a commitment of £1.5m which is supporting approximately 30 children with learning disability care needs in transition to adult social care. For 2011/12 and 2012/13 this pressure is expected to increase and therefore close monitoring and stringent financial control on costs will be required. Furthermore, subject to legislation being in place, it is intended that councils provide free personal care to those who meet the specified criteria. This could be introduced as early as 1 October 2010 therefore the council will need to monitor the impact on overall resources moving forward.
29. A major transformation, improvement and modernisation programme is underway centred in health and community services around personalisation. This includes service redesign. Through this change process a number of savings proposals have been set out as part of a total package of £3.3m for 2010/11. The proposals will assist in future delivery of efficiencies. Savings plans proposed for 2010/11 include: redesign of support provided to people with learning disabilities with complex health and social care needs (£600k); re-tender and review of contracts (£700k); re-modelling, redesign and reconfiguration of service areas particularly those relating to supporting people (£2m).

### Environment and Housing

30. The budget proposals for environment and housing for 2010/11 include commitments of some £1m, of which £634k will support running costs of the new library. £309k is to overcome the income shortfall within the libraries and cemeteries business units. Budget pressures include falling income levels across many services, for example parking, due to the current economic downturn and events management which have increasing security costs.
31. Savings totalling £1.5m are proposed across the environment and housing department. Of these, £455k relates to general efficiencies through service redesign and rationalisation along with improvements to contract processes. During the 2009/10, the department embarked on a series of structural reviews and rationalisation of services with minimum impact on front line provision. As a result savings of nearly £0.9m are proposed, with the majority (£633k) coming from the community safety and enforcement division. Other structural reviews that are proposed to generate savings include the healthy living programme (£140k). The ongoing exploration of opportunities to maximise resources through change of working methods and reconfiguration of services as part of planned modernisation will deliver £150k savings.

32. The department also compared its fees and charges with neighbouring authorities and as a result new income sources generating £150k are proposed for consideration. The benchmarking exercise concluded that the fees charged for most services are comparable with inner London average.

#### Regeneration and Neighbourhoods (incorporating Major Projects)

33. The budget proposals for regeneration and neighbourhoods for 2010/11 include commitments of some £1.2m relating principally to the change in subsidy from 2010/11 with regards to housing benefits announced by the government.
34. Within regeneration and neighbourhoods savings of £0.9m are proposed. The majority of these savings (£675k) are generated via efficiency and income generating proposals and the remainder of the savings are being achieved with minimal impact on service delivery. A further £220k of efficiency savings are being proposed from major projects activity by integrating project areas and management arrangements. Officers will be exploring the potential for further efficiency savings from service re-configuration and shared services across the department on an ongoing basis and these will be incorporated into future budget proposals.

#### Corporate services

35. Taken all together, the budget proposals for corporate services (Finances and Resources, Deputy Chief Executive's, Communities, Law & Governance) include commitments of some £3.9m resulting from pressures beyond the control of the council. For example, external factors resulting from increased regulatory burdens. These include pressures within the law area and in the field of health and safety. Commitments include proposed changes to the allocations of concessionary fares (£2m) across London that would have a direct impact on council finances, aligned with potential changes to how this is resourced from central government. Remaining commitments of £1.9m relate to a number of factors, the most significant of which include £940k pension costs and £545k relating to contract pressures within the revenues and benefits services.
36. The effect of continued economic uncertainty on council services requires close management. It is therefore proposed that £4.0m of commitments be included in 2010/11 to ensure that there is sufficient flexibility in the council's broader resource base so that it can respond to the impact of economic uncertainty and service pressures.
37. Some £5.3m savings are proposed for 2010/11 across corporate services. £3m of these relate to a range of shared service delivery projects across the council which are linked to the move to Tooley Street.
38. Also linked to the move to Tooley Street, the remaining £2.3m of savings include the rationalisation of management structures and service reconfiguration across corporate services. In particular, £500k will be saved through improved contract management of the customer service centre. £528k of savings will be achieved through a range of information services contracts and reduced internal costs.

#### **Collection fund monitor 2009/10**

39. The estimated balance on the collection fund for council tax transactions to 31 March 2010 is a surplus of £1.652m, of which Southwark's element is £1.232m. This is shown in table 2 below. 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. The surplus is one-off and must be used to reduce the demand on Council Tax payers in 2010-11.

Table 2. Collection fund monitor 2009/10

	£m
Southwark Council	1.232
Greater London Authority	0.420
Total Surplus	1.652

### Schools Budget and Dedicated Schools Grant (DSG)

40. The schools budget can be defined as planned expenditure to be made directly by schools together with amounts to be spent centrally on education. The amount spent directly by schools is determined through a local formula to produce what is known as the individual schools budget. The main block of funding for schools budget expenditure is received in the form of a specific dedicated schools grant. This grant is based on the number of pupils and a per pupil funding allocation. The 2008/09 – 2010/11 comprehensive spending review set the per pupil allocations for Southwark as follows:

2008/09	2009/10	2010/11
£5,755.83	£5,961.29	£6,200.27

This means a per pupil increase in funding of 4% in 2010/11.

41. The increase of 4% per pupil provides for an increase in delegated school budgets of a minimum of 2.1% under the terms of the minimum funding guarantee (MFG). In coming to this guarantee, the Department for Children, Schools and Families (DCSF) has provided funding for an increase in schools' costs in 2010-11 of 3.1%, abated by 1% as schools' contribution to the delivery of the department's overall efficiency savings target. DCSF will provide a further increase in the funding per pupil of 0.8% as headroom to enable authorities to implement the MFG. The remainder of the increase in DSG funding receivable (i.e. equivalent to a further 1.1% increase in resources per pupil) is provided to assist authorities and their schools to support the universal roll out of a personalised offer to all pupils – including those with special educational needs.
42. The advice from DCSF is that in taking decisions on the allocation of these resources, local authorities and their schools forums should consider the Government's priorities. These are: ensuring all children are making good progress; early intervention to prevent children from falling behind; targeted support for specific groups – certain ethnic minorities, white working class children, children in care and those with special educational needs; and ensuring that the school workforce has the skills and confidence to address the needs of children within these groups.
43. On the 31st January 2008 the government launched the review of the formula for distributing dedicated schools grant (DSG). The aim is to develop a single, transparent formula that will be available for use in distributing the DSG to local authorities from 2011 to 2012. It is expected that broad decisions from the review will be announced in summer 2010.
44. In previous years schools budget funding for 16-18 year olds has been allocated through the Learning and Skills Council (LSC). However proposals within the Apprenticeships, Skills, Children & Learning Bill currently moving through parliament mean that from 2010/11 the LSC will cease to exist and local authorities will take on responsibility for securing education and training for all 16 to 19 year olds. The change will give the authority the responsibility and duty to deliver for all children and young people from 0 to 19

45. At present four LSC staff members are seconded to Southwark to assist with the transfer to the new arrangements. These staff will transfer formally to Southwark on the 1st April 2010. The Council will receive a Special Purpose Grant (SPG) from the DCSF to enable us to carry out the new functions and, in particular, to cover the employment costs of the necessary staff. The grant will be paid for a minimum of 3 years and will be received as a component of ABG (Area Based Grant).
46. Schools balances remain a concern for the government at this time with balances nationally continuing to rise. While the government decided to put on hold new legislation that would have forced local authorities to recover and redistribute excessive balances, there is a risk that the government may take action to reduce balances under the next spending review particularly if it appears that local authorities continue to indicate that they are not taking action themselves to manage balances effectively. Ministers have reiterated their concern in this area recently and have now issued a final warning to schools and authorities that they will take action if there is no significant reduction in the amount of surplus balance held during 2010/11.
47. A report recommending a tightening of the existing balance control mechanism was presented to the Schools Forum on 28<sup>th</sup> January . This will strengthen the authority's powers to challenge those schools holding 'excess' balances as at 31<sup>st</sup> March 2009. Excess balances are defined by DCSF as balances of over 5% of budget share for secondary schools and of over 8% for primary schools. The forum fully supported the authority's proposals for scrutiny of the balances held by these schools and indicated its support for any proposal that the authority might make for the reallocation of excess balances where these cannot be justified.
48. Officers provided a full briefing on the financial position facing the authority to Schools Forum members in November. An initial report on the position with regard to the likely position on the Schools Budget was considered at the Forum's meeting on December 10<sup>th</sup>. The authority's detailed proposals were considered by the Forum on 28<sup>th</sup> January.
49. The authority's proposals for delegated school budgets take on board the additional costs facing schools including a national pay award of 2.3% for teachers, an increase in the employer's contribution to the Southwark superannuation scheme of 0.5% and increased NNDR charges. Further additional resources will be allocated to provide additional funding for pupils with Special Educational Needs both in mainstream schools and Southwark Special Schools. Resources have also been identified to direct additional funding to non-maintained early years providers to reflect the costs of educating children with additional educational needs. The Forum also accepted the local authority's proposal to provide all schools with automatic meter reading devices in order to assist in meeting the Council's carbon reduction commitment.

### **Housing Revenue Account (HRA)**

50. The 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 tenants' rents and service charges, housing subsidy, leaseholder service charges and other income.
51. For 2010/11, the Government's draft Subsidy Determination was not issued until 9<sup>th</sup> December 2009, and consultation ended on 25<sup>th</sup> January, therefore rent levels and resources are predicated on the guidance contained in the draft, pending receipt of the final Determination sometime in February. Normally there is little or no change between the draft and the final Determination, however, in the event of a change requiring amendment to rent levels or a significant shift in resources, then these matters would be subject to further consultation and most likely impact on the implementation date, given the 28 day statutory notification requirement

52. Management and Maintenance (M&M) spend targets have overtaken current allowances, which together with changes in stock weightings result in an uplift of 3.8% on management and 4.7% on maintenance allowances. Major Repairs Allowance (MRA) is up 3%. Conversely, rent claw back increases by 3.1% in line with the national guideline rent increase. Government effectively operates control over rent policy through the rent restructuring regime and claws back rent resources by more than is generated by the annual increase applied to tenant's rents. Together with movements in debt charges and debt charge subsidy, the net position in budget terms is £0.4m better than the current year.
53. Despite the settlement and low inflationary pressures, the HRA continues to be under severe financial pressure to meet the continuing needs of maintaining and improving the housing stock and cope with the demands arising from the events at Lakanal and Sumner Road. Commitments and budget pressures total £5.7m. This has been balanced by a range of measures, including a proposed average rent increase of 1.35% with effect from 5th April 2010. Garages and other non-residential property are subject to a strategic review which is due to report in spring 2010 and will consider the introduction of a differential charging policy. In the interim, options for either a freeze or an increase of circa 33% are proposed. Tenant service charges and district heating charges are recommended to be frozen. Efficiency savings are assumed in line with corporate guidance on the General Fund and will be delivered through revised and more efficient working across housing services, together with contract and supply chain improvements. Re-profiling and re-direction of resources allow priorities, such as repairs and maintenance to be protected and where possible receive targeted increases for 2010/11.
54. Consultation on the HRA Rent Setting Report commenced at Tenant Council on 4th January 2010, followed by individual Area Housing Forums during January and a further Tenant Council meeting on 25<sup>th</sup> January, culminating in consolidated recommendations being reported to Executive on the 26th January.

### **Capital**

55. In September 2009 the Executive noted the new and emerging pressures on the capital programme arising from issues of service demands, the recession, and the impact on the pace of regeneration schemes, and requested the Finance Director to submit a refreshed 10 year capital programme for approval to a future Executive meeting. Officers continue to work on this programme. A capital monitoring report is being presented elsewhere on the agenda.

### **Greater London Authority (GLA) precept**

56. The GLA is to set its budget and precept on 10<sup>th</sup> February 2010. The draft budget has indicated an increase in precept of 0.0%.

### **A strong and stable resource base**

57. In setting out the budget options for 2010/11 the Finance Director as the statutory section 151 Officer is assured that the range of spending commitments and proposed savings are being set within the resources available that meet local priorities. The budget proposed for 2010/11 is therefore robust.

58. In addition to ensuring that sufficient funds are available to finance the ongoing management of Council services, the Finance Director needs to be assured that there is an appropriate level of reserves and balances available. Reserves and balances are needed in any event but especially to protect against risks due to the size, scale and complexity of projects and services. Maintaining an adequate level of reserves, balances and risk are key factors in the Finance Director's assessment of the robustness of the budget. Target level of working balances have been set at £20m over the medium term, in line with similar organisations in London. The Council has made progress to achieving this level of balances, currently standing at £18.3m as included in the audited statement of accounts for 2008/09. The Finance Director will continue to review the level of balances and reserves and report to the Executive through the normal monitoring process.
59. In setting the budget the council needs to be mindful of the continued uncertainty with regards future funding particularly from 2011/12 onwards. Allied with continued economic uncertainty this strengthens the importance of maintaining a robust MTRS within which to plan council business and sustain delivery of essential frontline services.

### **Learning Disabilities Funding Changes**

60. The consultation document 'Valuing People Now: From Progress to Transformation' (2007) proposed the transfer of learning disability social care commissioning and funding from Primary Care Trusts to local government from April 2009 based upon spend by PCTs in 2007/8. The proposal was part of a wider transformation of adult social care set out in 'Putting People First' (2007). It is anticipated that this will bring clear benefits to people with a learning disability.
61. In August 2008 the Department of Health (DH) issued guidance to primary care trusts (PCTs) and Councils asking them to begin local discussions to collect and analyse local data to establish PCT spend on social care for adults with a learning disability. This was to include both revenue expenditure and capital interests used to deliver social care to people with learning disabilities. The transfer does not include funding for either mainstream/general healthcare nor forensic/offender services.
62. The process was to be used locally to agree the value of transfers for 2009/10 and 2010/11. The DoH has indicated that from April 2011 the allocation of these social care resources will be made directly from central government to local authorities. The DH has not given any indication about how these allocations will be calculated or how this funding will be made available to local authorities. However the DH has indicated that it will consult local authorities on these matters.
63. The funding changes are designed to provide greater clarity about resources available for adults with learning disabilities. Local authorities will be responsible for specialist social care and the NHS will be allowed to focus fully on its primary learning disability responsibility of providing equal access to high quality healthcare
64. In Southwark the task of agreeing the value of the transfers for 2009/10 and 2010/11 has been relatively straightforward as Southwark Health & Social Care has been using powers contained in Section 31 of the Health Act 1999 and Section 75 of the National Health Service Act 2006 to lead commission learning disabilities social care services through a pooled budget with Southwark PCT since 2002.
65. This requires Southwark PCT to contribute 34% to the total expenditure of the pooled budget. The values of transfers agreed with Southwark PCT are:

2009/10: £11.733m (as at month 9)  
2010/11: £11.951m

66. In addition there are capital interests owned by the PCT that are eligible to transfer to the Council. These take the form of 6 properties in Southwark that are being used to provide registered residential care and supported living services to people with learning disabilities. Officers from both organisations are currently working on the necessary due diligence and conveyance arrangements to enable the buildings to transfer to the Council.
67. There are considerable financial risks to the Council after the responsibility for funding passes from the PCT to central government on 1 April 2011. The main ones are: no annual increase in funding to reflect increases in unit costs due to higher needs and increases in client numbers especially relating to clients in transition from children's services - in 2011/12 additional transition clients are expected to cost £2.5m and under the current Section 75 pooled budget arrangements 34% of this additional cost would be funded by health. The DH are unable to provide information about how the national budget available for distribution to local authorities in 2011/12 onwards is to be allocated.

## **MTRS**

68. At its meeting on 20<sup>th</sup> October 2009, the Executive considered and approved initial changes to the MTRS. Since that time officers have continued to work to update the MTRS so that it provides an effective framework for the regular review of resource priorities and principles to best reflect the changing and uncertain environment in which the council operates. The budget set out in this report has been based on the updated MTRS, which is attached for approval at Appendix E.

## **Community Impact Statement**

69. The purpose of this report is to outline budget proposals for Council services, following the final local government settlement and with a recommended Council Tax of 0%. Future decisions made on the basis of the agreement of the 2010/11 budget may require detailed consideration of the impact on local people and communities as appropriate including consultation where required.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

70. The council has obligations under Section 32 of the Local Government and Finance Act 1992 to calculate and agree an annual budget. The matters contained in this report will assist in the future discharge of that obligation.

**BACKGROUND INFORMATION**

Background Papers	Held At	Contact
Policy and Resources Strategy and budget working papers	Town Hall	Cathy Doran, extension 54396  Stephen Gaskell, Extension 57293

**APPENDICES**

No	Title
A - D	Budget schedules
E	MTRS

## Audit Trail

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Cathy Doran, Finance and Resources Stephen Gaskell, Corporate Strategy	
Version	Final draft	
Dated	29 January 2010	
Key Decision?	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other Officers here	All Chief Officers	Yes
Executive Member(s)	Yes	Yes
Date final report sent to Constitutional Support Services	1 February 2010	



Commitments	Description of Commitments	2010/11 £'000
<p><b>Department</b></p> <p><b>Children's Services</b></p>	<p><b>Post Laming Proposals</b></p> <p>This proposal will strengthen the referral and assessment service and increase our capacity to allocate cases. A proposal to redesign the service has already been approved which builds social work capacity into the localities, and creates an additional family support team to reduce caseloads. A further redesign is going to be developed which will build on our pre-birth work and ensure we have a more robust response to referrals. A specialist team will be developed to focus on pre-birth work.</p> <p>This proposal will build capacity and stability in staff resource. Increased turnover of social workers in the frontline services ( post laming) has led to an exceptionally high level of vacancies. To seek to alleviate this situation and in recognition of the increased pressure, workload demands, and challenging circumstances for workers, it has been agreed that honorarium payments be made to all social workers, senior practitioners, practice managers and team managers in referral and assessment and family support teams. The honorarium payments will be paid at a rate of £2000 and will be subject to the performance of the staff member will and will be reviewed on a 6 monthly basis to take into account any changes in circumstances.</p> <p>This proposal will support the creation of an Independent Chair of the Safeguarding Children Board and Independent Chair of Serious Case Reviews in anticipation of requirements from the DCSF. Provision also included to support potential increase in number of serious case reviews commissioned by the Safeguarding Board.</p> <p>This proposal will improve training and development of social workers. There has been a reduction of somewhere in the region of £500k from the Training Support Grant for children's social care. We plan to develop a number of initiatives which include: work with Royal Holloway on reflective social work practice £25k; a trainee social work scheme £85k to bring in new recruits; post qualifying training / and qualification in safeguarding children £30k to support retention of existing staff. Supervision training for managers £12k.</p> <p>This proposal will refocus Family Aides / Family Support worker service to improve the practical child care support and supervision for vulnerable children who have a child protection plan.</p>	<p>120</p> <p>240</p> <p>65</p> <p>150</p> <p>120</p>

Commitments	Description of Commitments	2010/11 £'000
<p><b>Department</b></p>	<p><b>Southwark Judgement</b> This proposal refers to the recent Lord's judgement that has effectively classified Homeless children aged 16-17 as Children Looked After (CLA). Early estimates indicate that an additional £150k may be required year on year on top of existing budgets.</p> <p><b>Placement Pressures</b> These proposals respond to pressure with regards children's social care placements. Specialist services are experiencing underlying placement pressures for looked after children and placement/care packages for children with special needs/ disabilities.</p> <p>Pressure in Disabilities are because: (a) more children with complex physical disabilities are surviving, and they and their families need both health and social care support; and b) there is increased diagnosis of children on the autistic spectrum, who have got challenging behaviours and need our support. In year (2009/10) pressures have been identified in the Disabilities services which is being mitigated/contained through a rigorous review of all care packages and placements in this area.</p> <p>The CLA service is indicating significant pressures. An analysis of underlying trends indicates a significant increase in the volume of CLA. With 80 new children in care in the first quarter of 2009/10 compared to an average of 54 per quarter in 2008/09. Most of the new cases are the high end residential with further detail below .</p> <p>a) Residential Homes: The current budget for 2009/10 is based on 28 children in Residential home for the year. The council is currently expecting to support 37 next year at an average cost of £2500 per week. The will therefore require an increase in budget of £1.175m to fund this pressure.</p> <p>b) Semi Independent living: The current budget for 2009/10 is based on an average of 29 children supported in this setting. The council is now expecting to support 36 children this year at an average cost of £905 per week. The will therefore require an increase in budget of £330k to fund this pressure.</p> <p>c) Special Guardianship Orders (SGOs): SGOs are relatively recent placement being used to support children usually when they are young but will remain supported until they reach 18. This is expected to carry on rising as there is no one as yet reaching 18 when support should cease.</p>	<p>150</p> <p>1,175</p> <p>330</p> <p>150</p>

<u>Commitments</u>		2010/11 £'000
Department	Description of Commitments	
	<p>This proposal will transfer LEP Client responsibilities for the Building Schools for the Future programme from the major projects area to Children's Services. Resources are required to fund overall project management for a period up to 2 years to progress Phase 2 and 3 contracts. Opportunities will be explored for the transfer of funding from existing Major Projects budgets.</p> <p>This proposal will address the affordability gap and financing costs arising from necessity to use supported borrowing to fund purchase of £2.3m of ICT equipment as part of the Building Schools for the Future programme which is within the major projects area of activity.</p> <p><b>Total Children's</b></p>	150  39  <b>2,689</b>
<b>Health &amp; Community Services</b>		
Learning Disabilities (LD) Pool	<p>This proposal relates to the cost associated with new clients in Transition from Children's Services. The figures are based on known numbers of children who will transfer to Adult Social Care in the next few years. Every year there is a cohort of children mainly with learning disabilities who reach the age of 18 and therefore are in transition between children's services and adults social care. This generates a budget pressure for the Council because at the same time as this cohort leaves children's services there are young children entering the system. In addition, because of recent advancements in care practice for people with learning disabilities longevity has improved and there is no significant reduction in client numbers therefore putting pressure into the social care system. In 2010/11 adults social care is expected to receive 32 clients from Children's services. Average cost of providing support to those clients with learning disabilities is £1,450 per week.</p> <p><b>Total Health &amp; Community Services</b></p>	1,446  <b>1,446</b>
<b>Environment &amp; Housing</b>		
Culture, Libraries, Learning and Leisure	<p>This proposal will establish a budget for running costs of the Canada Water library. Any funding surplus from allocated budget will be used to support the current capital outlay for the library as proposed in the report to Executive in October 2008.</p>	634

<b>Commitments</b>		<b>2010/11</b>
<b>Department</b>	<b>Description of Commitments</b>	<b>£'000</b>
Culture, Libraries, Learning & Leisure	This proposal arises from the income shortfall within the Libraries Business Unit. The amount requested is the projected shortfall between actual income and budgeted income in 2010/11.	103
Culture, Libraries, Learning & Leisure	This proposal funds the increase in rental costs at Camberwell Library.	12
Public Realm	This proposal addresses the significant challenges in meeting the income target in this area due to volume reductions and capacity issues. A commitment is required to address the shortfall at this time. Management action will continue to mitigate the overall impact on budget, including reviewing activity where best appropriate.	206
Sustainable Services	This proposal follows on from invest to save commitment from 2009/10 for SALIX	(100)
Community Safety & Enforcement	This proposal follows on from invest to save commitment from 2009/10 for Pedal cycle Warden Patrols	(50)
Sustainable Services	This proposal will support the installation/utilisation of Automatic Meter Reading (AMR) technology systems for the council's metering devices (water, gas, electric) for the purposes of billing and analysis.	250
<b>Total Environment &amp; Housing</b>		<b>1,055</b>

<u>Commitments</u>		2010/11 £'000
Department	Description of Commitments	
<u>Regeneration &amp; Neighbourhoods</u>		
Community Housing	This proposal is to address the funding gap created by reductions to Housing Benefit subsidy for temporary accommodation for homeless households from 2010/11 which have been announced by the government. These changes will have an immediate impact on the Council's expenditure within the General Fund regarding Private Sector Leasing (PSL) and Bed and Breakfast (B&B) accommodation. The authority has a statutory duty to provide temporary accommodation and is in medium-term contractual arrangements with PSL providers. These arrangements along with B&B procurement is currently approximately cost-neutral to the council, but from April 2010 are estimated to represent an additional cost. Officers will identify opportunities to secure alternative temporary accommodation through HRA assets as the changes do not affect HRA provision. Due to very limited HRA supply, there will still be a requirement to procure PSL accommodation and to provide emergency accommodation through bed and breakfast. A supply profile of requirements has been drawn up and TA Services will make every attempt to renegotiate contracts and mitigate the effects of the subsidy changes.	1,200
	<b>Total Regeneration and Neighbourhoods</b>	<b>1,200</b>
<u>Deputy Chief Executive's (DCE)</u>		
Concessionary Fares	This proposal is the reallocation of concessionary fares following London Councils arbitration, based on current usage.	451
Concessionary Fares	This proposal is the estimated increase in the cost of concessionary fares in 2010/11 if there is full take up of the Concessionary Bus Travel Act 2007, which increased the minimum concession to free national travel on local buses in England.	1,632

<b>Commitments</b>		<b>2010/11</b>
<b>Department</b>	<b>Description of Commitments</b>	<b>£'000</b>
Client services - Revenues & Benefits	<p>This proposal addresses the shortfall in the budget for 2009/10 which is linked to the termination of the Revenues and Benefits contract with Liberata from April 2011. The shortfall will continue to have an effect in future years which will need to be addressed by a commitment on the base budget in 2010/11. The factors causing the shortfall are:</p> <p>The loyalty bonus which Liberata pays to Southwark for continuing with the contract will not be received (£250k).</p> <p>The 2% year on year reduction in the contract fee will not be realised (£181k).</p> <p>There will be additional inflation on the contract (£114k).</p> <p><b>Total DCE</b></p>	<p>545</p> <p><b>2,628</b></p>
<b>Communities, Law and Governance (CLG)</b>		
Democratic Services - Constitutional Support	This proposal will improve the authority's decision making processes through technology and training	20
Democratic Services - Governance	This proposal is to resource Southwark's Freedom of Information and Data Protection Act demands. Additional resources are required to meet performance standards.	90
Democratic Services - Member Support	This proposal is to support member induction following the 2010 elections.	20
Legal Services - General Litigation	This proposal is to fund the requirement to manage increasing attention on regulatory and health and safety legal responsibilities placed on the authority	66
	<b>Total CLG</b>	<b>196</b>

<u>Commitments</u>		2010/11 £'000
<b>Corporate</b>		
	<p><b>Description of Commitments</b></p>	
	<p>This proposal is the London Pension Fund Authority (LPFA) additional levy for pensions deficit. This is subject to final decision following consultation. London councils view is that the recovery plan is deferred until responsibilities for the deficit are established and full legal clarification is sought by government.</p>	387
	<p>This proposal is the estimated impact of Supplementary Business Rate (SBR) payable to GLA to fund Crossrail. 2% levy on Southwark owned property with rateable value in excess of £55k.</p>	120
	<p>This proposal relates to pensions costs. Following the last actuaries triennial valuation it was recommended that Southwark's total contribution to the fund should increase by 0.5% per annum to a revised contribution rate in 2010/11 of 18%. This represents the final 0.5% increase of the current review period.</p>	565
	<p>This proposal will support contingency provision for service pressures that cannot at present be fully quantified. This estimate is based on previous trends and will need continual review as part of future budget planning and in the context of the medium term resources strategy.</p>	4,000
	<b>Total Corporate</b>	<b>5,072</b>
	<b>Total Commitments</b>	<b>14,286</b>

Department	Description of Savings	2010/11 £'000
<u>Children's Services</u>	<p><b><u>Procurement</u></b> This proposal arises from a cross-departmental review on commissioning parenting projects which will include more efficient use of external funding. This proposal will lead to increased efficiency in specification and procurement of services for additional and special needs of children (part ABG funded - £70k)</p> <p><b><u>Process</u></b> This proposal will complete the restructuring of level 2 support services, eliminating overlaps and duplication in locality delivery This proposal relates to the fundamental review of all out of schools hours activity (ABG funded) within the after school service/extended schools/play service This proposal results from the identification of additional funding options and exploration of options for transfer of certain costs to Schools Budget. This will be subject to DCSF regulations and the agreement of Schools Forum. This would be dependent on identifying compensating savings from activities currently charged to the Schools Budget. This proposal arises from improved productivity and reductions in budgets for travelling costs and general efficiencies arising from co-location of services. This proposal relates to reduced accommodation costs as the CLA service no longer occupies Waterloo Road.</p> <p><b><u>People</u></b></p>	<p>(50)</p> <p>(300)</p> <p>(400)</p> <p>(250)</p> <p>(400)</p> <p>(100)</p> <p>(70)</p>



<b>Efficiency and Improved Use of Resources</b>		<b>2010/11 £'000</b>
<b>Department</b>	<b>Description of Savings</b>	
	This proposal is the reduction in staffing costs through development of an Integrated Youth Service.	(200)
	This proposal relates to the review and reconfiguration of Children's Services staffing structures. It is targeted at high cost services identified during review of Children's services statutory provision.	(330)
	<b>Total Children's Services</b>	<b>(2,100)</b>
<b><u>Health &amp; Community Services</u></b>		
Learning Disabilities (LD)	This proposal is a result of the redesign of the way support is provided to people with learning disabilities with complex health and social care needs. Currently there 300 people with learning disabilities accommodated by Southwark in residential care homes - both within and outside the borough. Southwark spends a higher percentage of its LD budget on residential costs (75%) than the national average (51%). The plan is to move from this residential model to supported living arrangements which will be part funded by housing benefits, Supporting People, Independent Living Fund and the Disabled Living Fund.	(600)
Older People (OP) and Physical Disabilities (PD) Commissioning	This proposal results from the release of efficiency savings associated with the re-tendering of ICES service via a multi-borough consortium. There will be more bulk purchase and a more standardized range of equipment. A local base of the supplier should also enable better client access.	(100)

**Efficiency and Improved Use of Resources**

Department	Description of Savings	2010/11 £'000
OP & PD Commissioning	This proposal relates to the review of Anchor block contract to ensure services continue to meet our strategic service aims and provide value for money. This contract was agreed in 1999. is subject to a five year review clause to be effective from 1 April 2010. The contract is for the provision of 224 residential placements for older people. The provider was involved originally in taking over and rebuilding residential care homes previously run by the Council. The weekly client fee includes an uplift which reflects the capital cost of construction. The current unit cost is £530 - £625 per week compared to the average of about £480 for this type of high dependency accommodation. It is planned to reduce the block contract by 20% (the maximum allowable in the block contract). This is in line with the strategic direction of more use of community support, rather than institutional care, and more use of personal budgets, rather than large contracts.	(600)
Provider Services	This proposal is as a result of the management restructure within Provider Services. The senior manager's role will be covered by the assistant manager. These reductions are possible because of the changing size of the service provided by Provider Services.	(100)
Welfare Rights Service	This proposal relates to the reconfiguration of Welfare Rights Service to ensure alignment with the provision of Council wide benefits advice.	(100)
Supporting People	This proposal relates to the implementation of the framework agreement to simplify the Supporting People commissioning process and reduce costs for the Council and providers. Implementation will take effect from April 2010. A significant part of the saving will be made from the efficiency of better purchasing, not directly affecting the service.	(850)

**Efficiency and Improved Use of Resources**

Department	Description of Savings	2010/11 £'000
Learning Disabilities	This proposal relates to the reduction in repairs and maintenance costs as a result of the council using fewer buildings to provide day services. When the Council outsourced its day services for people with learning disabilities it retained ownership of the properties housing the services. During 2010/11 the number of buildings used to provide day services to people with learning disabilities will reduce. Services currently located at Evelyn Coyle Day Centre and The Grange Project will close and move to a new Resource Centre in Cherry Gardens Street. In addition the buildings retained will require less maintenance due to them being of a better quality.	(70)
Client group commissioning	This proposal relates the re-structuring of commissioning teams in order to deliver the savings target identified. It will include the merger of Supporting People and other client group commissioning teams.	(300)
<b>Total Health &amp; Community Services</b>		<b>(2,720)</b>
<b>Environment &amp; Housing</b>		
Public Realm	This proposal is as a result of early implementation of Pay by Phone borough wide, following the Bankside pilot. The savings arise from the deletion of posts relating to the collection of cash and machine maintenance.	(50)
Public Realm	This proposal is parking contract efficiencies. The procurement of new IT system with lower operating costs will assist in negotiating reductions in contract cost.	(50)

### Efficiency and Improved Use of Resources

Department	Description of Savings	2010/11 £'000
Public Realm	This proposal relates to efficiencies from change of working methods in parks repair and maintenance	(40)
Public Realm	This proposal relates to the reduced energy costs due to revised and improved electricity contracts with utility companies.	(50)
Public Realm	This proposal relates to reduced client and contractor costs arising from efficiency review of highways term contract.	(95)
Culture, Libraries, Learning & leisure	This proposal relates to efficiencies gained from a mini Leisure reorganisation.	(90)
HQ (Tooley St)	This proposal relates to efficiencies created from a rationalisation of departmental support costs as part of the planned modernisation and accommodation strategy. Efficiencies include IT costs, travel costs and general administration costs.	(50)
	<b>Invest to save proposal</b>	
Community Safety & Enforcement	This proposal is the recurring saving of £30k from reduced vans and fuels costs as a result of the 2009/10 Pedal cycle warden patrol invest to save bid.	(30)
	<b>Total Environment &amp; Housing</b>	<b>(455)</b>

**Efficiency and Improved Use of Resources**

Department	Description of Savings	2010/11 £'000
<b><u>Regeneration &amp; Neighbourhood</u></b>		
Strategy and Information: Organisational Restructure Head of Service	This proposal is the restructure of the Strategy & Information team where efficiencies in administration staffing budgets have been identified	(13)
Strategy and Regen	This proposal is a reduced consultancy budget	(40)
Economic Development and Strategic Partnerships	This proposal relates to savings in the repairs and maintenance budget for Stopford Rd	(6)
Director and Business Support	This proposal relates to savings made achievable through sharing services, income and organisational review	(33)
Development management	This proposal relates to the review and rationalisation of central support functions and deletion of agency/administration support budget.	(14)
Development management	This proposal relates to the identification of alternative funding for the Section 106 monitoring officer post	(20)
Community Housing Services	This proposal relates to the deletion of agency staff budget	(11)
Community Housing Services	This proposal relates to the review and rationalisation of staffing structure	(124)
Property Services - Business Team	This proposal relates to the review and rationalisation of non-staffing operational budgets	(9)
Property Services - Business Team	This proposal relates to general efficiencies including reduced use of taxis and travel costs, reduced cost of refreshments for meetings, reduced stationery and other related costs.	(20)

**Efficiency and Improved Use of Resources**

<b>Department</b>	<b>Description of Savings</b>	<b>2010/11 £'000</b>
Property Services - Development Team	This proposal relates to the rationalisation of team structures as a result of Tooley street move. The move has resulted in better and more efficient distribution of administration work across the function.	<b>(30)</b>
Property Services - Corporate Property Services	This proposal relates to staffing efficiencies that have been identified within the admin and surveyor functions as a result of the review and rationalisation within the team.	<b>(84)</b>
Property Services - Portfolio Team	This proposal is efficiency as a result of team restructure in the Voluntary and Community Sector Properties surveyor team.	<b>(25)</b>
Economic Development and Strategic Partnerships (EDSP)	This proposal relates to the review and rationalisation of non-staffing operational budgets across EDSP and Community Engagement divisions.	<b>(6)</b>
<b>Major Projects</b>	<b>Total Regeneration and Neighbourhoods</b>	<b>(435)</b>
Project and strategic support	This proposal relates to savings to be achieved by integrating project areas and management arrangements	<b>(220)</b>
	<b>Total Major Projects</b>	<b>(220)</b>

<b>Efficiency and Improved Use of Resources</b>		<b>2010/11 £'000</b>
<b>Department</b>	<b>Description of Savings</b>	
<b><u>Deputy Chief Executive's (DCE)</u></b>		
Client Services	This proposal relates to savings from the Customer Service Centre (CSC) contract. The model for the ten year duration of the Customer Services contract with Vangent begins to deliver savings against the available budget from year 5 (2010/2011). It allows for £500k savings to be made in both 2010/2011 and 2011/2012.	(500)
Learning and Development	This proposal relates to the reconfiguration of training provision across the department will result in savings through realigning provision to better priorities and ensure continued fitness for purpose.	(170)
	<b>Total DCE</b>	<b>(670)</b>
<b><u>Communities, Law and Governance (CLG)</u></b>		
Democratic Services - Member Support	This proposal is a grouping of efficiency measures within the member support function	(54)
Democratic Services - Community Councils	This proposal relates to operational efficiencies including application of saving to departmental funding streams and formalising legal representation at meetings	(32)
Democratic Services - Constitutional Support	This proposal relates to the streamlining of the discretionary decision making framework and non-statutory meeting structure	(45)

**Efficiency and Improved Use of Resources**

Department	Description of Savings	2010/11 £'000
Democratic Services - Cross Service	This proposal relates to efficiencies in running costs. It is intended to reduce budgets related to equipment purchase associated with the move to Tooley Street.	(5)
Scrutiny	This proposal relates to efficiencies in running costs. It is intended to reduce budgets related to printing, hospitality and professional fees	(12)
Legal Services	This proposal relates to reduced counsels fees. 3 advocates will be employed to reduce departmental external legal spend	(55)
Legal Services	This proposal relates to barristers contract. It is intended to renegotiate rates and widen panel membership	(55)
Legal Services	This proposal relates to the reshaping of the general litigation team.	(25)
Legal Services	This proposal relates to 'switching off' the legal trading account reducing administrative overhead	(50)
Legal Services	This proposal relates to the reconfiguration of senior management team with efficiencies as a result of management restructuring	(25)
Social Inclusion	This proposal relates to the application of performance criteria to review voluntary and community (VCS) sector commissioning using performance data and value for money principles	(67)
Social Inclusion	This proposal relates to the retendering of legal advice contract. The retendering opportunity will be used to review scope of services relative to past performance. It provides the opportunity to build in future savings	(64)



**Efficiency and Improved Use of Resources**

<b>Department</b>	<b>Description of Savings</b>	<b>2010/11 £'000</b>
Social Inclusion	This proposal relates to efficiencies by aligning legal publications budget with historic expenditure levels	(4)
Area Management/Social Inclusion	This proposal relates to efficiencies accrued from the creation of the community engagement division. Area management and social inclusion are merged with efficiencies delivered through identified synergies.	(90)
<b>Total CLG</b>		<b>(583)</b>
<b>Finance and Resources</b>		
Finance	This proposal relates to efficiencies from the retendering of the internal audit contract in 2009.	(30)
Finance	This proposal relates to the operation of efficiencies achieved through improved ways of working across the finance function	(185)
Information Service Division (ISD)	This proposal relates to operational savings achieved across the range of ISD contracts and internal costs. The IT contract is realising savings of 6% over 5 years but due to the profiling there are no additional budget savings for the main ISD contract in 2010/11. In the first instance it is likely that any savings would therefore need to be achieved from a further review of the ISD core functions and subsequent revision in resourcing levels.	(528)

**Efficiency and Improved Use of Resources**

<b>Department</b>	<b>Description of Savings</b>	<b>2010/11 £'000</b>
Property Services - Corporate Facilities Management (FM)	This proposal relates to the rationalisation of FM structure as a result of Tooley street move. The move has led to a better and more efficient distribution of work across the function.	(60)
<b>Total Finance and Resources</b>		<b>(803)</b>
<b>Corporate</b> Shared support services	This proposal relates to efficiencies gained through the implementation of shared support services with the modernisation and accommodation programme acting as a key catalyst to drive forward delivery. Total savings proposed are £3m per year up to 2011/12. (savings shown are reduced by savings identified by departments) <b>Total Corporate</b>	<b>(3,000)</b>
	<b>Total Efficiency and Improved Use of Resources</b>	<b>(10,986)</b>

<b>Other Savings</b>		2010/11
Department	Description of Savings	£'000
<b><u>Health &amp; Community Services</u></b>		
Supporting People	This proposal relates to savings that will be delivered within Supporting People by a combination of service redesign and reconfiguration of the framework, with capacity reductions where needed.	(500)
Learning Disabilities	This proposal is the review of provision of Southwark Outreach Service through improved integration with other providers.	(60)
	<b>Total Health &amp; Community Services</b>	<b>(560)</b>
<b><u>Environment &amp; Housing</u></b>		
Community Safety & Enforcement	This proposal relates to the scheduled ending of the current contract term with the Metropolitan Police Service who previously provided joint funding.	(280)
Community Safety & Enforcement	This proposal relates to service restructuring resulting in termination of the Special Projects Team.	(33)
Community Safety & Enforcement	This proposal is the rationalisation of town centre wardens and environmental enforcement. Structural review and reorganisation of the division will be achieved by realigning management structures. There will be a reduction in senior management posts within the division from 18 posts to 11.	(320)
Sustainable Services (Waste Management & Transport).	This proposal relates to the rationalisation of the Street Inspection regime.	(30)
Sustainable Services (Waste Management & Transport).	This proposal is as a result of reconfiguration of the Environmental Education programme	(80)

<b>Other Savings</b>		<b>2010/11</b>
<b>Department</b>	<b>Description of Savings</b>	<b>£'000</b>
Culture, Libraries, Learning & leisure	This proposal relates to the rationalisation of the SLA with South London Gallery	(40)
Culture, Libraries, Learning & leisure	This proposal relates to the structural review of the Healthy Living Programme.	(140)
	<b>Total Environment &amp; Housing</b>	<b>(923)</b>
<b><u>Regeneration &amp; Neighbourhoods</u></b>		
Transport	This proposal is the deletion of the minor works budget	(40)
Community Housing Services	This proposal relates to review and rationalisation of staffing structure	(85)
Community Housing Services	This proposal relates to review and rationalisation of non-staffing operational budgets	(13)
Strategy and Regeneration	This proposal is the deletion of a Hay7 vacant post in the Home Maintenance Service which was a hard to recruit post due to the low grade for the role required to fill.	(29)
Economic Development and Strategic Partnerships	This proposal relates to £45K savings to be achieved through reduction in contracted delivery (subject to annual tendering round in February 2010). A further £20k savings (part of membership fee for Cross River Partnership (CRP) will be funded from income for specific tasks.	(65)
	<b>Total Regeneration and Neighbourhoods</b>	<b>(232)</b>
	<b>Total Other Savings</b>	<b>(1,715)</b>

<u>Income generation</u>	Department	Description of Savings	2010/11 £'000
<u>Children's Services</u>		Income generated through the implementation of further increases in fees and charges to the Inner London average (as already agreed during 2009-10 budget setting process).	(100)
		<b>Total Children's</b>	<b>(100)</b>
<u>Environment &amp; Housing</u>	Public Realm	Income generated by net income recovery of reasonable costs (contribution to overheads) from issuing permits and licences to statutory undertakers under the Traffic Management Act which becomes operational from 01/03/09	(50)
	Public Realm	Income generated by letting a contract for on street advertising small sheet formats. The first phase of the project would be to identify potential sites using criteria based upon safety, visual impact and commercial viability. Change to current policy. Some original set up costs (£50k) and programme would be subject to planning control.	(50)
	Community Safety & Enforcement	Income generated by increasing volume of licensing fees for high risk Houses in Multiple Occupation (HMO's)	(50)
		<b>Total Environment &amp; Housing</b>	<b>(150)</b>

<u>Income generation</u>		2010/11
Department	Description of Savings	£'000
<b><u>Regeneration &amp; Neighbourhood</u></b>		
Property Services - Portfolio Team	£100,000 income is generated from Advertising Boards. £16,000 additional income will come from Voluntary and Community Sector properties.	(116)
Development management	Income generated from providing pre application advice on planning applications.	(41)
Property Services - CPHA Surplus	Income generated from recharging property disposal costs to capital receipts.	(83)
	<b>Total Regeneration &amp; Neighbourhood</b>	<b>(240)</b>
<b><u>Deputy Chief Executive (DCE)</u></b>		
Revenues and Benefits	Income generated from charges for council tax/NNDR benefit overpayments. It is proposed to increase court charges for Council Tax and NNDR benefit overpayments recovered, as these are currently below the average for London.	(150)
	<b>Total DCE</b>	<b>(150)</b>

<u>Income generation</u>		2010/11
Department	Description of Savings	£'000
<u>Finance and Resources</u>		
Corporate Facilities Management	£90,000 income is generated from Tooley St 160 Flats.	(90)
	<b>Total Finance and Resources</b>	<b>(90)</b>
	<b>Total Income generation</b>	<b>(730)</b>



# **MEDIUM TERM RESOURCES STRATEGY**

## **2010/11 TO 2012/13**



## APPENDIX E

## MEDIUM TERM RESOURCES STRATEGY (MTRS): 2010/11 -2012/13

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### The aim of the MTRS

The aim of the **medium term resources strategy** (MTRS) is to:

- *ensure best use of limited resources for maximum gain both in performance and in achieving value for money to deliver local priority outcomes.*

### Context

Southwark 2016, the sustainable community strategy sets out the long term vision with partners for improving outcomes for people, places and delivering quality services. Effective partnership arrangements underpin the delivery of the vision for the borough. Southwark's Local Area Agreement acts as the key action plan for delivery of Southwark 2016. The corporate plan highlights the council's key objectives over the medium term for supporting delivery of Southwark 2016 and achieving value for money outcomes.

The council has set clear priorities for the future in supporting Southwark 2016, to make the borough one of the best in the country, a place that people are proud to live in. The effective and efficient management of resources through the MTRS is central to delivering that ambition.

The MTRS sits alongside the corporate plan and sets out the key council objectives for delivery.

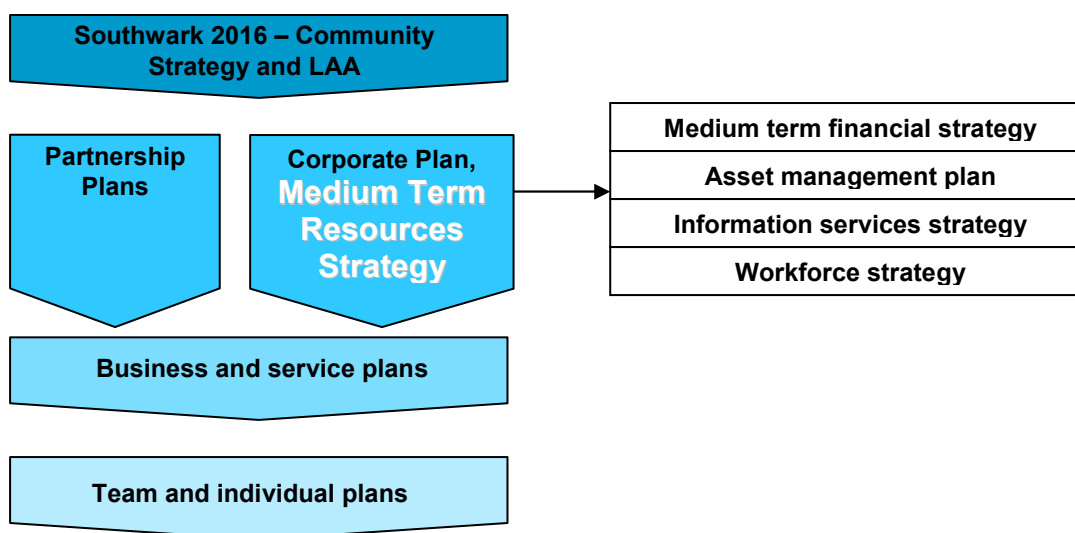
The MTRS aligns financial priorities of the council with key strategies for asset management, human resources and information technology to deliver local priorities. The MTRS facilitates the maximisation of resource opportunities in order to achieve long-term policy outcomes. The MTRS will therefore further embed the achievement and improvement of value for money outcomes.

### Key priorities

The key priorities of the medium term resources strategy are:

- To achieve excellent and robust resource management across the council
- To sustain a value for money culture and secure continued delivery of outcomes through effective business and budget planning, monitoring and challenge
- To ensure equalities and sustainable outcomes are achieved through effective resource and performance management
- To deliver, through excellent financial management, the effective and efficient use of resources and maximisation of resource opportunities in order to achieve long-term policy outcomes
- To align the capital programme with the council's asset management plans
- To target investment in information technology to achieve medium term efficiency through modernisation and modern ways of working
- To deliver sound governance and accountability in respect of all council resources and assets
- To make investment and disposal decisions that are based on option appraisal and whole life costing
- To manage resources to effectively recruit, retain and develop the right staff to deliver efficient and high quality services to our community

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### How the medium term resources strategy is brought together

The MTRS comprises of:

- The medium term financial strategy or MTFS.

*The MTFS sets out the financial priorities of the council. The MTFS sets out the financial remit within which the council business plans are developed and agreed.*

- Asset management plan or AMP.

*The AMP sets out the strategic priorities for the delivery of effective asset management planning across the borough.*

- Information services strategy.

*The information services strategy sets out the strategic approach to the development of information and communications technology within the council, based on delivery of value for money outcomes against three core priorities of successful delivery of operational services, achievement of organisational modernisation and underpinning future success. It has been updated to reflect the rapid changes taking place across the council, as well as the possibilities being offered by changes in information and communication technology. While many of the KSO activities are underpinning and not immediately visible, Southwark became one of the first council in London to achieve accreditation for Government Connects, allowing secure electronic data exchange with central government. The council is committed to a major programme of modernisation and improvement, known as Modernise, much of which is enabled by the application of information technology in the workplace. Significant elements of Modernise have been completed successfully with the move of 2,200 staff into purpose-built offices in Tooley Street, supported by IT that enables hot-desking, near-paperless-working, mobile working, and occasional home working. As the four-year IT Strategy rolls out, further, IT-enabled improvements in council operations will be seen.*

- Workforce strategy.

*The workforce strategy sets out how the council will recruit, retain and develop the right staff to deliver efficient and high quality services to our community. It is based on five key themes of: recruitment & retention, pay & reward, skills development, leadership and organisational development. The workforce strategy supports the delivery of the modernisation and improvement programme to ensure the council continues to have a fit*

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*for purpose workforce with the right balance of skills to achieve continuous service improvement and value for money outcomes in delivery. In the current economic climate this will focus on the need to manage reorganisations and restructure effectively ensuring the right numbers of staff (workforce planning) and the identification of key skills and competencies (organisational development).*

### Use of Resources

On 1 April 2009 the Audit Commission introduced the new Comprehensive Area Assessment (CAA), which replaces the Comprehensive Performance Assessment. The assessment process for use of resources has changed substantially with the introduction of the CAA. The use of resources is made up of judgements on managing finances (including cost efficiencies and value for money), managing the business (including governance, commissioning and procurement, information management and quality and internal control) and managing resources (including sustainability, assets and for introduction in 2009/10, workforce planning).

In the first assessment of this kind Southwark was judged to be performing adequately, or a score of 2 out of 4, overall. Southwark scored 2 out of 4 for each of the three component judgements – managing finances, managing the business and managing resources. Key themes emerging from the assessment as reported by the District Auditor include the need to strengthen capital reporting, (including greater clarity on slippage), implementing the council's IT improvement plan, continuing to deliver sustainability strategies and updating the asset management plan in line with the changing economic circumstances.

In moving forward beyond the assessment the council will need to demonstrate and evidence continued improvement in the use of resources. Improvement action planning will be progressed and monitored through 2010/11. The use of resources assessment will be refreshed on an annual basis, subject to any changes proposed by the Audit Commission and/or government. Progressing action plans will particularly include strengthening the MTRS to demonstrate how priorities are being delivered through the effective management of total resources. This process has begun with this refresh of the MTRS and will continue through the business and budget planning process.

### Keeping the MTRS under review

The MTRS will be kept under annual review to ensure continued fitness for purpose in meeting the overall aim of ensuring ***best use of limited resources for maximum gain both in performance and in achieving value for money to deliver local priority outcomes.***

Monitoring of the priorities within the strategy will be achieved through the regular business, and revenue and capital reports that are presented through the Executive process.

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### Section 2 – supporting plans and strategies

#### MEDIUM TERM FINANCIAL STRATEGY (MTFS)

##### Context

The overall aim of the MTFS is to achieve the effective and efficient use of resources and maximisation of resource opportunities in order to achieve long-term policy outcomes. It sets out a clear financial remit within which the council's business plans are developed and agreed and supports the borough's broader partnership ambition.

##### Key priorities

###### **Financial Management**

- To achieve excellent financial management across the council
- To spend only within budgeted limits whilst sustaining and achieving performance improvement in line with strategic policies and priorities
- To rigorously review all proposed unavoidable commitments and ensure that all possible avenues for delivery, including alternative funding, have been explored; and that the costs have been kept to the minimum required to meet statutory and contractual requirements
- To only fund new service growth from additional departmental savings
- To carry forward into the new financial year 100% of departmental outturn overspends and 50% of underspends, subject to the discretion of the Finance Director
- To underpin all council resource allocation decisions with financial reality and health checks
- To undertake sensitivity analysis to forward manage key projects over a minimum three year period

###### **Value for money and the management of performance**

- To monitor the consequences of the economic slowdown across all council services to ensure that value for money is sustained and impact on service performance and quality is mitigated
- To monitor and benchmark service performance relative to costs against other councils, nationally and locally
- To continually improve council tax and NNDR collection rates as measured by inner London quartiles
- To act to reduce arrears overall, with particular emphasis on council tax, rent and NNDR, and seek prompt payment or payment in advance so as to improve the council's overall cashflow position
- To maximise returns on cash investments while maintaining capital preservation and liquidity within the context of the economic slowdown
- To target sustained upper quartile performance for pension fund investments

###### **Reserves, balances and central contingency**

- To present balanced budgets year on year without recourse to reserves and balances except for specific earmarked projects
- To maintain a central contingency at a sufficient level to cover demand pressures that are volatile, difficult to predict or unforeseen at the time the budget is set
- To maintain reserves and balances at a level sufficient to manage the potential risks and opportunities of the organisation.
- To target an increase in general fund balances to £20m over the course of medium term, in line with similar organisations in London
- To maintain appropriate earmarked reserves to mitigate risk and smooth cost pressures arising from major council projects and priorities, not least regeneration and development and

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modernisation and service improvement. To facilitate this any money received from relevant short-term funding streams (e.g. Local Authority Business Growth Incentive) be allocated to reserves to meet the implementation costs of major projects

**Savings and efficiencies**

- To produce a prioritised range of efficiency and other savings options for each year totalling up to 5% of the council's net budget requirement for approval
- To deliver an annual programme of efficiency savings of at least 3% of net service budgets, in line with Government targets and within the overall 5% target
- To invest to save on the basis of sound and robust business cases
- To return all windfall benefits not planned within base budgets to central resources for corporate allocation in line with strategic priorities
- To continually review the extent and costs of discretionary services being provided in the context of service priorities and resources available; to set out options for the cessation or reduction of expenditure on these services which are not of a high priority

**Income and investments**

- To maintain council tax increases within inflation levels over a medium term planning horizon
- To protect and enhance the level of formula grant and specific grant entitlements from year-to-year
- To maximise external funding opportunities whilst ensuring the continuance of and further investment in key priorities
- To achieve an effective and prioritised forward strategy when specific external funding streams cease
- To maximise the council's income generation by seeking income streams in line with council policies and priorities
- To increase discretionary fees and charges to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
- To increase all fees and charges capped by statute to the maximum level the cap allows
- To increase housing rents by the government guideline and progress towards the formula rent target by 2011/12
- To secure increased funding levels of the pensions fund over time to achieve 100% funding within period recommended by actuaries

**Capital Programming and strategic projects**

- To align the major strategic projects into mainstream capital programme
- To exploit opportunities afforded through the regeneration programme, including setting a target for capital receipts from regeneration projects to support the council's future capital programme
- To build and sustain appropriate capacity and expertise to plan and implement major capital projects
- To profile capital schemes realistically over their lifetime and apply full whole life costing principles to all major capital projects including investment and disposal decisions
- To establish over the medium term sufficient lifecycle maintenance provision for the council's fixed assets where the assets are essential for service delivery and it is cost effective to maintain them in line with the council's asset management plans
- To review uncommitted budgets within existing approved programme annually and reprioritise as necessary
- To identify, review and select the procurement strategies and partnerships arrangements (where appropriate) for all major capital projects

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- To maximise and accelerate programme of capital receipts ensuring best consideration and due regard to service provision, in line with the asset management strategy and to obtain best value from the disposal
- To maximise potential from planning gains and associated benefits in accordance with agreements and strategic priorities while at the same time evaluating the opportunity costs of taking these gains and benefits
- To use capital receipts as the preferred source of funding for the capital programme
- To pool corporately all capital receipts without any specific earmarking unless so directed by the Executive
- To use prudential borrowing where the business case is agreed
- To use the Cleaner, Greener, Safer budgets through the Community Councils to fund service investment needs where appropriate
- To maintain a capital contingency reserve (£5m) to fund urgent and unavoidable works, including health and safety and DDA works – release of these funds to be subject to the prior approval of the Finance Director in consultation with the Executive Member for Resources
- To maintain a base capital provision for annual recurring expenditure on highways and street lighting infrastructure of £5m and Cleaner Greener Safer schemes of £3.25m – schemes of works to be submitted to the Finance Director for prior approval on an annual basis

**Governance and partnerships**

- To regularly review the financial regulations and contract standing orders to ensure their robustness and continued suitability in order to safeguard the council's assets, maximise its resources and ensure value for money
- To achieve a resources strategy that will in partnership with key stakeholders maximise the benefit to the wider community
- To ensure effective governance arrangements for all partnership agreements relating to the shared use of resources are in place
- To maintain a risk register for joint risks of these partnerships
- To optimise the opportunities for efficiencies afforded by improved partnership working and shared services
- To ensure, in consultation with our partners, that the decisions on the allocation of area based grant continue to meet the policy objectives of the council over the medium term

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### ASSET MANAGEMENT PLAN

#### Context

In May 2008 Southwark's Executive approved the adoption of a comprehensive new suite of high-level asset management policies and practices for the effective stewardship of the Council's property assets. These are encapsulated in the Corporate Asset Management Plan 2008.

Whilst planning and delivery programmes for property assets tend to look to the medium-to -longer term, and for this reason the fundamental principles of AMP 2008 continue to hold good, much change has taken place over the last 18 months. It was therefore appropriate to produce a Refresh document to review progress, examine change in the economic and legislative environment in which our property strategy operates, to challenge the relevancy of existing asset management arrangements and to look ahead to the approach that will be required going forward.

*What does the refreshed AMP aim to achieve?*

#### Strategic Alignment

- Provides an overview of the Council's refreshed Corporate Priorities for 2010-12 and Southwark 2016 Community Strategy priorities and objectives and highlights where these impact on the Council's property assets;

#### Analysis & Forward Planning

- Considers the present and future issues and challenges facing the Council in realising the objectives of the Corporate Plan together with the internal and external drivers and influences impacting on the Council's ability to effectively deliver its services; this particularly includes the squeeze on public spending resources, the global economic downturn, and the consequential increasing demand for the Council's services;

#### Implementation & Review

- Highlights the areas where progress has been made. This includes bringing into full operation a new administration centre, responding to the challenge of exploiting this building to achieve maximum savings, the consequential rationalisation of the operational office estate, major change in how facilities management is handled across the retained estate, a comprehensive review of operational property requirements in Localities, a detailed compliance audit and the commissioning of detailed space and condition surveys for the entire operational estate;

#### Measuring Outcomes & Improving

- Seeks to further develop benchmarks and key performance indicators which will enable the Council to measure progress against its corporate objectives and consequently, more readily identify areas which are performing well and areas where further investment or a change in strategy is required.

#### *Southwark's approach to asset management planning*

The Council's property holding is a key strategic resource. In view of the size and diversity of the estate and the wide ranging corporate objectives it is essential that a robust asset management planning process is in place to ensure that resources are aligned and prioritised to optimise the use of its property estate in terms of service benefit, financial return and value for money. Underlying this overarching objective is a requirement to ensure that the property estate:

- Is treated as a corporate resource and is managed corporately;
- Supports the delivery of the Corporate Plan and Community Strategy;



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- Is well maintained and fit for purpose (i.e delivering services);
- Is fully utilised;
- Is suitably located and accessible;
- Is cost effective and represents a value for money return on the Council's investment.

The Council's fundamental approach to asset management planning and its asset base is set out in a set of high level objectives that were formulated in AMP 2008, accompanied by corresponding Critical Success Factors. Together they describe Southwark's overall approach to managing its assets and how this process reconciles the portfolio's vast potential with the organisations needs

### Key Priorities

- Strategic planning of the estate fully integrated into the Council's business planning processes
- Acting proactively to mitigate the affects of the market downturn whilst reconciling this with the strategic objectives of the Council
- Contributing to key regeneration projects through acquisition and disposal activity and use of CPO powers where appropriate
- Achieve a corporate portfolio that is appropriate, fit for purpose, affordable and which contributes to improving operational and service delivery outcomes (sustainable; efficient; fit for purpose; value for money)
- Managing our estate in accordance with our obligations as a landlord and with regard to all relevant health and safety / statutory compliance requirements
- Constantly review and monitor the operational estate to achieve portfolio objectives , including the maximisation of opportunities and efficiencies from the Council's occupation of 160 Tooley Street
- Successfully managing operational demand for corporate accommodation arising from extensive restructuring across the organisation and the ongoing drive to modernisation
- Provide flexible solutions to operational requirements to allow for changing future demands in the operational estate (including exit strategy)
- Responding to changing demand for property services from all parts of the organisation; balancing those demands against resources available
- Include consideration of external factors in all strategic decision making
- Promote collaborative/partnership working to provide efficiencies, either through occupational, operational or procurement arrangements
- Promote high environmental sustainability in both existing buildings and in procurement of new assets in order to minimise costs in use and emissions
- Delivering challenging capital receipt targets whilst maintaining best consideration principles and balancing revenue requirements
- Improve stock condition and minimise back log maintenance
- Ensure statutory compliance and minimise risk exposure
- Consolidated property management arrangements at strategic and operational levels
- Rationalisation and repackaging of FM contracts to achieve management efficiencies, economies of scale and mitigation of corporate landlord compliance risk
- Maintaining a sustainable corporate estate and preserving its inherent investment and utility value through comprehensive facilities management arrangements and a planned preventative maintenance programme.
- Put in place a full condition survey programme for the operational estate in place

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- Align and rationalise FM contracted services to provide informed procurement opportunity, efficiencies and minimise management overheads
- Consolidate FM budgets providing total cost of occupancy to support strategic asset management
- Undertake informed outsourcing based on fixed price repairs and maintenance bringing significant cost certainty and increasing transfer of risk to the supply side
- Continue the delivery of the corporate compliance programme working toward best practice allowing effective and transparent management of risk
- Raising the profile of asset management planning corporately and operationally across the authority and reinforcing the role of the Corporate Property Officer
- Renewing and reinforcing structures for asset management planning at corporate level
- Ensuring property strategies in support of corporate objectives are properly resourced and programmed
- Reviewing and refining systems, data, and performance management arrangements in order to fulfil the growing expectations of them
- Safeguarding the Council's legal position with regard to its land holdings by completing a comprehensive review and registration of title programme
- Implementing a comprehensive and sustainable approach to the management of voluntary and community premises, underwritten by sound asset management practices and following from agreement of the overall strategy for the estate by Executive in May 2009
- Managing rent reviews and lease renewals to maximise revenue income
- Taking appropriate action to minimise the arrears of rent
- Proactively managing the investment portfolio to ensure compliance with lease terms and protect/enhance value
- Challenge reasons for holding investment property and monitor investment returns and performance
- Provision of effective, professional property advice in support of departmental strategic objectives

For further information and the detailed action planning refer to **Southwark's asset management plan**.

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### INFORMATION SERVICES STRATEGY

#### Context

A strategic approach to the development of information and communications technology, now more often referred to simply as 'information services', is essential if the council is to deliver its corporate aims as set out in the corporate plan and Southwark 2016. At the same time, the council needs to achieve the best possible value for money from its information services expenditure. The council needs to ensure information services support the improvement of the management of information in line with the key principles underpinning better data quality.

The council has committed itself to a major programme of modernisation, much of which is enabled by the application of information technology in the workplace. The future success of our organisation as a whole will be underpinned by the effective exploitation of information and communication technology, wherever it will enable us to provide excellent services that achieve value for money to the residents of the borough.

The council's prior ICT strategy was created in 2006 to cover the period up to the end 2009, but it was a mark of both the pace of change of technology and of the organisation's rapidly evolving business requirements that this strategy had to be updated ahead of time. The new strategy, approved by members in Jan 2009, covers the period of the MTRS. It focuses on maximising efficiency in the delivery of essential services, and on supporting the council's modernisation and improvement programme, including the move to Tooley Street, adoption of modern ways of working, and the wider adoption of technology-enabled flexible working practices. Judicious investments in ICT are seen as vital in enabling the council to meet the financial challenges it is facing, by unlocking efficiencies, value for money and quality in service delivery. The strategy will be kept under regular review, to ensure that it keeps pace with evolving organisational needs and improvements in technology.

#### Key priorities

There are three key priorities underpinning the development of the information services strategy are:

- **The Successful Delivery of Operational Services**

The all-pervasive use of computer and communications technology in the organisation means that a reliable, effective information service is essential to both front-line service delivery and the supporting administrative functions. This capability has to be maintained and updated if it is to function properly, and requires both expert support and continuing investment.

- **The Achievement of Organisational Modernisation**

The council's modernisation strategy is essential to achieving efficiency improvements, and has many facets which depend on the successful introduction of new technology. For instance, the introduction of 'modern ways of working' from 2009 will bring together currently dispersed back-office staff onto a single site, and will involve:

- hot-desking - so that staff can be accommodated using less office space than in the past
- near-paperless working, based on information being captured, stored and shared over the network, and managed throughout its life in electronic form
- occasional home-working - which cuts down on unnecessary travel, enhances productivity, and contributes positively to work-life balance

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- mobile working - which lets staff complete operational tasks without returning to the office

Throughout the modernisation agenda, the effective use of technology – along with change management, process redesign and training - is fundamental to achieving improvement.

### • **The Underpinning of Future Success**

Technology continues to develop rapidly, and will make an increasing contribution to organisational efficiency and effectiveness in the future. Southwark is committed to exploiting technology to the advantage of its citizens, wherever the resulting business benefits are justified by the investments required, and wherever the organisation's needs to deliver service excellence dictate. The potential that technology offers to achieve efficiency savings (while always being matched with the 'people' and 'process' elements) is considerable, and is of the highest importance to the organisation's future. The technological developments that will enable future success are outlined within this strategy.

A comprehensive programme of work will be undertaken over the period of the MTRS to achieve the above. Specific areas to be addressed will include:

- Improvements in data and information security. These will be necessary to address some known limitations in the current infrastructure, improvements required to meet the newly-enhanced standards of GCSx ('Government Gateway'), and enhancements to operating procedures.
- The move of the John Smith House (JSH) data centre to Tooley Street. This will enable the sale and capital receipt for JSH, and also bring this secondary data centre up to the latest energy-efficiency and security standards.
- The creation of 'roadmaps' for all of the major line-of-business applications in use in the council. This will ensure that necessary upgrades are implemented, and applications remain fit for purpose. This will include periodic reviews to see if better solutions are available, and if so whether specific applications should be replaced. The approach to application support will also be periodically reviewed, to see whether better value could be obtained through, for instance, shared services with other councils, increased levels of outsourcing (or insourcing), greater centralisation (or decentralisation), and so forth.
- Objective measures will be taken of customer satisfaction with both general and department-specific aspects of the service. This will allow greater focus of resources and management effort onto those areas that cause problems for users.
- A re-negotiation of some aspects of the principal IT outsource contract (currently with Serco). This will allow better focus on aspects of the service that have been problematical, and more appropriate measures of KPIs that are important to the business. A key aspect of this will be ensuring that end-users and managers get better feedback on the service, so that they understand that issues (where they occur) are being recognised, and addressed.
- A focus will be placed on achieving greater efficiencies in service delivery and in the use of IT resources, right across the board. End users will play their part in this too – for instance new email and data storage quotas will be introduced progressively, to ensure that best use is made of electronic storage space.
- A 'service catalogue' will be introduced. This will allow users to order a range of services on-line, via the intranet, rather than having to contact the Service Desk. Experience in other organisations is that this self-service approach is both preferred by users and saves costs. Similarly self-service password reset will save costs, and enhance the user experience.
- As the Modernisation programme continues, IT will enable Modern Ways of Working at more council sites. This will achieve efficiencies in office usage (through hot-desking, occasional home working, more mobile working, etc), plus the ability for staff to occasionally work from council sites other than their own. In due course it may also be possible to move to a desk:staff ratio beyond the current 8:10, thereby achieving further efficiencies in the use of office space.

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For further information and the detailed action planning refer to **Southwark's information Services Strategy**.

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### WORKFORCE STRATEGY

#### Context

Southwark's workforce plan was comprehensively reviewed in 2008 leading to the production of Southwark's workforce strategy. This explains how we will recruit, retain and develop the right staff to deliver efficient and high quality services to our community. Linked to the corporate plan and aware of external drivers, the strategy looks at 5 key themes; recruitment & retention, pay & reward, skills development, leadership and organisational development. The strategy will be reviewed annually. Whilst ambitious in our aims, Southwark has firm foundations in people management. The council invests heavily in learning and development and has achieved re-accreditation of our IIP status across its workforce in 2009, achieving bronze status. The current performance management scheme has been in place since 1999/2000. The council has comprehensive and robust HR policies and procedures.

The organisation has recognised the importance placed on changing the shape and make up of its workforce. Using initiatives such as "modernise" and efficiency reviews has created significant challenge, in the medium term, to both the type and numbers of staff employed and the structures and processes they operate under. The drive for efficiency will have a major impact on Southwark council employment. All business activities will be reviewed, including the need for agency staff, and management structures streamlined. We will look at what is done, how and where this will be achieved, who is employed and the skills and knowledge required to deliver the council's business. The council's accommodation strategy supports this programme, with the major relocation to modern accommodation at 160 Tooley Street in summer 2009 being a key driver.

Engaging managers and staff in this process will be vital and the council will make use of existing consultation processes, (e.g. the trade unions and special staff groups for disabled employees, BME employees etc), and new communication routes; on line surveys, IT developments for collaborative working and engagement. Specific resources have been put in place within the modernisation programme for a broad and comprehensive internal communications strategy and for a special training programme to assist in the successful delivery of this complex change. Staff survey results indicate this process is proving successful in reaching staff and obtaining employee engagement.

To achieve the council's objectives, as set out in the corporate plan, recognising the national context and local influences, Southwark must ensure that there are sufficient numbers of staff delivering services. These employees must have the right skills, knowledge and commitment to meet the changing needs and expectations of the community. The workforce will be efficient, well supported and led, reflect the population they serve, enjoying appropriate conditions of employment in a modern working environment.

#### Key priorities

Our workforce strategy is grouped under five key priority themes:

- **Recruitment & Retention**

Ensure the organisation attracts, develops, motivates and retains staff of sufficient numbers and talent to deliver ambitious aims

- **Pay & Rewards**

Deliver a total reward package which is fair, modern, affordable and what people want

- **Skills and competency identification and development**

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In a multi-agency environment, develop people's skills and knowledge so that they enjoy productive careers and deliver innovative, high performing services

- **Identifying & Developing Leadership Capacity**

Employ and build leaders who can demonstrate the courage, energy and capability to deliver organisational goals and work in partnership with others

- **Workforce Planning and Organisational Development**

Manage change to establish the right organisational structure with the right numbers of staff to deliver key services. Creation of a modern learning organisation that welcomes innovation and embraces new ways of working

The workforce strategy will be supported by a HR infrastructure that encourages modernisation and supports ambitious people management objectives, delivered through action planning.

For further information and the detailed action planning refer to **Southwark's workforce strategy**.

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Capital Programme Monitoring Report and Refresh of 10 Year Capital Programme	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Finance Director	

## RECOMMENDATIONS

That Executive:

1. Note the current monitoring position for the capital programme 2009/10 – 2015/16 for both the General Fund (as at September 2009) and Housing Investment Programme (as at November 2009). See appendices A and B respectively.
2. Notes the current situation with the updated Primary School Programme as described within paragraphs 26-35.
3. Notes, for the General Fund, the level of forecast capital resources projected for the period 2009-18 (£593m) compared to the current estimated cost of the existing programme (£490m), an increase of £103m in new resources.
4. Note the value of the new capital bids under review (£174m, General Fund only), see Appendix C.
5. Approve to fund from new capital resources the list of contractual obligations, health and safety pressures and identified high priorities including invest to save schemes (Appendix C items 1-14 costing £58.2m).
6. Request that the Finance Director provide more detailed options analysis and financial appraisals on the remaining bids received (items 15-34 costing £115m) for future consideration by the Executive in the context of resources available and considering any additional resources which can be identified.
7. Notes the current position regarding the Elephant and Castle regeneration scheme and the signing of the Heads of Terms paper with the partner organisation Lend lease.
8. Request the Finance Director to submit quarterly monitoring reports to the Executive in line with revenue monitoring to include regular updates on resource planning and availability to fund the programme and emerging priorities.
9. See appendix D for analysis of the overall position regarding resources and commitments. Work is in progress to fully justify the position and will form part of the follow-up report in conjunction with point 6 above.
10. Note, for the HIP, that increased funding pressures (outlined in paragraph 51) have resulted in slippage to the programme in the short-term. Efforts will be made to correct the slippage in the light of the longer term resourcing strategy.



## BACKGROUND INFORMATION

11. On the 13<sup>th</sup> February 2007, the Executive approved the 10-year capital programme for 2007-16. The 10-year programme replaced the previous three year programme that limited the Council's ability to plan for the costs and opportunities presented by longer term regeneration, development and asset management strategies. The first 10 year programme included projects that were within the remit of the Medium Term Resourcing Strategy and were in line with local priorities as expressed through Southwark 2016.
12. The ten year programme introduced in 2007 represented a significant change for the Council's planning for capital schemes. The introduction of the 10-year programme sought to maximise opportunities afforded from the regeneration of the borough over an extended period. This included consideration of short, medium and longer term plans for schools, housing, waste, libraries and leisure provision.
13. In 2007, budgets for the 10 year period 2007-2016 were set at approximately £340m for the General Fund programme, and over £500m for the Housing Investment Programme. (HIP). Since this time there has been some £330m of capital expenditure spent on both the General Fund and HIP programmes. There has been around £200m of new additions to the capital programme to reflect emerging service pressures and additional resources secured, principally through grant funding.
14. Over the last three years, the programme has been updated to include major initiatives such as the Southwark Schools for the Future programme as and when they have been agreed. The current updated capital programme remains fully funded.
15. However, additional investment is required in a range of new and emerging priorities and pressures. The impact of any changes to the programme will need to be matched by new resources identified as available or by way of reprioritisation of schemes within the existing programme.
16. On the 29<sup>th</sup> September 2009 the 2008/09 Capital Outturn report was presented to the Executive. This reported the capital outturn position at the end of 2008/09 and approved the spend and resources to be brought forward into the 2009/10 – 2015/16 programme. At that time the total value of the General Fund programme and associated resources stood at approximately £421m including the Southwark Schools for the Future programme; the Housing Investment Programme at £240m.
17. As part of the same report, the Executive accepted the recommendation of the Finance Director that a refreshed 10 year capital programme be prepared for their approval. This recommendation was specifically in response to the potential impact of the recession, not least the impact on the Council's disposals and regeneration programmes. Work on this refreshed 10 year programme is covered within this report and is informed by the monitoring position also reported.
18. The refresh work stream began last summer with the invitation to chief officers to bid for new resources for consideration within the capital programme. An officer scrutiny panel considered all bids in accordance with statutory and regulatory positioning, strength of business case, links to the corporate plan and assessment of any revenue budget impacts. The long list of bids within this report (Appendix C) identifies the results of this process.
19. As a separate piece of work the existing programme was reviewed in terms of affordability, viability and appropriateness. Along side this a ten year view had been taken of the disposals programme and in overall terms the cash flows resulting from expenditure and income mix are under review.

20. The Executive have previously made a commitment to identify a capital contingency reserve of £5m for urgent and unavoidable capital works. Current level of contingency reserve is £2.7m; therefore a target increase of £2.3m should be identified as a commitment.

## **KEY ISSUES FOR CONSIDERATION**

### **Capital Programme 2009-16 – Monitoring Position**

21. The current monitoring position shows a total forecast spend on the General Fund programme for 2009-2016 of £444.8 (Appendix A). The total forecast available resources over this period are £449.4m. This represents a surplus of funds available over the next seven years of approximately £4.6m in spite of the general economic circumstances, but reflects current best estimates for property disposals, grants and other funding sources.
22. This surplus is achievable due to the claw back of unallocated funds identified for ongoing Town Centre improvement schemes. Subject to Executive approval, it will be recommended that these resources be used to support other priorities, not least pressures on health and safety matters, including fire preventative measures.
23. The current forecast expenditure for the Housing Investment Programme for the years 2009/10 to 2011/12 is £320m as per Appendix B. This compares with the budgets brought forward after the 2008/09 outturn of £240m. The difference is due to the extension of the programme into the financial year 2011/12, which had not been fully budgeted for in the budgets brought forward from 2008/09.
24. Of this extension, most of the expenditure can be met by resources already in the programme, and the addition of grant and revenue funding in 2011/12. The balance will be funded from identified housing capital receipts within the corporate resource pool.
25. The commentary below on the latest monitoring position sets out the main issues arising by service department and goes on to detail the main departmental issues with regard to new capital bids and the programme refresh to a new ten year agreement taking the programme to 2018/19.

### **Comments on Capital Programme Monitor by Service**

#### **Children's Services**

26. The Children's Services capital programme, with the addition of the further external resources now totals some £74.4m and includes various internal virements.
27. Good progress is being made on the implementation of schemes across the various elements of the programme and all programme variations identified to date can be managed within the current resources available. Where possible schemes of works are being managed via the Local Education partnership (LEP), a procurement vehicle set up to deliver the councils Building Schools for the Future programme. This will provide better opportunities for achieving value for money projects and sustainable solutions generally.
28. A number of changes have been made to the mix of schemes included in the Primary Capital Programme (PCP) originally agreed by Executive on 19th March 2009. These are summarised in the following paragraphs.

29. In September 2009 the Executive agreed to revise the £14m allocation for Cherry Garden Primary Special School on the basis that fewer new places were required in the light of a review of numbers. It was also agreed to co-locate the new school on the site of Gloucester primary school, which would be reduced in size. The revised budget would also provide for refurbishment of Gloucester, with the balance for other projects such as new places, fabric and modernisation.
30. An additional DCSF grant of £0.5m was secured to improve school kitchens and dining areas, subject to schools finding equivalent match funding. In some cases the funds will be spent directly by schools, in others used to supplement capital projects such as Dulwich Hamlet, where the new facility is now open.
31. The Executive also agreed to the substitution of a project for the front entrance at Heber School at a cost of £0.5m in lieu of one at Goose Green for the same amount. The Heber front entrance is now complete, improving security, accessibility and welcome. The Goose Green scheme is now being funded as a Children's Centre in the Sure Start programme, to include a new kitchen (using DCSF grant) and extended school facilities.
32. In July 2009 the Executive approved the inclusion of a scheme at Surrey Square Infant and Junior Schools for a new dining pavilion at a cost of £1.094m, some £0.994m of which came from a grant from the Aylesbury NDC, with the balance from the kitchen programme above, with match funding from the schools.
33. A report to the Executive on the 24<sup>th</sup> November 2009 highlighted the current pressure on primary places in the borough. Funding of £450,000 for additional classrooms in three primary schools was identified in 2009/10 from resources in the PCP for all schools plant, fabric and modernisation.
34. The original PCP report also confirmed some £32m to support the project for the rebuilding of the 3 primary schools Michael Faraday, Eveline Lowe and Southwark Park, first approved in 2005. At that time, the final tender figures were not known and outline estimates were given for each school. Given the tender climate, allowances had to be made for risk factors due to under pricing, as well as emerging design and construction issues. For this reason contingencies have been held centrally, to be reallocated in order to deliver the agreed scheme requirements. Although tenders were approved for Michael Faraday and Eveline Lowe, with work progressing well on site, Southwark Park is still to be finalised. The allocation for each school within the overall programme will be reported when a tender for Southwark Park can be agreed.
35. The PCP is monitored by the DCSF through Partnerships for Schools against the original bid submitted by the Council. There is an expectation that resources from all areas of the Children's Services, including devolved capital and revenue, should be connected to ensure that investment is strategic and leads to permanent improvements.

### **Children's Services - Southwark Schools for the Future**

36. Executive noted the project affordability issues within the SSF Finance Update report in November which set out the key financial implications of the Local Education Partnership procurement and the 3 phases of the building programme.
37. May 2009 saw the financial close for the phase 1 sample schools and the setting up the Local Education Partnership for the delivery of the remainder of the SSF programme. The sample schools are on target for completion on time. Plans for the phase 2 design and build schools are on schedule as per the Outline Business Case. The phase 2 & 3 PFI schools are planned to be delivered through a single special purpose vehicle in order to make the schools affordable within the funding constraints. A further report on SSF will be brought to the March Executive.

### **Deputy Chief Executive's Department, and Financial and Resources**

38. The major capital project for DCE has been the development of the new Council headquarters at 160 Tooley Street involving the relocation of 2,000 back office staff from buildings across the borough, giving the Council the chance to introduce more modern, flexible and environmentally friendly ways of working, generating efficiencies too. The progress of the programme is borne out by a disposals envelope yielding some £15m in capital receipts to help fund the acquisition including the sale of properties such as Larcom Street, John Smith House and various sites in Peckham Road. Therefore, the business case remains on target.
39. For the rationalisation of the remaining estate, the principle will be adopted that accommodation should be designed to match the requirements services need to improve outcomes for residents. This includes the appropriate provision of customer access points and consideration of the differing needs for locally based services in different parts of the borough. The principle will be applied within the constraint that accommodation must be flexible and able to respond to the changing needs of residents and the changing make up of the council and of our partners over time.
40. These changes will be self financing and may give rise to additional contributions to corporate resources as the Council will be selling a number of buildings as well as making better use of existing buildings to support improvements to service delivery. By disposing of property in the poorest condition, the Council will forgo considerable liabilities on the maintenance and modernisation of old, not-fit-for-purpose buildings. Minimising the total number of offices sites will also maximise the opportunity for revenue savings related both to the operation of buildings and the potential for service reorganisations currently inhibited by the nature of accommodation
41. Information Services (IS) has moved from DCE to form part of Finance and Resources. Information Services have refreshed their capital programme which is projected to be on budget for the current year 2009/10. The IS Strategy is currently being implemented to deliver further modernisation and infrastructure requirements in conjunction with the Office Accommodation Strategy and the Council's Modernisation Agenda.

### **Health and Community Services**

42. The main project is the provision of the Aylesbury Resource Centre with a budget of £5.7m which is part of the regeneration of the Aylesbury estate. Site works are now in progress and building work is scheduled to commence at the beginning of April, with an estimated completion date of November 2010.
43. Work at Cherry Garden Street on the refurbishment of the offices for use as a resource centre for people with learning disabilities starts in December 2009 and is due for completion in May 2010. Budget for this work is £300k and this building will accommodate staff and clients from The Grange and Evelyn Coyle day centre.

### **Regeneration and Neighbourhoods**

44. Following the recent changes in management structures across the Council, some of the Council's high profile regeneration projects such as the construction of Canada Water Library; Bermondsey Spa Regeneration, Town Centre Regeneration and work to existing Council Buildings have been transferred to the department from the Deputy Chief Executive (DCE) and more recently the Major Projects departments.

45. The current total value of the capital programme for the Regeneration and Neighbourhood department (excluding Aylesbury, Heygate and Elephant and Castle Regeneration schemes) over the 2009/10-2011/12 period is £38m. Of this, approximately 31% is funded by external sources (capital grants, s106 agreements and external contributions).
46. The net underspend of £4.5m represents the remaining allocation to the Town Centre Regeneration programme not being committed, and is pending reprioritisation by the Executive arising from this report.
47. The department is on course to deliver various projects aimed at improving road safety, encourage greener and sustainable modes of transportation in the borough as well as supporting the commercial viability of local shopping areas through environmental improvements; trader empowerment and continued business support.
48. The resources for the Canada Water Library project were considered in previous reports to the Executive, initially in February 2007 and then again in October 2008 following completion of tendering for construction works. The contract sum reported in 2008 is now fully resourced within the Council's capital programme. The contractor started work on site in June 2009 and progress is being continually monitored in line with agreed schedules.

## Environment and Housing

### Sustainable Services

49. The Waste PFI contract has been running for nearly two years and has already provided significant benefits to the Council, even before the new waste processing facilities are built on the Old Kent Road. Missed collections are at an all time low and we have been able to realise savings on the waste disposal element of the contract. In addition, our partnership with Veolia has meant that even during the recent uncertainty with recycling end markets we have ensured that all the waste collected for recycling has been recycled. Site preparation works are now completed, with the next stage (construction of the new facility road access and associated works) scheduled to begin in early 2010.

### Public Realm

50. Both CGS and Projects teams are on track to deliver their programmes on time and within budget. There has been a step improvement from previous year in the quality, number of projects delivered and time for delivery. In the first seven years of the CGS programme £21,503,000 has been allocated to Community Councils leading to 1,100 projects being approved. To date 750 projects have been completed.
51. In 2008/9 220 projects were completed with an average completion time of 44 weeks compared to 104 projects completed in an average 55 weeks in the previous FY. In 2009-10 300 projects will be delivered while the estimated time for completion has been reduced to 40 weeks.
52. **Burgess Park Revitalisation Project:** The Council was successful in securing £6m towards the regeneration of Burgess Park. £2m from the Mayor of London as part of the Premier Parks Scheme and £4m from the Aylesbury New Deal for Communities. The procurement process to contract a company to undertake the first phase of works has been completed and the winning organisation was announced in November 2009.

## **Culture, Libraries, Learning & Leisure**

53. The Lottery funded refurbishment of the John Harvard Library is now complete and the library was re-opened on 16 November 2009.
54. Adult Learning Services has successfully bid for £750k from the Learning and Skills Council towards a capital project to transform the Thomas Calton Centre into a state of the art and modern facility. This was dependent on the Council providing £250k match funding to the project. The matched funding resources have been identified within existing resources.
55. **Leisure Facilities:** The refurbishment of Surrey Docks Water Sports Centre commenced on 23 February 2009. The work is progressing well and the centre will be reopened on 11 February 2010.
56. Phase 1 works for the Dulwich Leisure Centre (creation of new entrance building, studio suite, wet side changing areas and pool refurbishment) are due for completion in July 2010 and will then be opened for use by the public. The Phase 2 works will commence and will bring about a refurbished gym hall, new dry side changing areas, restoration works to the existing East Dulwich Road entrance building, and finalisation of all remaining areas across the centre. The entire project is currently expected to be completed during January 2011.
57. **Camberwell baths:** Refurbishment of Camberwell Baths began in August 2009. Total funds of £4.1m have been secured for the project, which has meant that the pool and the gym, including changing rooms can be refurbished, although extra funds are being sought for further refurbishment, especially of the sports hall. The secured funding consists of Council funding of £2m, a Gleaner Greener Safer allocation of £50k, and external funding from the following sources: Department of Culture media and Sport (£1.45m Free Swimming Capital Fund), Youth capital Fund (£500k) and London Marathon Charitable Trust (£100k). The scope of works includes: reconfigured entrance and reception area; refurbished male/female changing rooms, new family changing room with dedicated disabled changing facilities; improved access to swimming pools and refurbishment to Pool Hall; new Air Conditioning and Air Handling throughout; extended Gym and redecorated dry side change, new young people's facilities (Arts and Music) and improvements to Warwick Hall. Refurbishment is taking place in two phases. The pool will be completed by July 2010, while the gym facilities are to be completed by November 2010.

## **Housing Investment Programme – General Fund**

58. The Renewal Areas programme has been reviewed in the light of the limited corporate resources available, and the uncertainties of funding arising from this have resulted in some slippage in the profile of anticipated expenditure. Affordable housing schemes have also been revised and will utilise an increased level of funding from the Affordable Housing Fund, over a slightly longer timescale than previously reported. The travellers site scheme at Burnhill Close has historically been the subject of much delay, but is now progressing and work should start on site this year.

## **Housing Investment Programme – HRA (Appendix B)**

59. Pressures on available resources within the Housing Investment Programme remain very high. Since the year start, the programme has been extensively reviewed to ensure sufficient allowance has been made for the ongoing funding requirements of corporate major projects, specifically for Heygate and Aylesbury regeneration, and for the delays in and reduced level of anticipated capital receipts due to the current economic climate. As a result, the decent homes budget has provisionally been reduced by a further £5m this

year, although it is planned to replace this as far as possible by increased use of in-year capital receipts to allow projects to proceed as planned – to date approximately £3m has been identified for this purpose but confirmation of availability is awaited.

60. Programme expenditure has been strong throughout the year, reflecting a high level of commitments arising from contracts rolling forward from last year's programme. The current forecast spend this year, although approximately £20m less than was envisaged when reporting last year's programme to Executive in February 2009, is approximately £2m higher than the reduced level of available resources as currently profiled. However, it is anticipated that the inclusion of additional capital receipts as above will cover this level of expenditure.
61. The first new housing under the Hidden Homes initiative will soon start on site at Appleshaw House. The contract will deliver four new 4-bed units in addition to refurbishment of the block.

## **Capital Programme Refresh Details for Consideration**

### **Resource Implications**

62. The Council's capital resources are comprised of Government supported borrowing and grant, Section 106 agreements, capital receipts, revenue contributions and external funding sources. On the basis of the current approved programme there is a small surplus of resources on the basis of existing projections. These resources have been confirmed as part of the regular monitoring arrangements.
63. However, three years after the approval of the original programme, there is a need to fundamentally review resource availability and update assumptions in line with current information available. This is necessary in order to identify ways in which to meet emerging demands for capital investment and to assess how the availability of any new resources may be profiled over time.

### **Capital Receipts and Property Disposals Programme**

64. Since 2007, the Council has developed the asset management strategy and is now better placed to take a longer term view of a range of strategic issues including the provision of central and local services through a range of Council buildings now including the administrative Headquarters in Tooley Street. The Council has also been able to gain a better understanding of investment required in existing stock and the estimated value and potential dates for the disposal of existing buildings.
65. To support the improved asset management strategy, the Head of Property has developed a programme of disposals spanning ten years, in line with the capital investment programme. This now allows for a match of investment needs and opportunities over time.
66. The long term disposals programme provides a good deal of strategic planning for capital resources moving forward, however, it should be noted that a balanced view will need to be taken between resource allocation between the Housing Investment Programme and the General Fund Programme. With high pressure demands on both, the apportionment of scarce resources will be key.

### **Regeneration Programme**

67. The Council is engaged in a number of highly complex regeneration programmes that will generate capital receipts to the Council over a number of years. These receipts in terms

of both quantum and incidence are difficult to predict with certainty in advance of contractual commitments being entered into with development partners and others. However the refreshed resources contained within this report allows for contributions to the capital programme from a number of regeneration projects including Bermondsey Spa and Canada Water. In addition, the recent signing of Heads of Terms for the Elephant and Castle regeneration scheme has enabled some additional resources to be factored into available funds.

### **Grants and Other External Funding Sources**

68. The current programme includes a range of government grants for specific projects in relation to a number of key priority areas. Grants have been allocated from the following sources and underpin expenditure plans across the programme: Big/Heritage Lottery Funding £1m, New Deals for Communities £15m, Transport for London £7m and The Department for Schools and Families - £58m (Partnerships for Schools being the funding base behind Southwark Schools for the Future providing £173m).
69. S106 – it is envisaged that as the Council works closely with private developers in developing infrastructure across the borough. The developer's provided infrastructure and the planning gain receipts issued under S106 obligations (or under a new Community Infrastructure Levy) will become more focused to address the Council capital priorities. Community Councils are already indicating priorities through the setting up of Project Banks which are an important guide to focusing S106 resources. Taking a considered view under current economic conditions some £8m is deemed available across the 10 year programme for allocation.
70. Current resources identified within the long term funding strategy are sufficient to meet the cost of contractual obligations, health and safety pressures and identified high priorities including invest to save schemes (Appendix C items 1-14 costing £58.2m). Work is in progress to assess the extent of longer term resources available to address the longer list of capital bids received (items 15-34 costing £115m). This will form part of the overall capital programme refresh later this year.

### **Comments on New Capital Bids by Service**

#### **Children's Services**

71. The Council has recently been notified by DCSF of an allocation of £12,063,000 of capital grant in response to an application for funding to support the provision of additional permanent primary places by 2011. This funding will be delivered in 2010-11, but tight conditions are to be imposed on the usage of these resources. DCSF has made clear that this funding is strictly for investment in the provision of additional primary age places in permanent accommodation. Further, in the event that any authority's pupil numbers in the January 2012 census fall short of the forecasts submitted for September 2011, DCSF reserve the right to claw back where there has been undue over-funding.
72. It is proposed to allocate £5m to fund a permanent extension to Lyndhurst community primary school to provide 105 new places, taking the school to 2 forms of entry and phasing out mixed age teaching. It will also provide a new kitchen and dining facilities, supporting healthy eating as well as dealing with suitability issues such as the provision of larger classrooms, an improved front entrance and the lack of an adequate internal staircase. Poor quality and temporary accommodation would be removed.
73. A block sum of £2m is proposed to deal with the provision of bulge classes in permanent accommodation, enabling schools to take 30 more children in each seven year cycle by reconfiguring existing teaching spaces. This has the potential not only to deal with



existing higher rolls but also make a contribution to a need for more places in the medium term. There would also be a legacy value in changes such as improved toilets, dining and modernisation, connected where possible with other investment in the school building stock. At an average cost of £250,000 this would deliver 8 such classes. The £450,000 allocated to the first three bulge classes opened in 2009/10 would now be taken from the block sum, releasing the resources for their original purpose.

74. The balance of the £12m (some £5m) would be allocated to schemes to provide further permanent additional places, according to the principles set out in the Executive report approved in November 2009 mainly to support permanent enlargements of primary schools. This would include the permanent enlargement of St. Anthony's RC primary school. A feasibility study is under way to determine building options.
75. Whilst these changes will address the most immediate need for additional places mainly in the south of the borough, the Executive report in November highlighted the ongoing growth in rolls affecting the north and later the central area in the next decade. Further capital investment would be needed to ensure that sufficient places are provided, on the same principles as above, i.e. targeting half form entry schools, connecting ongoing investment and modernisation needs with enlargement.
76. In summary, the new capital bid requirements for children's services centre around primary school needs. Capital funding is also being sought to support the construction of a new building for Rotherhithe primary school to be co-located with the new Rotherhithe Academy on the primary school site and for additional resources to fund primary school places elsewhere in the borough.

### **Regeneration & Neighbourhood / Major Projects**

77. New capital bids have been submitted in respect of the need to make good dilapidated leased premises where contractual obligations exist and to provide asset management alterations to the council's voluntary sector estate.
78. A bid for Nunhead Community Centre redevelopment exists within the high priority list for executive consideration. The project to undertake this important work is valued at £600k but there is expectation to fund this via capital receipts linked to disposal of land on the current site.

### **Environment & Housing**

#### **Sustainable Services**

79. The planning application for the waste facility was successful on 8th September 2009. However, as the formal decision has yet to be published, it is not possible to accurately estimate the additional funds required at this stage as the contract process for agreeing risks and costs has yet to be completed. It is estimated that negotiations will be completed within the next three months.
80. At the time of the PFI waste contract signing in February 2008, a number of unknown costs were omitted from the contract to ensure the Council did not pay significant amounts for works that may not have ultimately been required. Issues still remaining to be resolved include architectural enhancements, and s106 costs. Current best estimates of these likely costs, together with the additional expenditure identified for the unavoidable gas pipe diversion on the Old Kent Road site, have been submitted as a bid of £5.4m for approval and release of resources.

#### **Public Realm**

81. New capital bids totaling £5.7m are submitted in respect of necessary safety work on cemeteries (£4.2m) and for the procurement of additional cemetery space (£1.5m) which represents an “invest to save” option. In addition a bid for £770k was submitted for South Dock Marina in respect of necessary health and safety works and a bid for a new Parking Control Zone within the borough (£256k).
82. A refreshed 10 year programme includes allocation in respect of Non-principal road works across the borough (£5m per year) and for Cleaner, Greener, Safer projects (£3.25m per year). The capital bids submitted refreshes this programme to a new ten year commitment and therefore represents a refresh of the first three years.

#### **Culture, Libraries, Learning & Leisure:**

83. New capital bids have been submitted in respect of contractual repair work at Pynners Sports Ground (£600k), upgrading library technology (£1.6m), refurbishment work on Seven Islands (£7m) and Elephant and Castle Leisure Centres (between £1m and £15m) and on Kingswood House (£230k), and a capital maintenance fund for the Council’s leisure centres (£3.6m over the next 10 years).

#### **Housing General Fund**

84. From within the housing renewal programme, this review proposes to release uncommitted funding back into the wider resource pool and specifically for reinvestment into the Housing Investment Programme to support essential fire and health and safety works.
85. From the existing Housing Renewal Programme, existing contractual commitments will be fulfilled. Ring fenced capital grant will remain directed to their sole purpose. The released resources will come from the base budget on review of current commitments.

#### **Housing Investment programme (HRA)**

86. An additional £4m of resources have been identified from elsewhere within the corporate capital programme to reflect the bringing forward of planned essential fire safety enforcement works across the borough. A further £5m per year for 3 years has been submitted as a new capital bid between 2010 and 2013 representing a total requirement of £19m (Appendix F item no. 6).

### **COMMUNITY IMPACT STATEMENT**

87. This monitoring report is considered to have no or a very limited direct impact on local people and communities, although of course the capital programme itself will deliver significant enhancements to the amenities and infrastructure of the borough.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Strategic Director of Communities, Law & Governance**

88. Under the constitution the Executive are to have responsibility for the Council’s capital programme, including the Housing Revenue Account, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.

89. The capital programme 2009-2016 helps satisfies the Council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
90. The capital programme is constructed to accord with the community plan, Southwark 2016. The Council has a duty under the Local Government Act 2000 to prepare a community strategy for promoting or improving economic, social and environmental well-being of the council for the achievement of sustainable development.
91. By agreeing the recommendations in the report the Executive will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

Background Papers	Held At	Contact
Policy and Resources: Capital Outturn Report 2008/09 Executive Report 29 <sup>th</sup> September 2009	Tooley Street	Cathy Doran, Extension 54396
Departmental monitoring schedules 2009/10 – 2015/16	Tooley Street	Nicola Kelly, Extension 54318

## APPENDICES

No.	Title
Appendix A	General Fund summary
Appendix B	Housing Investment Programme summary
Appendix C	Programme variations – for notification and approval
Appendix D	General Fund Programme Breakdown

## Audit Trail

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	John Chance, Assistant Finance Director	
Version	Final	
Dated	January 2010	
Key Decision?	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and	Yes	Yes

Governance		
Finance Director	Yes	Yes
List other Officers here	-	-
Executive Member(s)	Yes	No
Date final report sent to Constitutional Support Services		1 February 2010



HOUSING INVESTMENT PROGRAMME SUMMARY MONITORING POSITION												APPENDIX B				
DEPARTMENT	2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		2015/16		Total Programme 2009/10 - 2015/16	
	Agreed Budget 2009/10	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Total Forecast Spend	Total Agreed Budget remaining at 01/04/2009	Total Forecast	Total Variance	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Decent homes and associated works	139,376	48,114	62,661	88,703	64,826	55,426	54,000	54,000	427,729	139,376	427,729	288,353				
Landlord obligations	28,447	17,781	24,718	6,138	7,200	7,200	7,200	7,200	77,437	28,447	77,437	48,990				
Regeneration schemes	28,736	15,022	2,211	744	0	0	0	0	17,977	28,736	17,977	(10,759)				
Other	9,104	5,251	4,575	4,037	3,788	3,788	3,800	3,800	29,039	9,104	29,039	19,935				
Aylesbury Acquisition Programme	14,917	854	5,000	10,450	0	0	0	0	16,304	14,917	16,304	1,387				
Heygate Acquisition Programme	13,734	4,012	4,600	2,585	0	0	0	0	11,197	13,734	11,197	(2,537)				
New Deal for Communities	5,979	3,112	5,040	4,638	0	0	0	0	12,790	5,979	12,790	6,811				
<b>TOTAL</b>	<b>240,293</b>	<b>94,146</b>	<b>108,805</b>	<b>117,295</b>	<b>75,813</b>	<b>66,413</b>	<b>65,000</b>	<b>65,000</b>	<b>592,474</b>	<b>240,293</b>	<b>592,474</b>	<b>352,181</b>				
<b>FINANCED BY:</b>																
Corporate Resource Pool	80,081	31,524	20,288	29,524	33,175	22,140	8,597	8,597	153,846	80,081	153,846	73,765				
Supported Borrowing	25,052	12,526	12,526	0	0	0	0	0	25,052	25,052	25,052	0				
Reserves & Revenue	63,231	6,427	29,581	45,350	5,435	6,897	18,803	18,803	131,294	63,231	131,294	68,063				
Capital Grants	11,339	4,176	6,127	5,333	0	0	0	0	15,637	11,339	15,637	4,298				
Section 106 Funds	196	128	0	0	0	0	0	0	126	196	126	(70)				
Major Repairs Allowance	58,713	37,106	37,040	37,088	37,203	37,377	37,600	37,600	261,014	58,713	261,014	202,301				
External Contributions	1,681	2,262	3,244	0	0	0	0	0	5,505	1,681	5,505	3,824				
<b>TOTAL RESOURCES</b>	<b>240,293</b>	<b>94,146</b>	<b>108,805</b>	<b>117,295</b>	<b>75,813</b>	<b>66,413</b>	<b>65,000</b>	<b>65,000</b>	<b>592,474</b>	<b>240,293</b>	<b>592,474</b>	<b>352,181</b>				
Forecast variation (under)/over	0	0	0	0	0	0	0	0	0	0	0	0				
Cumulative position	0	0	0	0	0	0	0	0	0	0	0	0				

<b>List of new capital bids</b>		<b>APPENDIX C</b>	
<b>No.</b>	<b>Capital Bid</b>	<b>Bid Details</b>	<b>Bid totals £000's</b>
		<b>Contractual Commitments and Dependencies</b>	
1	Old Kent Road Waste Facility - Phase 2	Development of the Old Kent Road Resource Park – the location of the proposed waste management facilities required for delivery of the Council's Integrated Waste Management Solutions Contract. At the time of the PFI waste contract signing in February 2008, a number of unknown costs were omitted from the contract to ensure the Council did not pay significant amounts for works that may not have ultimately been required. Issues still remaining to be resolved include architectural enhancements, and s106 costs. The bid represents the current best estimates of these likely costs, together with the additional expenditure identified for the unavoidable gas pipe diversion on the Old Kent Road site.	5,428
2	Pynners Dilapidation	The Council occupies Pynners Sports Ground via a lease agreement which expires in Spring 2010. The lease specifies that the Council must repair and maintain all aspects of the site. The site has over the years fallen into disrepair. In 2005, we were served with a Repairs Notice by our Landlords, The Dulwich Estate. Although other items of disrepair were listed, the principle issue is the dilapidated pavilion. The work needs to be commissioned urgently to avoid further action by the landlord.	600
3	Ilderton Road Travellers Site (Health and Safety Work)	In 2007 Health & Safety works were identified as being required to the railway embankment at the Ilderton Roared travellers' site. Initially this was deemed to be revenue work, however due to the extent of works required - determined by a quantity surveyor, and cost, the works are capital. The issues on how the bank was made unstable, does not take away the potential of subsidence - made worse by the height of the soil/trees etc. This presents health & safety concerns for certain plots. The works comprise the clearance of soil/fencing/piers/traveller temporary fixtures etc to allow for the establishment of pre-constructed L shape retaining blocks to form a consistent, safe and secure retaining boundary/retaining wall adjacent to a railway embankment. This would protect the site from any future land slippage and resolve current health & safety issues.	300
4	Cemeteries Works (Health and Safety)	To undertake remedial works to remove waste material from the cemeteries, subject to approval from the Environment Agency. This material presents health and safety related issues and there is a risk that material could compromise railway land. The Council has undertaken a full assessment of the quality of the material on site and is developing a scheme to reduce the risk posed by the material in situ. This scheme has been developed in full consultation with the Environment Agency and LBS Development Control. The Council will seek to recover some of the costs from National Rail and insurance. This bid also includes £250k for mercury abatement works to cremators.	4,200
5	New Nunhead Community Centre (Self Funding)	Centre was closed in 2007 due to health and safety concerns, new site potentially Early Years Centre adaptation. This proposal is to develop a smaller fit for purpose facility on an adjoining but more practical site. The cost to develop the facility is estimated at £600k. This would allow for the disposal of the existing centre for redevelopment for housing subject to planning producing a potential capital receipt of approx £500 - £700k. The site for the proposed new facility is on the Nunhead Early Years Centre site which is surplus to requirements and due to be sold. The development of this new facility will meet policy objectives and thus allowing the remainder of the Nunhead Early Years Site to be development for housing producing a capital receipt as well as the site of the existing centre.	600
6	Housing Investment Fire Safety Work	There have been immediate investment requirements on the housing investment programme in response to the Lakanel fire which were not budgeted for and without additional funding would have a direct impact on the investment programme and specifically the delivery of Decent Homes. In 2009/10 an £4m of resources has been identified from the corporate capital programme to reflect the bringing forward of planned essential fire safety enforcement works across the borough. A further bid of 3 x £5mil will also be required to fund strategic safety works across the housing stock over the next 3 years.	19,000

<b>List of new capital bids</b>		<b>APPENDIX C</b>	
<b>No.</b>	<b>Capital Bid</b>	<b>Bid totals £000's</b>	
7	Rotherhithe Primary (BSF Contingency)	This proposal is for additional capital funding to support the construction of a new building for Rotherhithe primary school to be co-located with the new Rotherhithe Academy on the primary school site. It would continue as a community primary school and the capital costs would therefore fall to the Council. There is provision of £100k in the primary capital programme 2009/11 (PCP) for initial fees, with a provisional allocation of £4 million in the Council's PCP for 2011/13. However, initial feasibility work shows that cost of the primary element is some £10m, which would require further funding of £6 million to secure this project.	6,000
8	New Primary School Places (DCSF Grant)	Grant funding of £12m has recently been notified in response to our application for funding to support the provision of additional permanent primary places by 2011. It is proposed to allocate £5m to fund a permanent extension to Lyndhurst community primary school to provide 105 new places. A block sum of £2m is proposed to deal with the provision of bulge classes in permanent accommodation, enabling schools to take 30 more children in each seven year cycle by reconfiguring existing teaching spaces. The balance, £5m, would be allocated to schemes to provide further permanent additional places.	12,063
9	SELCHP / MUSCO	The proposed SELCHP project will deliver heat to 5 council estates in the north of the Borough, in the first instance. This bid represents the estimated costs to the council in obtaining the necessary legal, technical and procurement streams to be able to negotiate the variation to the PFI agreement to ensure the best deal for the Council.	1,000
10	Voluntary Sector Strategy	At its 19th May 2009 meeting Executive agreed comprehensive new asset management arrangements for the Council's VCS estate. By centralising the portfolio and taking a holistic approach to its management the new strategy establishes the scope to improve the economic and social return from the estate in a way that can be delivered affordably by maximising rent/lease income, addressing sustainable issues, deploying resources efficiently to deal with urgent repair work and rationalisation of the disposals programme.	1,300
11	CPZ Implementation	The management of parking through the strategic development of controlled parking zones (CPZs) is a critical service that ensures that best use is made of the limited resource of onstreet parking supply. Southwark residents have over 60,000 cars between them and another 37,000 cars are driven to work in the borough. As these figures continue to rise, so does the demand for parking space. This proposal is being made to secure funding over a two year period to consult upon and, where supported, further develop the council CPZs. This has a direct benefit in improving our residents lives by prioritising space in accordance with an established parking hierarchy, particularly assisting those with reduced mobility, the delivery of services and goods, supporting economic development by encouraging turnover of space and removing all-day commuter parking. Other benefits include reduced congestion, improved road safety, improved air quality and encouraging other walking, cycling and transport instead of the car.	256
12	Kingswood House Health and Safety Work	Kingswood House operates as a community venue and a hiring facility for weddings, funerals, training and other events, as well as housing resident organisations. The financial viability of the house is dependent on its physical condition as a venue for hire. The bid is to fund basic internal and external works to upgrade the house, improve its efficiency and its reputation with local residents saving running costs in the long term and generate income from hiring the facility.	230
13	Traveller Site Refurbishment Prog (Springtide Close)	The proposal is to seek capital funding to enable the Council to complete its Traveller site refurbishment programme. The scheme at Springtide Close represents the final phase of the Council's Traveller Site refurbishment programme which began in 2001 with funding from the CLG Gypsy and Traveller Site Refurbishment Grant. The Council has 4 permanent sites of which 2 have now been refurbished, one is in the process of refurbishment and one remains. The Council intends to make a bid to the HCA for Gypsy and Traveller site refurbishment grant in 2010, for this one remaining site at Springtide Close. If successful this would be awarded at 75% of total costs, therefore requiring 25% match funding from the Council. Total costs are estimated at £763,529. However, a successful bid will be in part dependant on 25% match funding being committed to the project.	191



<u>List of new capital bids</u>		APPENDIX C	
No.	Capital Bid	Bid Details	Bid totals £000's
14	19 Spa Road – includes one stop shop and increased capacity	A comprehensive refurbishment scheme to develop 19 Spa Road to a modern, flexible and sustainable standard to accommodate a range of specialist children's services, the Bermondsey One Stop Shop and the Area Housing Office in line with the Three Town Halls Strategy. Additional work space will be created to co-locate other locally based services provision and officer accommodation including the Bermondsey and Roehampton wards. This scheme will contribute to emptying poor quality offices at Bradenham, removing the associated health and safety and reputational risks, creating revenue savings through property and service rationalisation and to making assets available for disposal.	7,000
<b>Sub-Total of Contractual Commitments, Dependencies and High Priority bids</b>			<b>58,168</b>
<b>Other Bids Received</b>			
15	IT Investment	A ten year programme to replace and refresh the councils IT infrastructure.	10,000
16	Cleaner Greener Safer	In February 2007 the executive decided to make a ten year commitment to provide £3.25m per year to address a range of community based projects around community improvements and safeguards. This bid refreshes this programme to a new ten year commitment and therefore represents a refresh of the first three years.	9,750
17	Highways non principal roads	In February 2007 the executive decided to make a ten year commitment to provide £5m per year to address a programme of works seeking to improve the councils non principle road systems. This bid refreshes this programme to a new ten year commitment and therefore represents a refresh of the first three years.	15,000
18	Operational Estate Compliance works	The council currently carries an increasingly, high level of risk relating to statutory compliance. Corporate Facilities Management are currently undertaking a comprehensive programme of audit and compliance works across the 214 operational buildings. The results of compliance audits in conjunction with the condition surveys are defining clear programmes of remedial works. These works need to be addressed to avoid the council being in clear breach of statutory legislation and with the risk of failing in its duty of care to its staff, partners and customers. Full or partial closure of buildings is likely to be the only option if the council is unable to undertake required work. Key areas of concern are: Fire safety; Water safety; Gas Safety; Electrical Safety and Asbestos.	3,000
19	Dilapidation Works	Leased office premises are to be given up as part of the Modernisation programme with most staff moving to 160 Tooley Street. Premises concerned are Coburg House, Newington Causeway SE1, Chateleine House, Waiworth Road SE17 and 1 London Bridge SE1. Cont	1,500
20	Cemeteries Extensions	This proposal is for an 'invest to save' proposal to create new burial space at Cambenwell New Cemetery (Honor Oak). Burial space in Southwark is at an all time low but the demand for space continues. Whilst there is no statutory duty on a Local Authority to provide burial space there is a strong desire and increasing demand for burials and moving to a cremation only service would have unacceptable reputation issues. In addition it will enable the cemeteries to remain viable for next 50 years through income generation. The draft business case shows payback in 6 to 7 yrs.	1,500
21	Libraries Technology (Invest to Save)	Funds required for the upgrading and modernisation of the computer networks and facilities of all of Southwark's libraries. It includes self service kiosks for booking resources and printing, new radio frequency identification (RFID) technology, self service equipment for the issue and discharge of library stock, automated payment facilities and return units, book and CD tags, security devices and handheld inventory readers. The bid is to modernise all libraries with RFID and self service to improve our offer to customers and achieve savings. This new way of working has recently been enabled at the refurbished John Harvard Library. We need this funding to bring the rest of service up to a similar standard.	641
22	Refresh the Peoples Network in all Libraries	The Libraries network (The People's Network) is outdated and service provision is being interrupted. This investment will update the network to a standardised public access solution. The proposed network solution is a Citrix solution, in line with corporate objectives which would be designed and built by Serco. The end solution could be used in other Council sites requiring public access kiosks – e.g. Education Services.	280

List of new capital bids		APPENDIX C	
No.	Capital Bid	Bid Details	Bid totals £000's
23	CCTV Replacement and Refurbishment	The Council has 160 fixed and redeployable cameras connected to 2 CCTV monitoring suites used for reducing crime and anti-social behaviour and by Public Realm for parking enforcement. There are an estimated further 300 stand-alone cameras on housing estates. Installing new fixed cameras is expensive (£25k per camera) and it is difficult and expensive to move to deal with changing patterns of crime and anti-social behaviour. This proposal is to upgrade the Southwark CCTV technical infrastructure to provide a 21st century cost effective CCTV network to make Southwark safer, and to support housing and public realm management. It will create a backbone of borough fibre to reduce escalating BT/NTL telephone line rental costs and install radio nodes for cheaper and quicker redeployable cameras.	1,050
24	South Dock Marina Improvements	The marina has been in existence since 1989 and during this time a "live aboard" community has developed. With this intense occupation has come additional wear and tear on the facilities in general. With the formulation of residential status, the Council is obliged to take action in respect of the environment which in some instances has become dangerous for visitors and residents alike. Some of the key repair concerns are: the dam and sluices and lock gates need to be overhauled to avoid the possibility of water levels dropping causing damage to boats and wildlife, the replacement of a floating toilet block which is not fit for purpose, the overhaul of Greenland Pier at a cost of £150k.	770
25	Additional Primary School Places	The proposals are for increasing the number of primary school places in the south of the borough. This would include - increasing the size of Lyndhurst school, providing one additional form of entry in the short term by adding portable classrooms at Bellenden school, providing an additional form of entry in the longer term by either rebuilding Bellenden school. The proposals stem from a review of the projections for places required in the south of the borough, which forecast that, at the greatest pressure, there will be a shortage of 1.5 FE of Reception places from September 2010, rising to a shortfall of 4.5 FE from September 2013. The strategy being proposed to deal with this pressure for places is to provide places incrementally. But planning and feasibility work needs to start now to achieve the longer term permanent changes.	16,000
26	Seven Islands Leisure	Since the Canada Water regeneration project will not deliver a new leisure facility to replace Seven Islands leisure centre for at least another 5 years there is the option to refurbish the existing centre. The proposal is to keep the centre in good working and safe order during that period of time. Seven Islands is reaching the end of its serviceable life and is becoming increasingly dilapidated and in severe need of investment, if it is to be expected to continue to deliver the service safely for at least the next five years. Seven Islands has had to close due to maintenance issues several times in the last few years and these closures are becoming more frequent and therefore more costly to the Council. The funds are therefore requested to maintain it as a viable leisure centre for at least the next five years. PLEASE NOTE: An amount of at least £12m is required if the whole of Seven Islands Leisure Centre is to be refurbished to an adequate standard. The £7m requested will only be sufficient to refurbish the pool and gymnasium- the sports hall cannot also be refurbished at this cost.	7,000
27	Elephant and Castle Library (inc. Lifts & atrium)	In conjunction with the Walworth Town Hall scheme, this project would provide a refurbished library with the capacity for expansion. The scheme incorporates the development of an atrium and new lifts to connect the two buildings.	9,700
28	Elephant and Castle Leisure	It may be some time before the Elephant & Castle regeneration project is able to deliver a new leisure facility to replace the current Elephant and Castle Leisure Centre (ECLC). Faced with uncertain timeframes in relation to the regeneration project, ECLC is reaching the end of its serviceable life and is becoming increasingly dilapidated and in severe need of investment if it is to be expected to continue to deliver the service safely for at least the next 5+ years. ECLC has had to close due to maintenance issues several times in the last few years and these closures are becoming more frequent and therefore more costly to the Council. 4 options available: Option 1 - Replace Roof (£1m), Option 2 to keep it open in the short term and comply with H&S £3m, Option 3 £8m for full refurbishment and Option 4 - Rebuilt with a pool £15m (best guesstimate).	15,000
29	Bermondsey Spa Public Realm	This proposal is to adjust the capital budget to include £1M of funding for the Public Realm in Bermondsey Spa agreed by Executive on 6th July 2004. The report was recommending the sale of Site D (which has since completed) and it was minuted that £1m be set aside of the capital receipt for the purpose of carrying out further environmental and infrastructure improvement works in and around the Bermondsey Spa area, as agreed within the Bermondsey Spa Masterplan 2000.	998

<b>List of new capital bids</b>		<b>APPENDIX C</b>	
<b>No.</b>	<b>Capital Bid</b>	<b>Bid Details</b>	<b>Bid totals £000's</b>
30	Southwark Town Hall	A major refurbishment to bring Southwark Town Hall up to a modern and sustainable standard of office accommodation for locally based officers, and to provide improved facilities and accessibility for the democratic functions of the council.	9,000
31	Walworth Town Hall	A major refurbishment to create a new civic and customer facing hub in line with the Three Town Halls strategy. This scheme, along with the Elephant Library scheme, would link the Town Hall (151 Walworth Rd) with the Newington Library (153-155 Walworth Rd) to create a civic centre at the heart of the borough incorporating a refurbished library, the Curmin museum, civic functions and a rationalised customer service offer alongside flexible office space for locally based officers.	4,300
32	Other Localities Work	A five year programme to refurbish and develop locality accommodation beyond the proposals associated with the three town halls.	5,000
33	Leisure Programme Maintenance	There is a requirement to identify adequate budget provision to address remedial work across the councils ageing leisure centres. This allocation seeks to put in place a level of budget appropriate to achieve this and keep the centres in operation for next 10 years with an average allocation of £400k per year.	2,700
34	Refresh capital contingency to £5m	Current amount to refresh the capital contingency to the desired £5m balance.	2,300
	<b>Sub Total - Other Bids</b>		<b>115,489</b>
	<b>Grand Total of Bids Received</b>		<b>173,657</b>

2009/10 Capital Programme Refresh with Indicative New Bids		GENERAL FUND										APPENDIX D	
		1	2	3	4	5	6	7	8	9	10		
DEPARTMENT	Total Budget Available as at 01/04/09 £'000	2009/10 Forecast £'000	2010/11 Forecast £'000	Forecast 2011/12 £'000	Forecast 2012/13 £'000	Forecast 2013/14 £'000	Forecast 2014/15 £'000	Forecast 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000	Forecast 2018/19 £'000	Total Forecast Spend £'000	
<b>Existing Programme (refresh underway)</b>													
Children Services - schools	66,789	35,010	25,513	13,867								74,390	
Southwark Schools for the Future	204,053	25,596	57,108	133,559								216,263	
Southwark Schools for the Future - Contingency	17,181					7,181	10,000					17,181	
Deputy Chief Executives	13,787	11,714	1,900									13,614	
Environment	60,178	32,823	27,996	10,108	8,260	8,260	8,260	8,260				103,967	
Health & Community Services	5,781	1,447	5,189	434	429	429	429	429	429	429	429	10,073	
Housing General Fund	15,802	6,128	9,006	667								15,801	
Regen & Neighbourhoods/Major Projects	38,045	26,947	11,869	350								39,166	
<b>Sub Total</b>	<b>421,616</b>	<b>139,665</b>	<b>138,581</b>	<b>158,985</b>	<b>15,870</b>	<b>18,689</b>	<b>8,689</b>	<b>8,689</b>	<b>429</b>	<b>429</b>	<b>429</b>	<b>490,455</b>	
<b>Adjustments to current programme</b>													
Release of BSF cont. for Rotherhithe Primary				(3,000)	(3,000)							(6,000)	
Town Centre Improvement Programme		(4,500)										(4,500)	
		(4,500)		(3,000)	(3,000)							(10,500)	
<b>Updated current programme commitments</b>		<b>135,165</b>	<b>138,581</b>	<b>155,985</b>	<b>12,870</b>	<b>18,689</b>	<b>8,689</b>	<b>8,689</b>	<b>429</b>	<b>429</b>	<b>429</b>	<b>479,955</b>	
<b>New Capital Bids Submitted</b>													
Old Kent Road Waste Facility - Phase 2	1		2,000	1,914	1,514							5,428	
Pynners Dilapidation	2		600									600	
Ilderton Road Travellers Site (Health and Safety Work)	3		300									300	
Cemeteries Works (Health and Safety)	4	300	2,300	1,600								4,200	
New Nunhead Community Centre (Self Funding)	5		600									600	
Housing Investment Fire Safety Work	6	4,000	5,000	5,000	5,000							19,000	
Rotherhithe Primary (BSF Contingency)	7			3,000	3,000							6,000	
New Primary School Places (DCSF Grant)	8		6,000	6,063								12,063	
SELCHP / MUSCO	9			1,000								1,000	
Voluntary Sector Strategy	10		1,300									1,300	
CPZ Implementation	11		126	130								256	
Kingswood House Health and Safety Work	12		230									230	
Traveller Site Refurbishment Prog (Springtide Close)	13		191									191	
19 Spa Road – includes one stop shop and increased ca	14					3,500	3,500					7,000	
<b>Sub Total</b>		<b>4,300</b>	<b>18,647</b>	<b>18,707</b>	<b>13,014</b>	<b>3,500</b>						<b>58,168</b>	
<b>TOTAL SPEND</b>	<b>421,616</b>	<b>139,465</b>	<b>157,228</b>	<b>174,692</b>	<b>25,884</b>	<b>22,189</b>	<b>8,689</b>	<b>8,689</b>	<b>429</b>	<b>429</b>	<b>429</b>	<b>538,123</b>	
<b>FINANCED BY:</b>													
Capital Receipts Reserve balance as at 31.3.09		20,473										20,473	
Capital Grants Unapplied balance as at 31.3.09		25,049										25,049	
Corporate Resource Pool	140,781	21,415	37,153	28,575	32,000	41,000	22,000	(2,000)	20,000	12,000	8,000	220,143	
Supported Borrowing				2,298								2,298	
Reserves & Revenue	7,622	2,221	391									2,612	
Capital Grants	261,949	61,721	79,923	144,930	429	429	429	429	429	429	429	289,577	
DCSF Funding Notification 30.11.09		12,063										12,063	
Section 106 Funds b/f (per years to be applied)	5,950	4,940	1,905	650								7,495	
Section 106 Funds 09-10 onwards		1,210	850	788	663	770	1,170	1,170	1,045	670	675	9,010	
External Contributions	5,314	3,191	400	1,298								4,889	
<b>TOTAL RESOURCES</b>	<b>421,616</b>	<b>152,283</b>	<b>120,622</b>	<b>178,539</b>	<b>33,092</b>	<b>42,199</b>	<b>23,599</b>	<b>(401)</b>	<b>21,474</b>	<b>13,099</b>	<b>9,104</b>	<b>593,609</b>	
<b>Forecast Variation (Under)/Over</b>		<b>(12,818)</b>	<b>36,606</b>	<b>(3,847)</b>	<b>(7,208)</b>	<b>(20,010)</b>	<b>(14,910)</b>	<b>9,090</b>	<b>(21,045)</b>	<b>(12,670)</b>	<b>(8,675)</b>	<b>(55,486)</b>	
<b>Cumulative Position</b>		<b>(12,818)</b>	<b>23,788</b>	<b>19,942</b>	<b>12,734</b>	<b>(7,276)</b>	<b>(22,186)</b>	<b>(13,096)</b>	<b>(34,141)</b>	<b>(46,811)</b>	<b>(55,486)</b>		
<b>Profile of bids outside the contractual/dependency/priority areas</b>													
IT Investment	15	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	
Cleaner Greener Safer	16									3,250	3,250	9,750	
Highways non principal roads	17									5,000	5,000	15,000	
Operational Estate Compliance works	18		3,000									3,000	
Dilapidation Works	19		1,500									1,500	
Cemeteries Extensions	20		500	1,000								1,500	
Libraries Technology (Invest to Save)	21		400	241								641	
Refresh the Peoples Network in all Libraries	22		140	140								280	
CCTV Replacement and Refurbishment	23		200	250	250	250	100					1,050	
South Dock Marina Improvements	24		400	370								770	
Additional Primary School Places	25			985	5,365	6,700	2,550	400				16,000	
Seven Islands Leisure	26			3,500								7,000	
Elephant and Castle Library (inc. Lifts & atrium)	27				5,000	4,700						9,700	
Elephant and Castle Leisure	28				7,500	7,500						15,000	
Bermondsey Spa Public Realm	29				500	498						998	
Southwark Town Hall	30				4,500	4,500						9,000	
Walworth Town Hall	31				2,000	2,300						4,300	
Other Localities Work	32					2,500	2,500					5,000	
Leisure Programme Maintenance	33		300	300	300	300	300	300	300	300	300	2,700	
Refresh capital contingency to £5m	34	2,300										2,300	
<b>Sub total of other bids</b>		<b>3,300</b>	<b>7,440</b>	<b>7,786</b>	<b>29,915</b>	<b>30,248</b>	<b>6,450</b>	<b>1,700</b>	<b>9,550</b>	<b>9,550</b>	<b>9,550</b>	<b>115,489</b>	

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Draft Bankside, Borough, and London Bridge Opportunity Area Supplementary Planning Document	
<b>Ward(s) or groups affected:</b>		Cathedral, Chaucer, Riverside, Grange	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Executive

1. Consider the draft Bankside, Borough and London Bridge Supplementary Planning Document (BBLB SPD) (Appendix A); and the following documents:
  - Consultation Plan and Consultation Report (Appendix B)
  - Sustainability Appraisal (Appendix C)
  - Equalities Impact Assessment (EqIA) (Appendix D)
2. Consider the comments of the Planning Committee on the Consultation Report (Appendix B) and the suggested changes set out in table 1.
3. Approves for consultation the draft BBLB SPD.

## BACKGROUND INFORMATION

4. The SPD has been prepared as part of the local development framework. The SPD will be a material planning consideration in deciding whether developments in the Bankside, Borough and London Bridge Opportunity Area should be given planning permission by the council or on appeal. Appendix A of the SPD sets out in detail the planning policies relating to the Bankside, Borough and London Bridge area. This covers Cathedrals, Chaucer, Riverside and Grange wards.
5. The SPD will not create new policies but will provide further information and guidance on interpretation and implementation of policies in the London Plan, emerging London Plan, emerging Core Strategy and the Southwark Plan. It must be consistent with those documents. The vision and targets are set out in the Core Strategy and the targets are also consistent with the emerging replacement the London Plan. This SPD will replace the draft SPGs for Bankside and London Bridge prepared in 2002 and the London Bridge Framework prepared in 2002.
6. The London Plan identifies Bankside, Borough and London Bridge as an opportunity area. These are parts of London that have considerable scope for employment and housing growth to help make the capital a successful city. The Mayor can adopt opportunity area planning frameworks to provide further detail on how development should occur in the opportunity areas. These will be used when deciding strategic planning applications referred to the Mayor. We have been working closely with the Greater London Authority to prepare the SPD as a joint planning document with the Opportunity Area Planning Framework.
7. The SPD will be adopted after the core strategy is adopted. It will be part of the council's local development framework (LDF). The SPD is accompanied by a consultation plan and report (appendix B) a sustainability appraisal, (appendix C), and an EqIA (appendix D). The SPD is a material consideration in determining planning

applications. However this guidance will only apply in full when the core strategy replaces the Southwark Plan. Prior to that time the draft SPD will have some weight in planning decisions, the level of weight will depend on the issue. There may be an additional consultation after the core strategy is adopted depending on the outcome of the Planning Inspector's report.

8. This SPD should also be used along with other planning documents that provide guidance on other aspects of development, including:

#### **Local Guidance**

- Sustainable Design and Construction Supplementary Planning Document: this document sets out the environmental standards and design principles for the new development in the area;
- Sustainability Assessment Supplementary Planning Document: this document explains the information that will be required to demonstrate the environmental impact of a development and how this will be balanced with other sustainability objectives;
- Design and Access Statements Supplementary Planning Document: this document explains how to prepare design and access statements, which need to be submitted with most planning applications;
- Residential Design Standards Supplementary Planning Document: this document explains minimum design standards for residential development to ensure it is of a high quality and meets housing need in the borough;
- S106 Planning Obligations Supplementary Planning Document: this document sets out the common planning obligations the council will seek to help make developments more sustainable;
- Transport SPD: sets out requirements for transport plans and assessments.

#### **National Guidance**

- By Design (2000) aims to promote higher standards of urban design in planning.
- Better Places to Live by Design: A Companion Guide to PPG3 (2001) complements By Design and promotes principles of good housing design.
- Safer Places - the Planning System and Crime Prevention; and
- Planning and Access for Disabled People: A good practice guide.

#### **CONSULTATION**

9. Consultation on the draft SPD will be carried out in accordance with the council's statement of community involvement. A consultation plan is set out in appendix B. A period of informal consultation will take place which will be followed by 6 weeks of formal consultation from February 12 to March 26. In addition to a mail out to the consultees on our database, the documents will also be referred to community councils. A number of public exhibitions and meetings will be held during the formal consultation period. We attach a consultation report with consultation carried out to date. A Statement of Compliance will be reported to members when the document is adopted to demonstrate how consultation has been carried out in line with the consultation plan.
10. All representations received will be taken into account, and the council will respond to each individually. Following any appropriate amendments to the SPD, the document will be reported back to the relevant community councils and planning committee before being adopted by executive. Consultation responses to the draft Bankside and London Bridge SPGs (2002) are included in the consultation report. These have

informed preparation of the Bankside, Borough and London Bridge Supplementary Planning Document/Opportunity Area Framework (2010).

11. The Mayor will also consult on the Supplementary Planning Document/Opportunity Area Framework (2010).

### **COMMENTS OF THE PLANNING COMMITTEE**

12. The SPD was reported to Planning Committee on January 19 2010. The committee's comments and suggested are set in table 1.

### **KEY ISSUES FOR CONSIDERATION**

13. The SPD covers the following topics:
  - the height, scale and character of new development including tall buildings
  - retail
  - hotels
  - student accommodation
  - employment
  - housing
  - transport and permeability
  - protecting and improving open spaces
  - section 106
  - guidance for key development sites
14. The height, scale and character of new development including tall buildings. Tall buildings are those that are over 30 metres or significantly higher than their local surroundings. The London Plan, Southwark Plan and Core Strategy all allow for tall buildings in the London Bridge part of the Opportunity Area and at the northern end of Blackfriars Road. The SPD sets out the specific locations that tall buildings could be located based on a detailed tall buildings study. It sets out criteria that any tall buildings application must meet to ensure that we encourage and permit only exemplary buildings that make a significant contribution to the area.
15. There could be a tall building cluster around the Shard along St Thomas Street between Guy's Hospital Tower and the Bermondsey Street conservation area. The Shard would remain the prominent landmark. We have tested the impact of building heights on key views in the area including strategic views as part of the London View Management Framework, and views from within the Tower of London World Heritage Site.
16. At the northern end of Blackfriars Road the approach to tall buildings reflects the schemes that have already been permitted at Nos. 1 and Nos. 20 Blackfriars Road. This is a strategic location at a gateway to Southwark and the junction of major roads. There could also be a taller building above the Southwark tube station.
17. The London Bridge character contrasts greatly with Bankside and the Borough where most buildings are 2 to 6 storeys. The SPD does not encourage tall buildings in this area.
18. Based on the Southwark Retail Study, we are not expecting a high amount of growth in retail in the opportunity area, however it would benefit from some medium sized retail shops for local people to improve the current mix. Developers tend to want to build smaller retail because they would prefer to provide larger retail where they have significant parking. However the local supermarkets are over-trading and the local

residents would like this provision. Therefore we are exploring with landowners opportunities for supermarkets and broader mix of shops. We also protect local shops and encourage a wider range and mix of shops along Borough High Street. Where active frontages are proposed, the SPD seeks a minimum of 50% per block to be A1 use class, as within the protected shopping frontages A1 provision is currently below 50%.

19. A London study found that Southwark could provide 2,500 hotel bed spaces to benefit from the tourist trade. We have around this number in the pipeline and we are concerned that, with the recession, hotels are far more profitable for developers than offices and that there are not the criteria to consider the employment impact of loss of office space. They both generate local spend and will be encouraged, however we have introduced a criteria based approach to hotels to enable consideration of the impacts.
20. A student housing study found that Southwark has the second highest level of students in London and a considerable number of these students live in Cathedrals ward. We are concerned that, with the recession, student housing is more profitable than offices or housing. There are already a considerable number of permissions in the pipeline, with 979 bedrooms approved since 2005. Our strategic housing land availability assessment sets out the sites we consider will be brought forward to deliver our housing and affordable housing targets. The emerging core strategy requires student housing to provide affordable housing in the same way that we require provision from general housing. This will enable us to provide for students alongside conventional housing.
21. The Core Strategy and emerging London Plan set a target to provide at least 1,900 extra homes in the opportunity area by 2026. 35% of these will be affordable (a target of 665 dwellings) and there is a general requirement for 20% family housing with 10% in the areas for tall buildings. The density will be 650 to 1100 hr/ha with exceptions where there is exemplary design, high living standards and provision for transport infrastructure.
22. The core strategy policy will apply, protecting B class floor space allowing mixed use on most sites where an increase in floor space is proposed. We know some sites will be mostly commercial such as at London Bridge Station and Colechurch House.
23. We are improving permeability, legibility, cycling and walking routes. We are carrying out detailed modelling with Transport for London to test the impact of new development on the public transport work so that we can plan for changes and requirements for mitigation measures.
24. We are protecting and improving open spaces and requiring funding for these. We have allocated the Crossbones site as a new open space in the Core Strategy. The SPD provides further detailed guidance for development of the site to set out how an open space could be provided.
25. The SPD says that the area would benefit from a new community centre at Mint Street which could also provide office space for Bankside Open Spaces Trust. If located at Mint Street Park, this will need to be ancillary to the park and will need to comply with the Borough Open Land status.
26. We are reconsidering the tariffs based on local need. We consider that there should be more enterprise contributions such as affordable business space and more local employment initiatives and that health contributions could be used for projects that encourage good health and reduce demand on existing health infrastructure, such as leisure facilities. We consider that there should be more for open spaces as there is a



deficit in the area. We should introduce contributions for a youth facility as this is a priority for the area. We are also exploring the possibility of using affordable housing *in lieu* payments to fund 'hidden homes' programmes in the area.

27. We set out additional detail for the largest development sites that require guidance to enable us to demonstrate we can achieve our housing, employment and retail targets within a plan for the area.

### **Community Impact Statement**

28. The key impacts are around consultation. These are addressed in the Equalities Impact Assessment set out in Appendix D.

### **Sustainability Considerations**

29. We consulted on the sustainability appraisal scoping report for the SPD/OAPF from July 31 to September 4 2009. A sustainability appraisal has been carried out on the draft SPD, taking into account responses to the consultation and the sustainability appraisal of the Core Strategy. This is included at Appendix C.
30. An appraisal of the SPD/OAPF objectives against the Sustainability Objectives was carried out to check that the plan's objectives were compatible with the need to address sustainable development. The results showed great similarity to those of the Core Strategy, with the majority of the objectives showing a compatible result.
31. Proposals will be assessed at the application level both against the core strategy policies and the further specific guidance within the SPD/OAPF itself and other guidance, in particular the Sustainable Design and Construction and Sustainability Assessment SPDs. It is therefore thought that any potential negative impacts can be addressed through suitable mitigation measures.
32. A further sustainability appraisal of the guidance was therefore considered to be unnecessary in order to avoid duplication of the SA already undertaken for the Core Strategy, in accordance with the regulations.
33. An appropriate assessment has not been undertaken as screening of the Core Strategy publication/submission version found no likely significant discernable adverse impacts on European sites.

### **Resource/Financial Implications**

34. 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 and Governance**

35. This report is being brought before Members' of the Executive under Part 3C of the Southwark Constitution 2008-9.
36. Following comments by Planning Committee, the role of the Executive in approving the consultation in relation to policy documents such as this SPD is a function reserved to the Executive under Para 21 of Part 3B of the Constitution.

37. The draft BBLB is now at consultation stage, accordingly, Members' of the Executive are requested to consider both the documents set out in section 1 of this report and the comments made by Planning Committee and to approve the consultation of the draft BBLB SPD in accordance with the recommendation of Planning Committee, subject to the changes detailed in Table 1.
38. SPDs are local development documents under the new legislative framework established under the 2004 Act and will form part of the planning framework for the borough. They may cover a range of issues, both thematic and site specific which expand upon policy or provide further detail to policies in development plan documents. They must not be used to allocate land. SPDs do not have development plan status and as such the presumption in favour of the development plan in section 38(6) of the 2004 Act does not apply to SPDs. This draft SPD complies with these principles.
39. SPDs have replaced supplementary planning guidance (SPGs) which were formerly adopted under PPG12 as informal non statutory guidance which set out more detailed guidance on the way development plan policies will be applied in particular circumstances. If consistent with the development plan and prepared in consultation with the public whose views are taken into account before the SPG was finalised, PPG12 advised that substantial weight could be placed on an SPG as a material consideration.

### **Procedural Requirements**

40. Under the new system, a detailed procedure for the adoption of SPDs is set out in Part 5 of The Town and Country Planning (Local Development) (England) Regulations 2004. Until an SPD has been adopted to replace an existing SPG, the SPG and guidance in PPG12 continues to apply. PPS12, the successor to PPG12, does not state how much weight should be given to new SPDs but it is likely that given their preparation under the new procedures involves proper public consultation, once adopted substantial weight may be placed on SPDs as a material consideration, in the determination of planning applications where relevant.
41. SPDs will not be subject to independent examination, however the legislation requires that they should be subjected to rigorous procedures of community involvement. PPS12 set out the criteria an SPD must conform with:
  - i. It must be consistent with national and regional planning policies as well as the policies set out in the development plan documents contained in the local development framework;
  - ii. It must be clearly cross-referenced to the relevant development plan document policy which it supplements (or, before a relevant development plan document has been adopted, a saved policy);
  - iii. It must be reviewed on a regular basis alongside reviews of the development plan document policies to which it relates; and
  - iv. The process by which it has been prepared must be made clear and a statement of conformity with the statement of community involvement must be published with it.
42. All the matters covered in SPDs must relate to and set out the further detail of policies in a development plan document or a saved policy in a development plan. They must therefore conform to the relevant development plan document (or saved policies), and thereby be consistent with national planning policy and generally conform, in London, with the spatial development strategy.

43. This SPD has been prepared in accordance with the Southwark Plan 2007, which is the adopted development plan for Southwark and which has been prepared so that it is in general conformity with the London Plan – the Mayor’s spatial development strategy. At present, the Southwark Plan as the most recent adopted development plan document prevails in accordance with S38(5) of the Planning and Compulsory Purchase Act 2004.
44. Where the detail to be provided in a supplementary planning document is fundamental to the early delivery of policies in a development plan document, it may usefully be prepared in parallel with that document. However, if the development plan document is changed this may necessitate changes to the SPD. In such instances, the local planning authority will need to undertake community involvement on the changes they propose to make in accordance with the statement of community involvement or minimum requirements in the regulations.
45. Local planning authorities must comply with European Union Directive 2001/42/EC which requires formal strategic environmental assessment of certain plans and programmes which are likely to have significant effects on the environment. The directive applies to local development documents where formal preparation began after July 21 2004. It will also apply to all local development documents, as well as local plans/unitary development plans continuing under transitional arrangements whose preparation began before that date and, which are not adopted by July 21 2006. The directive has been incorporated into English law by virtue of the Strategic Environmental Assessment Regulations 2004. Local planning authorities must comply with these regulations as well as the regulations under Part 2 of the Act when preparing local development documents.
46. In addition, section 39 of the 2004 Act requires local development documents to be prepared with a view to contributing to the achievement of sustainable development. The 2004 Act requires regard to be had to national policies and guidance on sustainable development. The government’s four aims for sustainable development are set out in PPS1 Creating Sustainable Communities paragraph 1.13. These are:
- Maintenance of high and stable levels of economic growth and employment.
  - Social progress which recognises the needs of everyone.
  - Effective protection of the environment.
  - The prudent use of natural resources.

### **Sustainability Appraisal**

47. The Planning and Compulsory Purchase Act 2004 and Regulation 17 of the above regulations also requires sustainability appraisal (SA) of all emerging DPDs. The new Town and Country Planning (Local Development)(England) (Amendment) (Regulations) 2009 provide that a SA report is no longer required if the respective issues are addressed at a higher policy level. Nonetheless, consistently with the Council’s practice of preparing SA’s for all of its SPDs to date and the special and diverse character of Borough, Bankside and London Bridge, a SA has been prepared. The purpose of the SA is to promote sustainable development through better integration of sustainability considerations into the preparation and adoption of plans. In accordance with this provision, a SA was prepared to ensure the wider impacts of the SPD policies were addressed. The Sustainability Appraisal has informed the preparation of the draft BBLB SPD and it is recommended that Members’ approve the consultation of the document.
48. SPDs must also be subject to Strategic Environmental Assessment (SEA) pursuant to the Environmental Assessment of Plans and Programmes Regulations 2004. This SPD contains within it the elements required to form the required (SEA ).

49. Local planning authorities, in preparing local development documents must fulfil the minimum requirements of sustainability appraisal. Whilst the requirement to carry out a sustainability appraisal (SA) and a strategic environmental assessment (SEA) are distinct, it is possible to satisfy both through a single appraisal process. The guidance referred to above has been produced by the government to ensure that sustainability appraisals meet the requirements of the SEA directive, and to assist authorities in carrying out such appraisals. The process of integrating the sustainability appraisal into the draft SPD, will be completed when the consultation period on that document closes on April 13.
50. Local planning authorities undertaking preparatory work in developing the evidence base must also produce a sustainability appraisal scoping report. This should set out the scope and level of detail of the proposed sustainability appraisal. Environmental consultation bodies are to be consulted for a minimum period of 5 weeks on the scoping report. This process was undertaken for both SPDs.
51. The draft SPD cannot be adopted without taking into account the SA and consultation responses on both documents.

### **Consultation – Procedural Requirements**

52. Members' are advised that should the Executive grant approval for consultation on the draft BBLB SPD, a number of statutory requirements will need to be complied with by the Council before the SPD can progress to the next stage, ultimately for adoption. These requirements are set out in Part 5 of the Regulations (Regulations 16,17,18 and 19 Town and Country Planning (Local Development) (England) Regulations 2004 (as amended by the 2008 Regulations) and must be complied with as soon as reasonably practicable after the date of adoption.
53. The proposed consultation process for this SPD is set out in the Consultation Plan which accompanies it and confirms with the policies contained in Southwark's Statement of Community Involvement (including a 6 week period of informal consultation, followed by six weeks of informal consultation).

### **Human Rights Implications**

54. The Human Rights Act 1998 imposes a duty on the council as a public authority to apply the European Convention on Human Rights and the council must not act in a way which is incompatible with these rights. The most important rights for planning purposes are article 8 the right to respect for home and article 1 of the First Protocol, the right to peaceful enjoyment of property. Article 6 is also engaged in relation to the principles of natural justice. In general, these principles are inherent in domestic law. As this SPD has been prepared in accordance with the statutory process, it is likely that it is in conformity with the Human Rights Act 1998. Any human rights implications will be considered throughout the application of the policies in the SPD through the development control process.

### **Equalities Impact Assessments (EqIAs)**

55. The Race Relations (Amendment) Act 2000 places a duty on local authorities to promote race equality in their policy-making, service delivery, regulation, enforcement and employment. This includes three overlapping areas of responsibility:
  - To eliminate discrimination
  - To promote equality of opportunity

- To promote good community relations
56. To meet these responsibilities, Southwark has published its Equality Scheme 2005-2008 approved by the Executive in October 2005. This sets out our overall policy for addressing equality, diversity and social cohesion in the borough. This policy recognises that people may face discrimination, or experience adverse impact on their lives as a result of age, disability, ethnicity, faith, gender or sexuality.
57. The preparation of equality impact assessments (EQIA) is part of Southwark's wider commitment to equalities, which is set out on the Corporate Equalities Action Plan 2003-2006. They are required in order to examine the aims, implementation and effects of policies, practices and services to check that no groups are receiving or are likely to receive differential treatment or outcomes that are discriminatory or unfair in nature.
58. The carrying out of an EQIA is intended to improve the work of Southwark by making sure it does not discriminate and that, where possible, it promotes equality. Preparation of an EQIA will ensure that individuals and teams think carefully about the likely impact of their work on the residents of Southwark and take action to improve the policies, practices or services being delivered. The EqIA in respect of the draft BBLB SPD considered the impact of the proposed policy on groups who may be at risk of discriminatory treatment and has regard to the need to promote equality among the borough's communities..

**Table 1: Proposed changes to the draft BBLB SPD**

Underlined text in the change column is proposed to be added to draft SPD.

~~Strikethrough~~-text is proposed to be deleted from the draft SPD.

Reference	Respondee	Change	Agreed
Page 41, 4.2.7 and page 77, 6.4.2	Planning Committee	Include Southwark Cathedral and environs as a priority for public realm improvements.	
Throughout	Officer	Need to change to refer to <u>Opportunity Area Planning Framework/Supplementary Planning Document</u> throughout where either are referenced.	
Throughout	Officer	Change the reference to the Shard to include <u>London Bridge Tower</u>	
P9, 1.3	Officer	<p>Add:  <u>This document provides detailed guidance on how current planning policies will be applied in the opportunity area.</u></p> <p><u>It is a supplementary planning document (SPD) and will be used to decide planning applications in Bankside, Borough and London Bridge.</u></p> <p><u>As an Opportunity Area Planning Framework, it will be used by the Mayor to make decisions on large scale applications referred to him.</u></p> <p>Delete:  <del>This supplementary planning document (SPD) provides detailed guidance on how our current</del></p>	

Reference	Respondee	Change	Agreed
		<p>planning policies will be applied in the opportunity area. We have been working closely with the Mayor of London with the intention of it being adopted as Opportunity Area Planning Framework.</p> <p>The SPD will be used to decide planning applications in Bankside, Borough and London Bridge.</p>	
Page 11, 2.2	Officer	<p>Amend: Improvements in transport such as the Jubilee Line and Thameslink programme are bringing major benefits to the area, including <u>include</u> a new entrance to Blackfriars Station from Bankside and remodeled London Bridge Station. This will help unlock the potential of the area.</p>	
Page 11, 2.3	Planning committee	<p>Amend: It is home to <u>Southwark council offices and many of our some of our other large employers.</u></p>	
Page 17, 3.2 London Bridge	Officer	<p>Amend to reflect Core Strategy: Major redevelopment of the station to improve access, <del>and capacity</del> <u>and links between transport types</u> is key to the development of the surrounding development sites. <u>Improvements will prioritise links to buses and train stations within Southwark.</u></p>	
Page 23, 4.1.1, Under "Development should:"	Officer	<p>Amend second bullet point:</p> <ul style="list-style-type: none"> <li>• Where new retail units or active frontages are provided, at least 50% of <u>the length of each active/retail frontage in the scheme</u> should be class A1 uses.</li> </ul>	
Page 26, 4.1.6	Officer	<p>Delete: <del>but this should not be the main component of development schemes.</del></p>	
Page 27, 4.1.7	Officer	<p>Delete: <del>Where possible, all new major development should include some housing.</del></p>	
Page 29, 4.2.1 at the end	Planning committee	<p>Add:</p> <ul style="list-style-type: none"> <li>• <u>When new developments are being considered we will encourage them to be named after local historic influences.</u></li> </ul>	
Page 30, Figure 17	Officer	<p>Make map clearer.</p>	
Page 31, 4.1.8	Officer	<p>Add at end of first paragraph: <u>and near Bankside Gallery.</u></p>	
Page 32, 4.2.2	Officer	<p>Amend:</p> <ul style="list-style-type: none"> <li>• Be designed to <u>ensure safe and secure environments that improve community safety and prevent crime and anti-social behaviour</u> by incorporating the principles of Secured by Design.</li> </ul>	
P33, 4.2.2	Officer	<p>Remove the reference to 150m for design analysis and replace with <u>tall buildings</u></p>	
P34, Fig 20	Planning committee	<p>Fix up the Thames Special Policy Area designation on the map.</p>	

Reference	Respondee	Change	Agreed
P35, 4.2.2, Strategy for London Bridge	Officer	Amend: Create a mix of uses that draw activity into the precinct. Improve public access to and the quality of green spaces in the precinct. <u>This includes transforming Boland House forecourt into a public square.</u>	
P37, 4.2.3 Strategy for Blackfriars Road North	Officer	Under Improve links and pedestrian environment add: <ul style="list-style-type: none"> <li>• <u>Reconnect Upper Ground to Hopton Street/Holland Street allowing direct cycle link.</u></li> </ul>	
Figure 23 and Figure 25	Officer	Amend to show possible link between Upper Ground to Hopton Street/Holland Street	
P36, 4.2.3 Strategy for Blackfriars Road North	Officer	Amend: <ul style="list-style-type: none"> <li>• The focus of the emerging cluster should be around the key intersection of Blackfriars Road, <del>and</del> Stamford Street <u>and Southwark Street.</u></li> </ul>	
Figure 22 and 26	Officer	Amend to show southern part of Ludwig House/Express Newspaper site in tall buildings zone. Show as opportunity site.	
Page 42, 4.2.8 Improve Links and Pedestrian Environment	Officer	Add bullet: <ul style="list-style-type: none"> <li>• <u>Improvements to the pedestrian environment around the junction of Borough High Street, Long Lane and Marshalsea Road are a priority</u></li> </ul>	
Page 46, 4.2.12 Detailed requirements for tall buildings	Officer	Add to end of criteria 6 Bring life and activity to an area and create vibrant and attractive streets and spaces: <u>The amount of public space provided at ground level will be expected to be proportionate to the height of a building. The taller a building the more of a contribution that will be expected by reducing building footprint.</u>	
P54, 5.1 London Bridge Station	Planning committee	Amend to say: <u>London Bridge station links to a number of stations within Southwark.</u>  <u>There should be improved east to west linkages through a new entrance at the east of the station.</u>  <u>Redevelopment and improvements to the station should prioritise links to buses and train station within Southwark.</u>	
P55, 5.2 Guy's hospital	Officer	Under Lane Use, amend: <ul style="list-style-type: none"> <li>• <del>Achieving</del> <u>Achieving</u> a world-class health, research and education facility for all of London. <del>and</del> <u>Improving health services to create an important centre</u> for the local community should be the primary focus of any redevelopment scheme.</li> </ul>	
Page 61, Fig 32	Planning committee	Fix up the map so that it is clearer where the pedestrian linkages should be.	
Page 67, 5.10 20 Blackfriars Road	Officer	Under public realm amend first bullet point to say: <ul style="list-style-type: none"> <li>• Development should provide pleasant and welcoming public space on the site which links</li> </ul>	

Reference	Respondee	Change	Agreed
		to Christ Church gardens. Building elements should not cause overshadowing or negative impacts on <u>the open space</u> .	
Page 77, Play and sports development	Officer	Amend: <ul style="list-style-type: none"> <li>Community swimming pool at Elephant and Castle <u>to provide for the north of Southwark</u>.</li> </ul>	
Appendix 1, A1.4	Officer	Add: <u>The following supplementary planning guidance to the London Plan will also apply:</u> <ul style="list-style-type: none"> <li><u>London View Management Framework Supplementary Planning Guidance</u></li> <li><u>Planning for Equality and Diversity in London Supplementary Planning Guidance</u></li> <li><u>Accessible London: Achieving an Inclusive Environment Supplementary Planning Guidance</u></li> </ul>	
Appendix 3	Officer	Update population and economic data and hotel/student accommodation completions.	
Appendix 3, A3.4 and Figure A3.2	Officer	Delete <del>proposed</del> after Kings Bench conservation area. Change figure to reflect adoption of Kings bench conservation area and extension of Bermondsey Street conservation area.	
Appendix 3, Figure A3.9	Officer	Show the Fire Brigade Museum on Southwark Bridge Road.	
Appendix 6	Officer	Amend first paragraph: <u>Policy 7.7 of the draft replacement London Plan identifies opportunity areas as possible locations for tall buildings. The Core Strategy key diagram and policy 12 identify more specific locations</u> <del>The London Plan and Core Strategy have identified that the opportunity area is a suitable location for tall buildings and that new development could appear around the north end of Blackfriars Road and around London Bridge Station. The SPD/OAPF provides more detailed guidance on appropriate locations and design considerations that will be used to decide applications for tall buildings.</del>	

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Plan (Unitary Development Plan 2007)	Planning Policy Team Tooley Street	Rumi Bose 020 7525 5471
Bankside SPG (2002)	Planning Policy Team	Rumi Bose



	Tooley Street	020 7525 5471
London Bridge SPG (2002)	Planning Policy Team Tooley Street	Rumi Bose 020 7525 5471
London Bridge Framework (2002)	Planning Policy Team Tooley Street	Rumi Bose 020 7525 5471

## APPENDICES

No.	Title
Appendix A	Draft Bankside, Borough and London Bridge Supplementary Planning Document (paper copy with this report)
Appendix B	Consultation Plan and Consultation Report ( <i>available on the web</i> )
Appendix C	Sustainability Appraisal and officer comments to scoping ( <i>available on the web</i> )
Appendix D	Equalities Impact Assessment ( <i>available on the web</i> )

## AUDIT TRAIL

<b>Lead Officer</b>	Anne Lippitt, Strategic Director of Regeneration And Neighbourhoods	
<b>Report Author</b>	Julie Seymour, Head of Planning Policy	
<b>Version</b>	Final	
<b>Dated</b>	29 January 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
Executive Member	Yes	No
<b>Date final report sent to Constitutional Support Services</b>	1 February 2010	

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Heygate Estate: Compulsory Purchase Orders	
<b>Ward:</b>		East Walworth	
<b>From:</b>		Deputy Chief Executive	

## RECOMMENDATIONS

That the Executive agrees:

1. The Council makes two Compulsory Purchase Orders under section 226 (1) of the Town & Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the areas edged red and shown as Sites One and Two on the plan at Appendix One for the purpose of securing the regeneration of the Heygate Estate in accordance with the provisions of the Southwark Plan.
2. The Head of Property be authorised to:
  - a) take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Orders including the publication and service of all notices and the presentation of the Council's case at Public Inquiry should one be called
  - b) to acquire all interests in land within the compulsory purchase order areas either by agreement or compulsorily
  - c) approve agreements with land owners setting out the terms for the withdrawal of objections to the Orders, including where appropriate seeking exclusion of land from the Orders and
  - d) amend the boundaries of the Sites shown edged red on the plan at Appendix One should the need arise.
3. The resolution passed by Major Projects Board on 30 July 2007 to make a Compulsory Purchase Order covering a wider area be withdrawn.

## BACKGROUND INFORMATION

4. Following further detailed analysis and due diligence around the extent and scope of the Elephant and Castle regeneration the Council has a much clearer vision of the Project's scope and programme delivery. In order to secure delivery of this exciting area transformation it is clear that it is necessary to secure compulsory purchase powers to acquire outstanding leasehold properties and third party rights.

5. The Council has for a number of years been working hard to empty the Estate by relocating tenants and purchasing the interest of leaseholders. As the table overleaf demonstrates excellent progress has been made.

Category	Prior to vacation of Estate plans	As at 18 Jan 2010*	Percentage vacated
Residential tenants	1,033	60	94%
Residential leaseholders	179	27	85%
Commercial leaseholders	11	10	9%
Non-residential freeholder	1	1	0

6. In fact, the position is better because for a number of leaseholders and tenants agreements are in hand that will see them move in the near future. Also, Site One on the plan that includes blocks in Rodney Road and Wingrave have no leaseholders and only two remaining tenants and will be totally vacant very shortly. The blocks will thereafter be demolished and regenerated by Lend Lease as Phase 1 of the regeneration.
7. Despite the significant progress made to date it is getting harder and harder to move forward with the remaining residential leaseholders. Appendix Two to this report lists the outstanding properties and it can be seen they are spread throughout the Site Two area.

#### KEY ISSUES FOR CONSIDERATION

8. The making of a compulsory purchase order is essential in these circumstances to guard against the risk of the regeneration project being delayed. Efforts will however continue to acquire the outstanding interests by agreement.
9. The remaining commercial leases are in respect of shops in Brandon Street and the petrol filling station in Walworth Road. Of these, with the exception of one shop in Brandon Street, the leases will have expired by the time [2012] their sites are needed for regeneration. Negotiations are taking place with the shop lessee concerned but his current monetary aspirations cannot be met. A confirmed order will therefore ensure possession of that property in line with the regeneration timetable. Maintaining income from these units [in excess of £75,000 per annum] and enabling local service providers to continue their work have been a material consideration in delaying possession.
10. The non-residential freeholder is the United Reform Church that fronts New Kent Road. It is accepted that this property is to be reprovided as part of the regeneration and discussions have taken place with Church representatives who are supportive of the regeneration. However, until the master planning of the area is completed it is not possible to move this aspect forward.
11. Site Two contains some Council service buildings; a former doctor's surgery used for project delivery purposes, a tenant's hall and a housing office. With the Estate almost now vacant the need for the project office will end shortly and the tenant's hall is no longer used. The housing office fronts Rodney Road and serves residents in this area of Walworth and this service provision will need to be reprovided.

12. It is appropriate to separate the Heygate into two sites for the following reasons:
  - a) Rodney Road forms a distinct boundary between Sites One and Two
  - b) Site One will be free of occupiers imminently and is already free of third party land owners
  - c) The latest strategy is for the regeneration of Site One as a single phase
  - d) It is intended to bring Site One forward for early regeneration
13. Therefore by separating the sites it will enable their respective Compulsory Purchase Orders to proceed independently of each other and this should speed up the confirmation of the Order in respect of Site One. This is the approach recommended by this report.
14. Consideration has been given to excluding Site One in its entirety from the Compulsory Purchase process since all third party land ownerships have been acquired. However, the site may be subject to third party rights over it [such as those of utility companies] and its inclusion within an order mitigates the risk of the existence of such rights delaying/obstructing the regeneration. In addition, any third party rights not identified at the referencing stage will be over-ridden so long as the land is used for the undertakings of the Council. This will be of assurance to Lend Lease.
15. In July 2007, Major Projects Board resolved to make a Compulsory Purchase Order covering a wider area than the one shown at Appendix One. In light of the evolution of the regeneration it is appropriate now for that resolution to be withdrawn.

#### **UNDERLYING INFORMATION IN RESOLVING TO MAKE THESE COMPULSORY PURCHASE ORDERS**

16. The compulsory purchase procedure is complex and has regard to a variety of factors. Details of relevant procedural and legal matters are set out at Appendix Three to this Report.

#### **Community Impact Statement**

17. The effect of the negotiated acquisition or Compulsory Purchase Order will be to dispossess persons of their rights in land. This is a necessary process to ensure the redevelopment and regeneration of the Estate can proceed. This is considered acceptable where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed
18. The regeneration of the Heygate Estate is considered to have benefits to not only the immediate community but also the Borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The Human

Rights of these individuals have accordingly been considered and commented upon later in this Report.

19. The furtherance of the Regeneration will not negate the Council's Diversity and Equal Opportunities policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Consultation**

20. There has been extensive consultation with Heygate Estate residents [including tenants and leaseholders] at all stages of the regeneration and the making of a compulsory purchase order has been included within this consultation.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

21. The Executive is advised that the Council has a power to compulsorily acquire land and property interests under Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by Section 99 of the Planning and Compulsory Purchase Act 2004) ("the 1990 Act").
22. Section 226(1)(a) gives the Council power to acquire compulsorily any land in their area if the Council think that the acquisition will "facilitate the carrying out of development/re-development, or improvement on, or in relation to, the land". In exercising this power the Council must have regard to Section 226(1)(b) of the 1990 Act and must not exercise the power unless it thinks that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects-
  - (a) The promotion of improvement of the economic well being of the area;
  - (b) The promotion or improvement of the social well being of the area;
  - (c) The promotion or improvement of the environmental well being of the area.
23. The Executive is further advised that there are a number of powers available to the Council to acquire land and property interests voluntarily. Section 120 (1) of the Local Government Act 1972 ("the 1972 Act") authorises the Council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. Under Section 120 (2) of the 1972 Act the Council may acquire by agreement any land for any purpose for which it is authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for the purpose of any of the Council's functions.
24. Section 227 of the 1990 Act also enables the Council to acquire land by agreement if it will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land if this is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of their area, or if it is required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated.

25. In relation to the creation of new rights, Section 13(1) of the Local Government (Miscellaneous Provisions) Act 1976 provides that a local authority which may be authorised by a Minister of the Crown, by means of a Compulsory Purchase Order, to purchase any land compulsorily for any purpose may be authorised by that Minister, by means of such an Order, to purchase compulsorily for that purpose such new rights over the land as are specified in the Order; and “new rights” means rights which are not in existence when the Order specifying them is made.
26. The Council’s duty to consider rights of property owners under the Human Rights Act 1988 are explained in paragraphs 42-45 of Appendix Three to this report.
27. The Executive will note from paragraph 31 of Appendix Three to this report that consideration has been given to the well being objectives under section 226(1A) of the 1990 Act in relation to the Council’s aspirations for the regeneration of the Heygate Estate. It is considered that the regeneration of the area will assist the Council in promoting and improving the economic, social and environmental well being of the Heygate Estate and therefore there are adequate powers available to the Council to acquire all the land and property interests in the sites either compulsorily or by agreement.

#### **Finance Director**

28. The Finance Director notes the recommendations to the Executive made in paragraphs one, two and three of this report.
29. It is acknowledged that a statutory compensation code exists which provide Residential and Commercial Leaseholders with financial compensation when leasehold interests are acquired via Compulsory Purchase Orders.
30. It is noted in paragraph 10 of Appendix Three, that in consideration of an Order, the Minister responsible will need to be confident that the proposals requiring the Order are likely to materialise and that there are no significant town planning or financial obstacles that will frustrate it.
31. In connection with this it is noted in paragraph 28 of Appendix Three that the estimated cost of acquiring the remaining third party interests on the site is £6.25m at present value levels.
32. In light of these costs, provision of financial assurance in relation to the identification of funds to defray the cost of leaseholder acquisitions will need to be a key consideration for this process and the failure to achieve this assurance presents a significant risk to the success of the process that will need to be addressed by the project team. Progression with the purchase of properties without a secure funding arrangement to defray the cost of such purchases could expose the Council to significant financial risk and work will therefore need to be undertaken by the Project Team to validate, reinforce and profile indicative funding sources to ensure that the purchase cost can be defrayed and that the Council remains within any legal requirements/guidance for Compulsory Purchase Orders as necessary.

## Strategic Director of Environment and Housing

33. Initial demolition notices were served pursuant to Housing Act 2004 on all Heygate properties in November 2005. These had the effect of suspending the then existing and future Right to Buy applications for a period of five years (this statutory five year period has been extended to seven years by virtue of schedule 13 of the Housing and Regeneration Act 2008 but the legislation was not retrospective hence the Heygate notices last only five years). As at 5 September 2005 there were eight live Right to Buy applications. The legislation then allows the service of Final Demolition Notices where the blocks are due to be demolished within the following two years, these serve to end any suspended Right to Buy applications. The expiry of the initial demolition notice period without the service of final demolition notices would mean any suspended Right to Buy applications being able to proceed; in addition, notices have to be served on all residents informing them that the initial notices have expired and the Right to Buy is available. There is though a statutory provision for an application to the Secretary of State to extend the initial demolition notice period (with whatever conditions the Secretary of State considers appropriate). Having said this, the eight existing Right To Buy (RTB) applications have all expired so consideration will be given over the next six months to determine whether it is appropriate to serve final demolition notices on Heygate Estate.
34. There is a financial incentive to buying back properties without recourse to a CPO, this incentive is now set out in SI 2003/3146 The Local Authorities (Capital Finance and Accounting)(England) Regulations. Councils are allowed to pool 35% of their annual costs (over £50,000) of administering and buying back ex-council properties, offsetting this amount against the set aside for capital receipts from the RTB. Instead of having to pay 75% of RTB capital receipts to the government, Councils are obliged only to pay a lesser sum, the original amount being reduced by a sum equivalent to 35% of all non CPO buy back costs over £50,000 in any financial year. It is appropriate to apply for a CPO for the Heygate Estate given that twenty-eight leaseholders are still to be bought out, although it is hoped that the majority of remaining repurchases will be by agreement and therefore the advantages explained in this paragraph can be taken advantage of.

## BACKGROUND PAPERS

Background Papers	Held At	Contact
2007 Compulsory Purchase Order resolution by Major Projects Board	<a href="http://moderngov.southwarksites.com/Data/Major%20Projects%20Board%20(Executive%20Committee)/20070730/Agenda/Minutes.pdf">http://moderngov.southwarksites.com/Data/Major%20Projects%20Board%20(Executive%20Committee)/20070730/Agenda/Minutes.pdf</a>	Patrick McGreal 0207 525 5626
Heygate Action Plan	<a href="http://moderngov.southwarksites.com/Data/Executive/20070619/Agenda/Item%2016%20-%20Heygate%20ActionPlan.pdf">http://moderngov.southwarksites.com/Data/Executive/20070619/Agenda/Item%2016%20-%20Heygate%20ActionPlan.pdf</a>	

Report to Executive on 24 November 2009 giving details of revised heads of terms with Lend Lease	<a href="http://modern.gov.southwark.gov.uk/Published/C00000118/M00002834/AI00006178/\$ElephantandCastleHeadsOfTerms.docA.ps.pdf">http://modern.gov.southwark.gov.uk/Published/C00000118/M00002834/AI00006178/\$ElephantandCastleHeadsOfTerms.docA.ps.pdf</a>	
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## APPENDICES

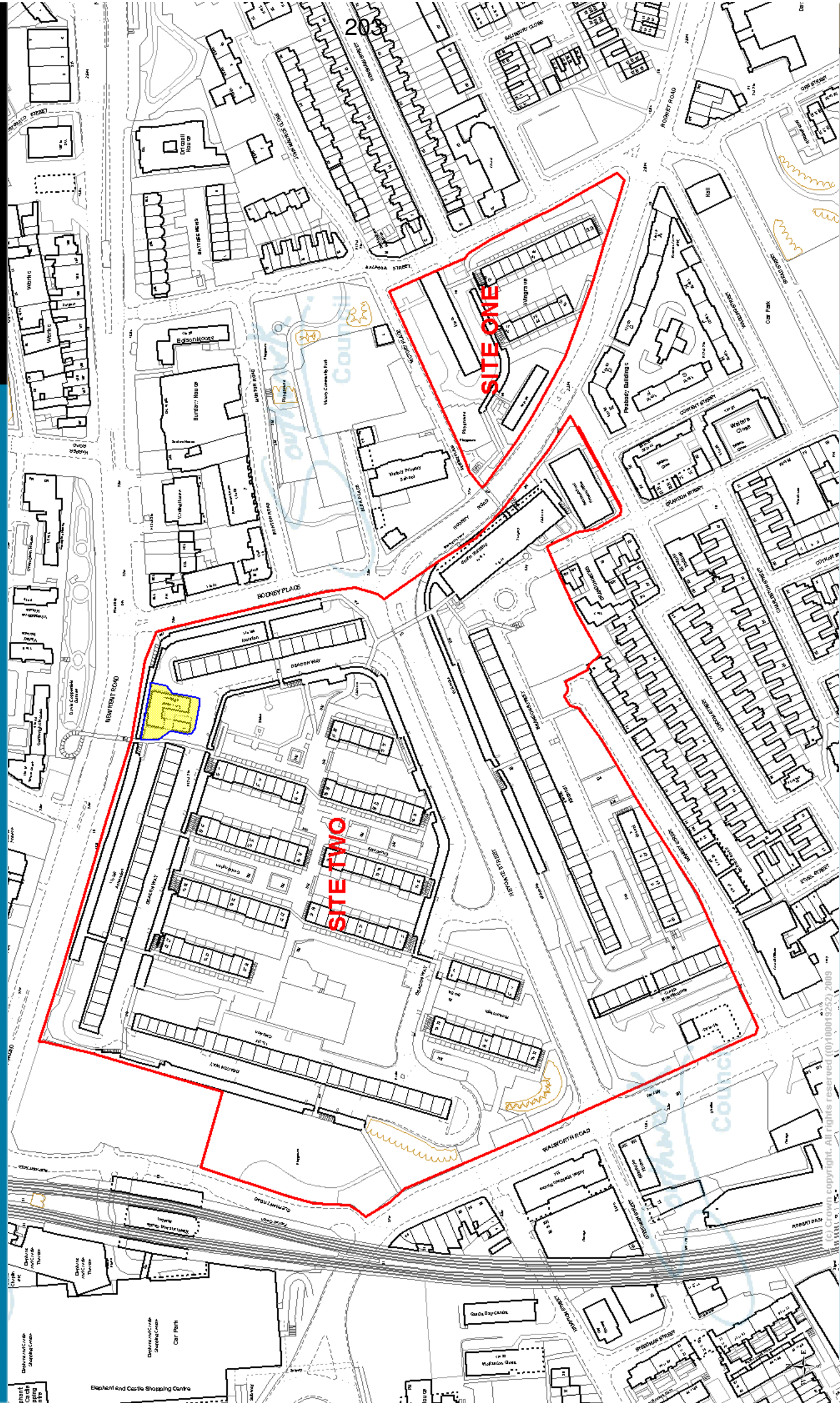
No.	Title
Appendix One	Location plan showing Order sites
Appendix Two	Property schedule
Appendix Three	Procedural and Legal matters

## AUDIT TRAIL

<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Patrick McGreal	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
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Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Environment and Housing	Yes	Yes
<b>Executive Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	1 February 2010	



Date 23/12/2009



## APPENDIX TWO

**Heygate Compulsory Purchase Orders  
Property Schedule**

***Properties to be included in Order areas***

Ashenden	242 dwellings
Chearsley	72 dwellings
Claydon	216 dwellings
Cuddington	80 dwellings
Kingshill	228 dwellings
Marston	104 dwellings
Risborough	36 dwellings
Swanbourne	110 dwellings
Wansey Street [north side]	<u>21 dwellings</u>
	1109 dwellings
Brandon Street	former surgery tenants' hall 10 retail units
1 Deacon Way	Crossways Church
137/149 Walworth Road	petrol filling station
Various	lock up garages
Various	public utility infrastructure

***Residential leaseholders in Order area***

Ashenden	4 flats
Chearsley	4 maisonettes
Claydon	4 flats
Cuddington	4 maisonettes
Kingshill	2 flats
Marston	2 flats
Risborough	1 maisonette
Rodney Road	0 properties
Swanbourne	6 flats
Wansey Street [north side]	0 properties
Wingrave	<u>0 properties</u>
	27 properties

**APPENDIX THREE****Heygate Compulsory Purchase Orders  
Procedural and Legal matters****LEGAL MATTERS****Acquisition of Residential Leasehold Interests**

1. The Right to Buy provisions of the Housing Act 1985 (as amended) give qualifying Council tenants the right to buy their homes. One hundred and seventy-nine Heygate tenants purchased their homes under these provisions
2. The Council can only repurchase these leasehold properties in the following circumstances:
  - where there is agreement with the leaseholder *or*
  - following a confirmed Compulsory Purchase Order
3. The statutory compensation code under Compulsory Purchase legislation provides that a leaseholder is entitled to the following compensation following a compulsory acquisition:
  - a) the market value of the interest acquired
  - b) a home loss payment; this is 10% of the market value where the leaseholder lives at the property or 7½% of the market value where the leaseholder lives elsewhere
  - c) a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include removal costs, legal fees, surveyors fees and adaptation expenses; this is not an exhaustive list
4. Where an acquisition takes place by agreement ahead of the exercise of compulsory purchase powers the leaseholder is treated in the same way and with the same entitlement as would be the case if there was a Compulsory Purchase Order.

**Acquisition of Commercial Leasehold Interests**

5. As previously mentioned, with one exception, these leases expire before either site is needed to be demolished ahead of transfer to Lend Lease. On expiry these leases will not be renewed although where prudent short-term non-secure extensions may be allowed. The lease of one shop however in Brandon Street does not expire until 2014 and it does not contain any early termination provisions to enable the Council to terminate before it expires. In the absence of agreement with the lessee the Council can only acquire the lease before termination with a confirmed Compulsory Purchase Order.
6. The statutory compensation code provides that the commercial leaseholder is entitled to the following compensation following a compulsory acquisition:
  - a) The market value of the leasehold interest in the property;

**APPENDIX THREE****Heygate Compulsory Purchase Orders  
Procedural and Legal matters**

- b) Payment for loss of profits arising from the relocation or extinguishment of the business [as appropriate]
- c) a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include relocation costs, legal fees and surveyors fees

**Acquisition of Non-residential Freehold Interest**

- 7. Site Two includes one plot of land that is owned by a third party; Crossways Church at 1 Deacon Way. The land is held by the United Reform Church and is used for worship and community interaction purposes. Discussions have over a period of time taken place with the Church who is supportative of the regeneration in principle but wish to retain a presence in the immediate area. In cases such as this where there is no general market for specialised properties rule 5 of section 5 of the Land Compensation Act 1961 provides that the compensation payable is to be assessed on the basis of the reasonable cost of equivalent reinstatement.

**PROCEDURAL MATTERS****Outline of Compulsory Purchase Procedure***Resolution*

- 8. The Executive passes a resolution to make an Order. This is the purpose of this report.

*Referencing*

- 9. The Council assembles information that provides details of all owners, tenants and occupiers. This is to both identify what interests need to be acquired and who is entitled to receive a notice of the publication of the Order. This stage will enable the precise details of the Orders areas to be determined. The boundaries shown edged red on the plan at Appendix One may need subtle amendment in the light of this and it is recommended that the Head of Property be given delegated authority to set the extent of the Orders.

*Resolving planning and finance*

- 10. In considering the Orders the Minister needs to be confident that the proposals behind them are likely to come to fruition. In this connection, s/he will need to be satisfied that there are no significant Town Planning or financial obstacles that will frustrate them. The intended regeneration of the sites will be in accordance with the detailed planning guidance for the area. The Council is presently negotiating the Regeneration Agreement with Lend Lease Corporation [ranked third among the top 20 global companies by sales in the real estate industry as classified by Dow Jones (06/10/09)]. The Regeneration Agreement is likely to contain a requirement on Lend Lease to use reasonable endeavours to support the Council's application for a Compulsory Purchase Order. This will include a requirement on them to

## APPENDIX THREE

### Heygate Compulsory Purchase Orders Procedural and Legal matters

provide evidence that the scheme is deliverable in planning terms and that finance will be available. This is not unusual for a scheme of this size and complexity.

#### *Making the Order*

11. The Council makes the Order, to a defined format. A schedule goes with the Order identifying ownership details of all land within it. A Statement of Reasons must also be prepared to accompany the Order. This is a critical document that may be challenged by objectors and therefore needs to be prepared accurately and with great precision.

#### *Publication of the Order*

12. The Council serves notice of making of the Order on all leaseholders, tenants and occupiers affected by it. A notice of the making of the Order has to be published for two successive weeks in a local newspaper.
13. The notices will advise that any objections to it can be made to the relevant government minister and specify an address for this purpose. The Order is then passed to the government minister.

#### *Confirmation of the Order*

14. The Order does not become effective unless and until it is confirmed by the minister. Where there are objections to the Order they must be considered before confirmation. This is usually done by way of a public inquiry but can sometimes be dealt with by written representations.
15. After considering the objections [if there has been a public inquiry there will be an Inspector's Report] the Minister may confirm, modify or reject the Order. If it is rejected that is the end of the process and the Council will need to revisit its plans.
16. Following confirmation or if applicable, modification, a notice advising that the Order has been confirmed must be published in the local newspaper and served on all leaseholders, tenants and occupiers affected by the Order. A confirmed Order should be implemented within three years to retain its validity.

#### *Taking Possession*

17. This can be achieved by either Notice to Treat/Notice of Entry or by using General Vesting Declaration procedure. The latter is considered the most appropriate for the Heygate as it transfers both the right to possession and title of the land to the Council.

#### **Indicative Timescale**

18.
 

■	Resolution to make the Order	
■	Referencing/Finance/Planning	12 weeks
■	Making the Order to Publication	6 weeks

## APPENDIX THREE

### Heygate Compulsory Purchase Orders Procedural and Legal matters

■	Publication to Confirmation	40 weeks
■	Confirmation to taking Possession	18 weeks

19. Therefore we are looking at around a year and a half between making this resolution and obtaining possession but if there are complications it could be longer. It is assumed that there will be objections to the Order and that these will require protracted negotiations and/or a public inquiry to resolve. If a public inquiry is needed this will be called for and arranged by the minister so the Council has little control over this process. Resource availability could cause this to be scheduled rather later than would be preferred and is a risk to be factored into project planning. If there are no objections or ones that are quickly resolved the period between publication and confirmation could be significantly reduced.

#### Power to make a Compulsory Purchase Order

20. Section 226 of the Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004) is the recommended enabling provision in both instances for the purpose of compulsorily acquiring the interests required to progress the implementation of the regeneration of the site. The detailed application and use of this power is set out in paragraphs 29-41 of this Appendix.

#### Policy Implications

##### *Corporate*

21. The regeneration of the Elephant and Castle is a long standing Borough policy. The making of the proposed Compulsory Purchase Orders for the Heygate Estate will underpin this.
22. The regeneration of the Elephant and Castle is a specified policy under the theme of “*Places Where People Love to Live*” in the *Corporate Plan 2009 – 2011*. It is also a “*Delivering Change*” policy of the Sustainable Community Strategy “*Southwark 2016*”.

##### *Planning*

23. The Heygate Estate forms part of the Elephant & Castle core area site 39P in the Southwark Plan which is identified for redevelopment to provide a range of new uses and activities including homes, retail, leisure and employment space. The site is within the Elephant & Castle Opportunity Area as identified in the London Plan and has been identified as having the capacity to contribute to London’s requirements for new homes and jobs. The 39P site is therefore of strategic importance to the delivery of both Southwark and London wide targets and there is strong planning support for redevelopment within it.
24. The Council has produced supplementary planning guidance in the form of a development framework which provides more detailed information as to how policies in the development plan are to be given spatial affect. The 2004 Elephant & Castle Supplementary Planning Guidance [SPG] addresses land use, movement, public realm and built form for the entire site including the

**APPENDIX THREE****Heygate Compulsory Purchase Orders  
Procedural and Legal matters**

Heygate Estate. The SPG suggests a phased approach to redevelopment and delivery commencing on the southern part of the Estate. It also recognises that in appropriate circumstances the Council will be prepared to use its Compulsory Purchase powers to assemble land required for development.

*Housing Strategy*

25. The regeneration of the Heygate Estate is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme.

*Rehousing requirements*

26. The planned timescale for the Heygate regeneration phase takes into account the Council's capacity within the overall social housing supply. The overall supply of homes available for letting is mapped against demand in the Housing Supply and Demand model - as anticipated up to 2030. The model shows that up to 2014 the proportion of homes needed for regeneration rehousing schemes equates to approximately 10% of the total supply available. Although this may seem a modest proportion of the overall available supply, it is recognised that tenants on regeneration schemes have high aspirations and tend to limit their choices to the most desirable homes, often only in the immediate neighbourhood of their current home. The Council's lettings policy is based on choice, i.e. tenants bidding (with the highest priority and in date order of their priority) under the *Homesearch* scheme, until contractual requirements mean the Council needs to instigate court proceedings. This tenant/customer led approach naturally limits the proportion of properties that can be deemed suitable for rehousing on regeneration schemes. On the other hand, it does mean that a reasonable number of properties remain available for other groups of applicants on the Council's housing list - the main effect of which falls on the desirability of the remaining properties. The Housing Supply and Demand model is up-dated half-yearly against performance and any additional demand from newly identified regeneration schemes, emergency measures etc is re-assessed at these times.

*Property Acquisitions*

27. The Council has for a number of years been endeavouring to acquire by agreement leasehold properties to move the scheme forward. The passing of this resolution should encourage the remaining leaseholders to enter into meaningful negotiations with the Council.

**Financial Implications**

28. The estimated net cost of acquiring the remaining third party interests on the Estate is £6.25million at present value levels. There is provision in the Elephant and Castle project programme for this expenditure. There will be staff resource costs in taking the Orders to completion, relocating tenants and acquiring leasehold interests for which there is also provision for in the overall project programme.

## APPENDIX THREE

**Heygate Compulsory Purchase Orders  
Procedural and Legal matters****Legal Implications**

29. Section 226(1)(a) of the Town and Country Planning Act 1990 (the Act) (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) is the appropriate power in this instance to secure the compulsory acquisition of properties within the Heygate Estate. Section 226(1)(a) enables authorities to acquire compulsorily any land in their area if the authority think that the acquisition will:

*"facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land"*

30. The Council, in exercising its power under this Section must have regard to section 226(1A) which states:

*"But a local authority must not exercise the power under paragraph (a) of subsection (1) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects-*

*(a) The promotion or improvement of the economic well being of their area;*

*(b) The promotion or improvement of the social well being of their area;*

*(c) The promotion or improvement of the environmental well-being of their area."*

31. It is considered that the use of this section is therefore most appropriate having regard to the Council's aspirations for the regeneration of the Heygate Estate. The interests to be acquired by the compulsory purchase order are required in order to permit the redevelopment and regeneration of the area to take place. The proposal also satisfies the "well being" element of the Act in that the regeneration of the Heygate Estate is clearly in order to provide a better standard of accommodation for residents compared to its current state and to create a sustainable and diverse community, the provision of new facilities which are able to meet the needs of the area, together with commercial uses and an improved public realm which will assist in attracting investment and growth opportunities to the area. Thus the proposals will inevitably assist in promoting and improving the social economic and environmental well being of the area.

32. The scope and application of Section 226 is set out in Circular ODPM 06/2004 Appendix A ("Compulsory Purchase and the Crichel Down Rules"). The Circular sets out the circumstances in which this power may be relied on by a local authority for the purposes of compulsorily acquiring land. It recognises that compulsory purchase powers under the Act provide a "positive tool" to local authorities in assisting them to acquire and assemble land where it is necessary to implement the proposals set out in the



## APPENDIX THREE

### Heygate Compulsory Purchase Orders Procedural and Legal matters

community strategies. It is now no longer the case that a planning permission need have been granted in order to justify the making of a compulsory purchase order under this section. Indeed paragraph 15 of the Circular states:

*"It is also recognised that it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained, before proceeding with the Order."*

33. Instead, the Circular advocates progressing and justifying a compulsory purchase order against a clear strategic framework and that the acquiring authority is able to confirm there are no planning hurdles or other impediments to the implementation of the scheme.
34. For the purposes of confirming a compulsory purchase order, the Circular identifies considerations which will be taken into account by the Secretary of State in making such a decision, namely:
- (a) *Whether the purpose for which the land is being acquired fits in with the adopted planning framework for the area or where no such up to date framework exists, with the core strategy and any relevant Area Action Plans in the process of preparation in full consultation with the community;*
  - (b) *The extent to which the proposed purchase will contribute to the achievement of the promotion or improvement of the economic social or environmental well being of the area*
  - (c) *The potential financial viability of the scheme for which the land is being acquired. A general indication of funding intentions and any commitments from third parties will usually suffice to reassure the Secretary of State that there is a reasonable prospect that the scheme will proceed. The greater the uncertainty about the financial viability of the scheme however the more compelling the other grounds for undertaking the Compulsory Purchase will need to be and*
  - (d) *Whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means. This may include considering the appropriateness of any alternative proposals put forward by the owners of the land or any other persons for its re-use.*
35. The Elephant and Castle is identified in the Southwark Plan as a regeneration area and is the subject of a site specific detailed development framework in the form of the Elephant and Castle SPG that was adopted by the Council in 2004 after extensive public consultation. The London Plan also identifies the Elephant and Castle as an Opportunity Area for new and improved homes and commercial opportunities. The intended regeneration agreement with Lend Lease will provide for the comprehensive master planning of the area in accordance with the SPG. It is therefore considered that there are no major planning hurdles to frustrate the aspirations of the Compulsory Purchase Orders.

## APPENDIX THREE

**Heygate Compulsory Purchase Orders  
Procedural and Legal matters**

36. The completion of the regeneration agreement with Lend Lease will secure conditional funding for the delivery of the regeneration aspirations. Legal advice has been taken on this specific aspect from Guy Roots QC who reports:
- “there would undoubtedly be a better chance of the CPO being confirmed with Lend Lease’s involvement than without.....involvement would assist with satisfying the tests relating to how the Council intended to use the land, resourcing that enabled such use in a reasonable period”*
37. Having regard to the Circular, the primary aims of the Council in progressing the compulsory purchase order (and ensuring its success if it is considered by the Secretary of State) should include the following:
- (i) Commitment of the delivery partner and
  - (ii) Obtaining any other order which may be required as part of the development proposals. It may be that various stopping up orders will be required and the Council should seek to progress these so far as it is possible
38. As is already set out in the report, officers will continue to seek to negotiate the acquisition of interests by agreement rather than relying solely on the compulsory acquisition powers available. Section 120 of the Local Government Act 1972 contains wide powers for local authorities to acquire land by agreement for any of their statutory functions or for *‘the benefit, improvement or development of their area’*. Section 227 of the Town and Country Planning Act 1990 also enables a council to acquire land by agreement for facilitating the carrying out of development, redevelopment or improvement and for the social economic and environmental well being of the area. It is considered therefore that there are adequate powers available to the Council to secure outstanding interests in the land by agreement.
39. Other rights may also be required in order to progress the aspirations of the Heygate part of the Elephant and Castle regeneration. For this reason it is recommended that the Council also acquire/create new rights for the purposes of craneage and/or oversailing. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is applicable in this regard and will enable the Council to acquire/create such new rights as may be necessary to facilitate the development taking place.
40. One of the first tasks in preparing a compulsory purchase orders is to identify all the relevant interests in the land to be acquired. These relevant interests will be set out in a Schedule which will be incorporated in the Orders. As the Council is the freeholder of almost all the Order areas much of this information should be readily available. Nonetheless it is advised that formal Requisitions for Information should be served on all known owners and occupiers of each property to be subject to the compulsory purchase order pursuant to Section 5A of the Acquisition of Land Act 1981. It is important that the Council takes all reasonable steps to ensure that all interests are

**APPENDIX THREE****Heygate Compulsory Purchase Orders  
Procedural and Legal matters**

properly captured in the Orders and are properly notified, the Requisition for Information is a means of ensuring this is fulfilled.

41. In the event that the compulsory purchase order is confirmed, the next stage will be to vest all necessary title in the Council. In these circumstances as has already been mentioned that the best means of doing so will be way of the General vesting Declaration Procedure. This is something that can be carried out by the Council's legal advisors as and when this stage is achieved.

**Human Rights Considerations**

42. The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention").
43. In proposing these Orders the Council has duly considered the rights of property owners under the convention, notably under the following Articles: *Article 1 of the First Protocol*. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.
44. The Council has also considered the rights contained within Article 8 of the convention, which protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well being of the country.
45. In relation to these convention rights the Council has been conscious of the need to strike a balance between the rights of the individual and the interest of the public. In light of the significant public benefit that would arise from the regeneration of Heygate Estate it will be appropriate to make the Orders, if the relevant leaseholder interests cannot be acquired by agreement. Objections can be made against the Orders that will then have to be considered by the Secretary of State before s/he decides whether or not to confirm the Orders.

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Aylesbury Phase 1 Compulsory Purchase Orders	
<b>Ward:</b>		Faraday	
<b>From:</b>		Strategic Director of Regeneration & Neighbourhoods	

## RECOMMENDATIONS

That the Executive agrees:

1. The council makes three or more Compulsory Purchase Orders (“Order[s]”) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the areas edged red on the plan at Appendix One for the purpose of securing the regeneration of the Aylesbury Estate in accordance with the provisions of the Aylesbury Area Action Plan.
2. The Head of Property be authorised to:
  - a) determine and implement the optimum number of Order[s] to deliver the overall regeneration aspiration
  - b) take all necessary steps to secure the making, confirmation and implementation of the Order[s] including the publication and service of all notices and the presentation of the council’s case at Public Inquiry should one be called
  - c) acquire interests in land within the Order[s] areas either by agreement or compulsorily
  - d) approve agreements with land owners setting out the terms for the withdrawal of objections to the Order[s], including where appropriate seeking exclusion of from the Order[s]
  - e) amend the boundaries of the area shown edged red on the plan at Appendix One

## BACKGROUND INFORMATION

3. On October 20 2009 the Executive approved that the council jointly with the Homes and Communities Agency procure one or more partners to take forward the regeneration of Phase 1 of the Aylesbury. The extent of the Phase is shown edged red on the plan at Appendix One to this report and includes the properties listed in Appendix Two. Work is currently underway in connection with the procurement with the intention of achieving the commencement of construction work in 2012.

### 370 Albany Road [Ellison House]

4. The Aylesbury Area Action Plan includes within the Phase I area 370 Albany Road which serves as accommodation for Probation Service clients. The

property is held on a long lease under a complex ownership arrangement involving the London Probation Service and the Home Office. It is Crown property and cannot be subject to a compulsory purchase order. It is therefore excluded from the areas shown on the plan at Appendix One and the property Schedule at Appendix Two.

5. Meetings have taken place with the owners of Ellison House that have indicated a willingness to work with the Council to achieve the regeneration aspirations but subject to the re-provision of the accommodation in the immediate area. A review of the costs and risks involved in meeting the requirements of the owners has resulted in the view being taken that the property be taken out of Phase 1 and be designated as a separate phase that may proceed in the future. The regeneration around the property will have to be designed to take into account the existence of this facility whilst recognising the aspiration for it to be ultimately included within the regeneration.

#### **KEY ISSUE FOR CONSIDERATION**

6. This phase contains 639 dwellings; of these eighty-five are held by leaseholders. Negotiations to acquire these leasehold interests by agreement have been taking place since December 2008 and have enabled some properties to be purchased. The council's aspiration to deliver the regeneration of the phase cannot be achieved without acquiring all the leaseholds. Negotiation will continue with leaseholders but without a compulsory purchase order it is unlikely that all these interests can be acquired within the planned timescale [by 2012]. The making of a compulsory purchase order is therefore recommended to achieve certainty of acquiring the leaseholds within the envisaged timescale and to mitigate risk to the project.

#### **UNDERLYING INFORMATION IN RESOLVING TO MAKE THESE COMPULSORY PURCHASE ORDERS**

7. The compulsory purchase procedure is complex and has regard to a variety of factors. Details of relevant procedural and legal matters are set out at Appendix Three to this report.

#### **Community Impact Statement**

8. The effect of the negotiated acquisition or compulsory purchase order will be to dispossess persons of their rights in land. This is a necessary process to ensure the redevelopment and regeneration of the Aylesbury Estate can proceed. This is considered acceptable where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.
9. The regeneration of the Aylesbury Estate is considered to have benefits to not only immediate community but also the Borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The Human Rights of these individuals have accordingly been considered and commented upon in this report.
10. The furtherance of the regeneration will not negate the council's Diversity and

Equal Opportunities policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Consultation**

11. There has been extensive consultation with Aylesbury Estate residents [including tenants and leaseholders] at all stages of the regeneration and the making of compulsory purchase orders has been included within this consultation.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Strategic Director of Communities, Law & Governance**

12. As noted in paragraphs 33-35 of Appendix Three to this report, Section 226(1)(a) of the Town and Country Planning Act 1990 (the "1990 Act") is the appropriate power under which the council may seek to secure the compulsory purchase of the Phase 1 sites. The Executive will note from paragraph 32 of Appendix Three to this report that consideration has been given to the well being objectives under Section 226(1A) of the 1990 Act in relation to the council's aspirations for the regeneration of the Aylesbury Estate. It is considered that the regeneration of the area will assist the council in promoting and improving the economic, social and environmental well being of the Aylesbury Estate and therefore there are adequate powers available to the council to acquire all the land and property interests in the sites either compulsorily or by agreement. Ancillary powers to create new rights are also provided under s.13 of the Local Government (Miscellaneous Provisions) Act 1976. As noted in paragraph 46, the council also has power under Section 227 of the 1990 Act or Section 120(1) of the Local Government Act 1972 (the "1972 Act") to acquire interests in the Phase 1 sites by agreement with the owners. Further, by virtue of Section 120(2) of the 1972 Act, any properties acquired under the 1972 Act that are not required immediately for the purposes for which they have been acquired, can be used in the interim for the purpose of any of the council's functions.
13. Part 3C of the council's constitution reserves to the Executive decisions on acquisition of land and property where the market value exceeds £100,000, and the acquisition of land and property which involves the use of compulsory purchase orders.

#### **Finance Director**

14. The Finance Director notes the recommendations to the Executive made in paragraphs one and two of this report. It is acknowledged that on October 20 2009 the Executive approved that the council jointly with the Homes and Communities Agency procure one or more partners to take forward the regeneration of Phase 1 of the Aylesbury Estate.
15. It is acknowledged that Ellison House, as Crown Property, cannot be subject to a compulsory purchase and that the view has therefore been taken that the Property be removed from Phase 1 of the scheme and designated as a separate phase. The financial, development and risk implications of this aspect will need to be fully understood by the project team in order that appropriate action can be taken for incorporating this aspect of the development into the wider Phase 1 scheme.

16. It is noted in paragraph 10 of Appendix Three that in consideration of an Order, the Minister responsible will need to be confident that the proposals requiring the Order are likely to materialise and that there are no significant town planning or financial obstacles that will frustrate it.
17. In connection with this it is noted in paragraph 30 of Appendix Three that the estimated cost of acquiring the leasehold interests is £11.923m, plus potential homeloss payments of £1.192 at 10% of market value and potential disturbance payments of £0.064 where there are 85 units concerned and where, based on prior experience disturbance payments are around £750 per unit.
18. In light of these costs, provision of financial assurance in relation to the procurement of Phase 1 developers and in relation to the identification of funds to defray the cost of leaseholder acquisitions will need to be a key consideration for this process and the failure to achieve this assurance presents a significant risk to the success of Phase 1 that will need to be addressed by the project team. Progression with the purchase of properties without a secure funding arrangement to defray the cost of such purchases could expose the council to significant financial risk and work will therefore need to be undertaken by the Project Team to validate, reinforce and profile indicative funding sources to ensure that the purchase cost can be defrayed and that the council remains within any legal requirements/guidance for compulsory purchase orders as necessary.
19. The Finance Director recognises the Strategic Director of Environment and Housing's statement that, it is appropriate to apply for Order(s) for Aylesbury Phase 1 given the number of leaseholders involved, in the hope that the vast majority of repurchases will be by agreement.

#### **Strategic Director of Environment and Housing**

20. Initial demolition notices were served pursuant to Housing Act 2004 on all Phase 1 properties on March 31 2006. These had the effect of suspending all existing and future Right to Buy applications for a period of 5 years (this the statutory five year period has been extended to seven years by virtue of schedule 13 Housing and Regeneration Act 2008) the legislation is not retrospective hence the Aylesbury notices still last only 5 years. The legislation then allows the service of Final demolition notices where the blocks are due to be demolished within the following two years and these serve to end any suspended Right to Buy applications. The expiry of the Initial demolition notice period without the service of final demolition notices would mean any suspended Right to buy applications being able to proceed; in addition, notices have to be served on all residents informing them that the initial notices have expired and the right to buy is available. There is though a statutory provision for an application to the Secretary of State to extend the initial demolition notice period (with whatever conditions the Secretary of State considers appropriate).
21. There is a financial incentive to buying back properties without recourse to a compulsory purchase order, this incentive is now set out in SI 2003/3146 The Local Authorities (Capital Finance and Accounting)(England) Regulations. Councils are allowed to pool 35% of their annual costs (over £50,000) of administering and buying back ex council properties, offsetting this amount against the set aside for capital receipts from the Right to Buy. Instead of having to pay 75% of RTB capital receipts to the government, councils are obliged only to pay a lesser sum, the original amount being reduced by a sum equivalent to

35% of all non compulsory purchase order buy back costs over £50,000 in any financial year. It is appropriate to apply for Order[s] for Aylesbury Phase 1 given the number of leaseholders involved, although it is hoped that the vast majority of repurchases will be by agreement and therefore the advantages explained in this paragraph can be taken advantage of.

### BACKGROUND PAPERS

Background Papers	Held At	Contact
Area Action Plan	<a href="http://www.southwark.gov.uk/YourServices/planningandbuildingcontrol/planningpolicy/localdevelopmentframework/aylesburyareaactionplan.html">http://www.southwark.gov.uk/YourServices/planningandbuildingcontrol/planningpolicy/localdevelopmentframework/aylesburyareaactionplan.html</a>	Patrick McGreal 0207 525 5626
Report to Council Assembly resolving to publish Area Action Plan	<a href="http://moderngov.southwarksites.com/Data/Council%20Assembly/20090128/Agenda/Item%2061%20-Aylesbury%20Area%20Action%20Plan.pdf">http://moderngov.southwarksites.com/Data/Council%20Assembly/20090128/Agenda/Item%2061%20-Aylesbury%20Area%20Action%20Plan.pdf</a>	
Report to Executive approving procurement for Phase 1 of the Aylesbury regeneration	<a href="http://moderngov.southwarksites.com/Published/C00000118/M00002833/AI00000958/\$AylesburyRegenerationPhase1open.docA.ps.pdf">http://moderngov.southwarksites.com/Published/C00000118/M00002833/AI00000958/\$AylesburyRegenerationPhase1open.docA.ps.pdf</a>	

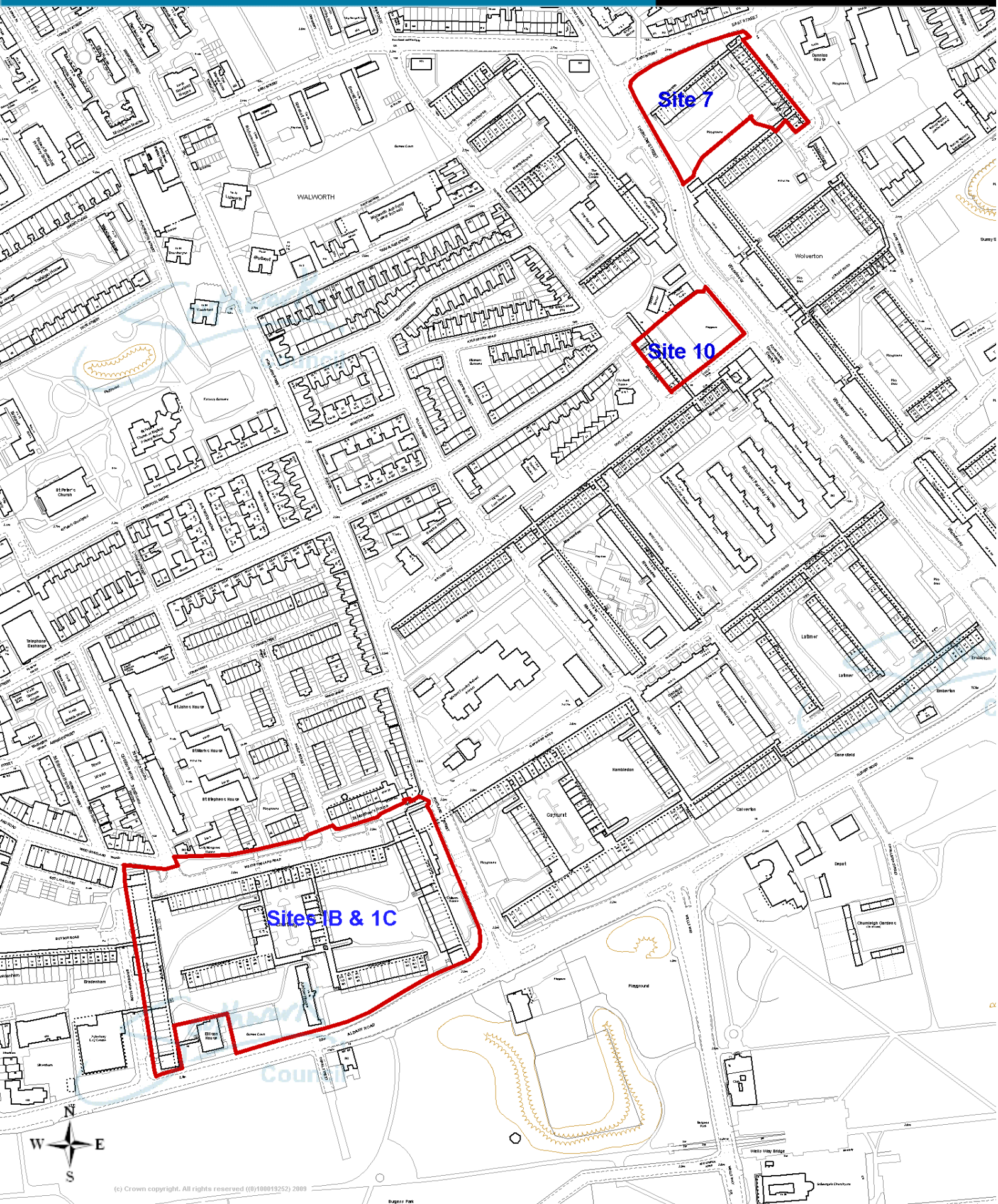
### APPENDICES

No.	Title
Appendix One	Location plan showing Phase 1 and sites within
Appendix Two	Property schedule
Appendix Three	Procedural and legal matters



## AUDIT TRAIL

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration & Neighbourhoods	
<b>Report Author</b>	Patrick McGreal, Property Advisor – Major Projects	
<b>Version</b>	Final	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Environment and Housing	Yes	Yes
<b>Executive Member</b>	Yes	No
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	1 February 2010	



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## APPENDIX TWO

**Aylesbury Phase 1 Compulsory Purchase Orders  
Property Schedule**

*Properties to be included in Orders' areas*

<b>Sites 1b and 1c</b>	1 - 28 Arklow House	30 dwellings
	42 - 256 Bradenham	215 dwellings
	1 - 149 Chartridge	149 dwellings
	1 - 172 Chiltern	<u>172 dwellings</u>
		566 dwellings

<b>Site 7</b>	1 - 59 Wolverton	59 dwellings
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<b>Site 10</b>	300 - 313 Missenden	14 dwellings
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<b>Total</b>		<u><u>639 dwellings</u></u>
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*Leaseholders in Orders' areas*

<b>Sites 1b and 1c</b>	1 - 28 Arklow House	9
	42 - 256 Bradenham	19
	1 - 149 Chartridge	29
	1 - 172 Chiltern	<u>8</u>
		65

<b>Site 7</b>	1 - 59 Wolverton	18
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<b>Site 10</b>	300 - 313 Missenden	2
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<b>Total</b>		<u><u>85 leaseholders</u></u>
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## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

#### Acquisition of Leasehold Interests

1. The council holds the freehold interest of all the land within the areas shown edged red on the Plan at Appendix One. These three parcels contain a number of blocks of flats and maisonettes.
2. The Housing Act 1985 gives qualifying council tenants the right to buy their homes. Eighty-five tenants at these properties purchased their homes under these provisions.
3. The council can only repurchase these leases in the following circumstances:
  - Where there is agreement with the leaseholder; *or*
  - Following a confirmed compulsory purchase order.
4. The statutory compensation code provides that a leaseholder is entitled to the following compensation following a compulsory acquisition:
  - the market value of the interest acquired;
  - a home loss payment; this is 10% of the market value where the leaseholder lives at the property or 7½% of the market value where the leaseholder lives elsewhere; and
  - a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include removal costs, legal fees, surveyors fees and adaptation expenses.
5. Where an acquisition takes place by agreement ahead of the exercise of compulsory purchase powers the leaseholder is treated in the same way and with the same entitlement as would be the case if there was a compulsory purchase order.

#### Third party and statutory utility rights

6. Utility Companies have rights across the sites that enable them to provide their infrastructure to the Estate. To enable regeneration to proceed these rights will have to be acquired or extinguished. It is also possible that persons may have unregistered rights over the sites such as a right of access and these rights, if any, will need to be dealt with in the same way as those of the utility companies.
7. Other leaseholders on the Estate benefit from rights over the subject areas; the council's standard form lease provides for them having rights over the whole Estate including roads, paths and gardens. These rights will have to be included within the Order[s] for extinguishment.

## **APPENDIX THREE**

### **Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters**

#### **OUTLINE OF COMPULSORY PURCHASE PROCEDURE**

##### **Resolution**

8. The Executive passes a resolution to make an Order. This is the purpose of this report.

##### **Referencing**

9. The council assembles information that provides details of all owners, mortgagees, tenants and occupiers. This is to both identify what interests need to be acquired and who is entitled to receive a notification of the publication of the Order. This stage will enable the precise details of the Order areas to be determined. The boundaries shown edged red on the plan at Appendix One may need subtle amendment in the light of this and it is recommended that the Head of Property be given delegated authority to set the order extents.

##### **Resolving planning and finance**

10. In considering an Order the Minister needs to be confident that the proposals behind it are likely to come to fruition. In this connection s/he will need to be satisfied that there are no significant town planning or financial obstacles that will frustrate it. Since the regeneration being procured will be subject to compliance with the Aylesbury Area Action Plan planning should not be an issue. As regards finance for the regeneration, once the procurement is completed it should be possible to demonstrate that this is in place particularly as financial robustness will be a material consideration of the bid evaluation.

##### **Making the Order**

11. The council makes the Order, to a defined format. A schedule goes with the Order identifying ownership details of all land within it. A Statement of Reasons must also be prepared to accompany the Order. This is a critical document that may be challenged by objectors and therefore needs careful drafting. The AAP will be the backbone for the Statement of Reasons for the Aylesbury.

##### **Publication of the Order**

12. The council serves notice of making of the Order on all owners, mortgagees, tenants and occupiers affected by it. A notice of the making of the Order has to be published for two successive weeks in a local newspaper.
13. The notices will advise objections to it can be made to the relevant Government Minister and specify an address for this purpose. The Order is then passed to the Government Minister.

##### **Confirmation of the Order**

14. The Order does not become effective unless confirmed by the Minister. Where there are objections to the Order they must be considered before confirmation. This is usually done by way of a public inquiry but can sometimes be dealt with by written representations.

## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

15. After considering the objections [if there has been a public inquiry there will be an Inspector's Report] the Minister may confirm, modify or reject the Order. If it is rejected that is the end of the process and the council will need to revisit its plans.
16. Following confirmation of the Order or if applicable, modification, a notice advising of this must be published in the local newspaper and all leaseholders, tenants and occupiers should also have a notice served on them. A confirmed Order should be implemented within three years to retain its validity.

#### Taking Possession

17. This can be achieved by either Notice to Treat/Notice of Entry or by using General Vesting Declaration procedure. The latter is considered the most appropriate for the Aylesbury as it transfers both the right to possession and title of the land to the council.

#### Indicative Timescale

Resolution to make the Order	
Referencing/Finance/Planning	12 weeks
Making the Order to Publication	6 weeks
Publication to Confirmation	40 weeks
Confirmation to taking Possession	18 weeks

18. Therefore we are looking at around a year and a half between making this resolution and obtaining possession; if there are complications it could be longer. It is assumed that there will be objections to the Order and that these will require protracted negotiations and/or a public inquiry to resolve. If a public inquiry is needed this will be called for and arranged by the Minister so the council has little control over this process. Resource availability could cause this to be scheduled rather later than would be preferred and is a risk to be factored into project planning. If there are no objections or ones that are quickly resolved the period between publication and confirmation could be significantly reduced.

#### Number of Orders

19. Phase 1 covers a large area and includes three distinct sites: 1B/C, 7 and 10. It is recognised that site 1B/C is still large and may warrant division into two or even more sites. At this time, it is not known how the sites will be regenerated; this will emerge when one or more partner is procured.
20. One Order could be made to cover all the sites or individual ones could be made in respect of each of the sites. One Order is more administratively convenient however such an approach is inflexible because if there objections it cannot be become effective until all of them have been dealt with. If individual Orders are made for the sites this is more flexible since objections on one site will not prevent an Order for another site without objections being confirmed.

## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

21. The optimum approach to this issue is likely to emerge after engagement with the procured regeneration partner[s]. It is therefore recommended that three Orders be made; one for site 1b/c, one for site 7 and one for site 10 but that the Head of Property be granted authority to review and amend the number of Orders after discussions with identified partners[s].

#### Power to make a Compulsory Purchase Order

22. Section 226 of the Town and Country Planning Act 1990 is the recommended enabling provision in this instance for the purpose of compulsorily acquiring the interests required to progress the implementation of the regeneration of the site. The detailed application and use of this power is set out in paragraphs 38-49 below.

## POLICY IMPLICATIONS

### Corporate

23. The regeneration of the Aylesbury Estate is a long standing council policy. The making of the proposed Order[s] will underpin this.
24. The regeneration of the Aylesbury Estate is a specified policy under the theme of *"Places Where People Love to Live"* in the *Corporate Plan 2009 – 2011*. It is also a *"Delivering Change"* policy of the Sustainable Community Strategy *"Southwark 2016"*.

### Planning

25. The council has adopted an Area Action Plan (AAP) for the Aylesbury estate and surrounding area. Together with the Core Strategy, the AAP will replace the Southwark Plan and all future planning applications will be assessed against these documents. The Order[s] are a necessary tool to deliver the AAP.

### Housing Strategy

26. The regeneration of the Aylesbury Estate is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme. The commencement and successful delivery of Phase 1 is key to providing the rehousing capacity which enables the further Phases to be unlocked.

### Rehousing requirements

27. The making of the Order[s] is in pursuance of a scheme that will give rise to the need to re-house secure tenants and some leaseholders. The planned timescales for each Aylesbury rehousing phase takes into account the council's capacity within the overall social housing supply, including the replacement social housing that the scheme itself will provide. The rehousing process will be managed by use of Housing Supply and Demand model which will enable the balancing of competing high priority demands for housing across the period. Rehousing in regeneration schemes is regulated by the council's lettings policy.

## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

The policy provides a choice for tenants between rehousing to a new RSL property built as part of the scheme or to an existing property elsewhere in the Borough. Initially, rehousing will be managed through choice based lettings, i.e. tenants bidding (with the highest priority and in date order of their priority) under the *Homesearch* scheme, until programme requirements necessitate the use of proactive rehousing, including if necessary court proceedings.

#### Property

28. The council has over the past year been endeavouring to acquire by agreement leaseholds to move the scheme forward. The passing of this resolution will encourage leaseholders to enter into meaningful negotiations. Once the Leaseholder Assistance Scheme as specified in the Leaseholder's Toolkit becomes operative later this year it is anticipated that the rate of acquisition will accelerate as issues faced by resident leaseholders with limited wealth can be resolved.

#### Financial Implications

29. The estimated net cost of acquiring the leasehold interests is £11.923million at present value levels. There is provision in the Aylesbury project programme for this expenditure. There will be staff resource costs in taking the Order[s] to completion, relocating tenants and acquiring leasehold interests there is also provision for them in the overall project programme.

#### Legal Implications

30. Section 226(1)(a) of the Town and Country Planning Act 1990 (the Act) (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) is the appropriate power in this instance to secure the compulsory acquisition of properties within Phase 1 of the Aylesbury Regeneration. Section 226(1)(a) enable authorities to exercise their compulsory purchase powers if they think that the land in question will:

*"Facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land being acquired and it is not certain that they will be able to acquire it by agreement."*

31. The council, in exercising its power under this Section must have regard to section 226(1A) which states:

*"(1A) But a local authority must not exercise the power under paragraph (a) of subsection (1) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects-*

- (a) The promotion or improvement of the economic well being of their area;*
- (b) The promotion or improvement of the social well being of their area;*
- (c) The promotion or improvement of the environmental well-being of their area."*



## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

32. It is considered that the use of this section is therefore most appropriate having regard to the council's aspirations for Phase 1 of the Aylesbury regeneration. The interests to be acquired by the Order[s] are required in order to permit the redevelopment and regeneration of the area to take place. The proposal also satisfies the "well being" element of the Act in that the regeneration of Phase 1 of the Aylesbury Estate is clearly required in order to provide a better standard of accommodation for residents compared to its current state and to create a sustainable and diverse community, the provision of new facilities which are able to meet the needs of the area, together with commercial uses which will assist in attracting investment and growth opportunities to the area. Thus the proposals will inevitably assist in promoting the social economic and environmental well being of the area.
33. Appendix A of Circular 06/2004 ("Compulsory Purchase and the Criche Down Rules") sets out the circumstances in which this power may be relied on by a local authority for the purposes of compulsorily acquiring land. It recognises that compulsory purchase powers under the Act provide a "positive tool" to local authorities in assisting them to acquire and assemble land where it is necessary to implement the proposals set out in the community strategies. It is now no longer the case that a planning permission need have been granted in order to justify the making of a compulsory purchase order under this section. Indeed paragraph 15 of the Circular states:
- "It is also recognised that it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained, before proceeding with the Order."*
34. Instead the circular advocates progressing and justifying a compulsory purchase order against a clear strategic framework and that the acquiring authority is able to confirm there are no planning hurdles or other impediments to the implementation of the scheme.
35. For the purposes of confirming a compulsory purchase order, the guidance identifies considerations which will be taken into account by the Secretary of State in making such a decision, namely:
- (a) *The purpose for the land being acquired fits in with the adopted planning framework for the area or where not such up to date framework exists, with the core strategy and any relevant Area Action Plan in the process of preparation in full consultation with the community;*
  - (b) *The extent to which the proposed plan will contribute to the achievement of the promotion or improvement of the economic social or environmental well being of the area;*
  - (c) *The potential financial viability of the scheme for which the land is being acquired, a general indication of funding intentions and commitments from third parties should suffice; and*
  - (d) *The purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means.*

**APPENDIX THREE****Aylesbury Phase 1 Compulsory Purchase Orders  
Procedural and Legal matters**

36. Paragraph 1.1 of the adopted Aylesbury Area Action Plan provides:

*“The redevelopment of the Aylesbury Estate will create a new neighbourhood that will radically change the lives of everyone in this part of south east London. This is a once in a generation opportunity to improve the quality of life for everyone living in the area.”*

37. Having regard to the guidance, the primary aims of the council in progressing the Order[s] (and ensuring their success if considered by the Secretary of State) should include the following:

- i. Procure and secure an appropriate delivery partner
- ii. Obtain any other order which may be required as part of the development proposals. It may be that various stopping up orders will be required and the council should seek to progress these so far as it is possible.

38. As is already set out in this report, officers will continue to seek to negotiate the acquisition of interests by agreement rather than relying solely on the compulsory acquisition powers available. Section 120 of the Local Government Act 1972 contains wide powers for local authorities to acquire land by agreement for any of their statutory functions or for ‘*the benefit, improvement or development of their area*’. Section 227 of the Town and Country Planning Act 1990 also enables a council to acquire land by agreement for facilitating the carrying out of development, redevelopment of improvement and for the social economic and environmental well being of the area. It is considered therefore that there are adequate powers available to the council to secure outstanding interests in the land by Agreement.

39. Other rights may also be required in order to progress the aspirations of the Aylesbury Area Action Plan. For this reason it is recommended that the council also acquire/create new rights for the purposes of craneage and/or oversailing. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is applicable in this regard and will enable the council to acquire/create such new rights as may be necessary to facilitate the development taking place.

40. Demolition notices have been served on relevant dwellings within Phase 1 of the Aylesbury regeneration area. This will ensure that no further tenants are able to exercise their right to buy which will minimise the council's exposure in terms of new interests being created in the site whilst the Order[s] are being prepared and progressed.

41. The initial stage of the compulsory purchase process will be to ensure that the council correctly identifies all necessary interests in the Order land that need to be incorporated within the schedule of the Order. As the council is the freeholder much of this information should be readily available. Nonetheless it is advised that formal requisitions for information should be served on all known owners, mortgagees and occupiers of each property to be subject to the Order[s] pursuant to Section 5A of the Acquisition of Land Act 1980. It is important that the council takes all reasonable steps to ensure that all interests are properly captured in the Order[s] and are properly notified, the requisition for information is a means of ensuring the council fulfils this.

## APPENDIX THREE

### Aylesbury Phase 1 Compulsory Purchase Orders Procedural and Legal matters

42. In the event that the Order[s] are eventually confirmed, the next stage will be to vest all necessary title in the council. In these circumstances as has already been mentioned that the best means of doing so will be way of the General vesting Declaration Procedure. This is something that can be carried out by the council's legal advisors as and when this stage is achieved.

#### Human Rights Considerations

43. The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention").
44. In proposing the Order[s] the council has duly considered the rights of property owners under the Convention, notably under the following Articles: *Article 1 of the First Protocol*. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.
45. The council has also considered the rights contained within Article 8 of the convention, which protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well being of the country.
46. In relation to these Convention rights the council has been conscious of the need to strike a balance between the rights of the individual and the interest of the public. In light of the significant public benefit that would arise from the regeneration of Aylesbury Estate it will be appropriate to make the Order[s], if the relevant leaseholder interests cannot be acquired by agreement. Objections can be made against the Order[s] that will then have to be considered by the Secretary of State before he decides whether or not to confirm the Order[s].

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Authority to purchase leasehold interests in Lakanal House, Sceaux Gardens, Camberwell	
<b>Ward:</b>		Brunswick Park	
<b>From:</b>		Strategic Director of Regeneration & Neighbourhoods	

## RECOMMENDATIONS

That the Executive authorises

1. The acquisition by agreement of all residential leaseholds in Lakanal House Camberwell.
2. The Head of Property to agree terms for the purchase of the individual properties.

## BACKGROUND INFORMATION

3. Lakanal House is a fifteen storey block of ninety-eight two bedroom maisonettes that was completed in 1959; it forms part of the larger Sceaux Gardens Estate. Its location is shown edged red on the plan appended to this report.
4. Following a fire on July 3 2009 the block was vacated of all residents as a result of the damage that arose and to enable the relevant authorities to carry out appropriate investigations.
5. This report is confined to one consequence of the fire: the purchase of leasehold properties.

## KEY ISSUES FOR CONSIDERATION

6. A decision will need to be taken in the future as to what to do with Lakanal. This will require input from all relevant stakeholders. It is however prudent for the council to have control of the whole block to give flexibility in determining its future strategy. The acquisition of leasehold interests is necessary to achieve this. The purchases will therefore result in the improvement of the area and benefit longer term housing provision.
7. For practical and legal reasons, Lakanal needs to be preserved in its current state until the police investigation concludes and the coroner has had the opportunity to consider whether he will want to visit the site as part of the inquest. A decision on its future will be informed by the results of those proceedings, and cannot therefore be taken at this stage.
8. The acquisition of the leasehold interests will be in accordance with the statutory compensation code. Under the council's Constitution, the Head of Property has delegated authority to acquire properties outside any scheme already agreed by members, where the market value is less than £100,000. The acquisition of Lakanal House properties is not an agreed scheme and the market value of each of the properties to be acquired may exceed £100,000.

9. Negotiations are in hand with the leaseholders in the block.

### **Policy Implications**

10. As mentioned previously, the acquisition of all leasehold interests will give the council maximum scope and flexibility to develop the best policy for the future of the block.
11. There is a risk that it will not be possible to acquire all leaseholds by agreement in which case this will inhibit the policy approach to the block. .

### **Legal Implications**

12. Section 120 of the Local Government Act 1972 enables a principal council to acquire by agreement any land, whether situated inside or outside their area for the purposes:
- (a) any of their functions under that or other enactment; or
  - (b) the benefit, improvement or development of that area.
13. Section 120(2) of the same Act enables a principal council to acquire any land for any purpose of which it is authorised by that or other enactment to acquire land, notwithstanding the land is not immediately required for that purpose and until it is required for the purpose of which was acquired, the land acquired may be used for the purpose of any of the council's functions.

### **Financial Implications**

14. These are set out in the closed report on the agenda.

### **Community Impact Statement**

15. The recommendations will primarily impact on the residents of Lakanal and in particular leaseholders. It is considered that overall they are beneficial to future wellbeing of residents.

### **Consultation**

16. Discussions have been held with the leaseholders to discuss the council's approach to this issue.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

17. Section 120(1) of the Local Government Act 1972 ("the Act") enables a principal council to acquire by agreement any land, whether situated inside or outside their area, for the purposes of:-
- (a) Any of their functions under that or other enactment, or
  - (b) The benefit, improvement or development of their area.
18. Section 120(2) of the Act enables a principal council to acquire any land for any purpose of which they are authorised by that or any other enactment to acquire

land, notwithstanding the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, the land acquired may be used for the purpose of any of the council's functions.

19. The Strategic Director of Regeneration and Neighbourhoods confirms in paragraph 6 of this report that the purchases will result in the improvement of the area and therefore the requirements of Section 120(1) of the Act are fulfilled.
20. Where the market value reserved for the acquisition of land and property outside any scheme already agreed by members is more than £100,000, Paragraph 14 of Part 3C of the Constitution requires that the matter is reserved to full Executive for collective decision making.

### **Finance Director**

21. The financial implications laid out herein represent an accurate assessment of the position. There is an urgent need to review the existing housing investment programme in order to assess the impact of this project which is unavoidable. As a last resort, and in the event of variations to the current housing investment programme being impractical, then other council balances and reserves will need to be considered, such as the HRA balances which should be noted are already limited.

### **Strategic Director of Environment and Housing**

22. As stated in the body of the report, the council is not in a position to decide the future of the building at this point in time but needs to ensure it discharges its duty in respect of insurance expectation and the council needs to show that it is doing all it can to resolve the issue of buying back the flats pending a decision on the future of the block.
23. The council's leases also contain a 'quiet enjoyment' covenant which obliges the council not to obstruct the normal use of the premises. Most of the nine flats sold on long leases were unaffected by the fire and leaseholders could insist on being allowed access/to use their flats. The early buy back of the flats will mitigate the risks involved.
24. There is a financial incentive to buy back properties without recourse to a compulsory purchase order, this incentive is now set out in SI 2003/3146 The Local Authorities (Capital Finance and Accounting)(England) Regulations. Councils are allowed to pool 35% of their annual costs (over £50,000) of administering and buying back ex council properties, offsetting this amount against the set aside for capital receipts from the Right to Buy. Instead of having to pay 75% of RTB capital receipts to the government, councils are obliged only to pay a lesser sum, the original amount being reduced by a sum equivalent to 35% of all buy back costs over £50,000 in any financial year

**BACKGROUND PAPERS**

Background Papers	Held At	Contact
Case file	Major Projects 160 Tooley Street	Patrick McGreal 0207 525 5626
Individual Executive Member Decision dated 17 August 2009 and report	<a href="http://moderngov.southwarksites.com/Published/IssueDocs/5/1/9/5/100005915/\$090812LakanalReport.doc.pdf">http://moderngov.southwarksites.com/Published/IssueDocs/5/1/9/5/100005915/\$090812LakanalReport.doc.pdf</a>  <a href="http://moderngov.southwarksites.com/Published/IssueDocs/5/1/9/5/100005915/DE00000705/RecordofdecisionLakanalSceauxGardensEstate.pdf">http://moderngov.southwarksites.com/Published/IssueDocs/5/1/9/5/100005915/DE00000705/RecordofdecisionLakanalSceauxGardensEstate.pdf</a>	

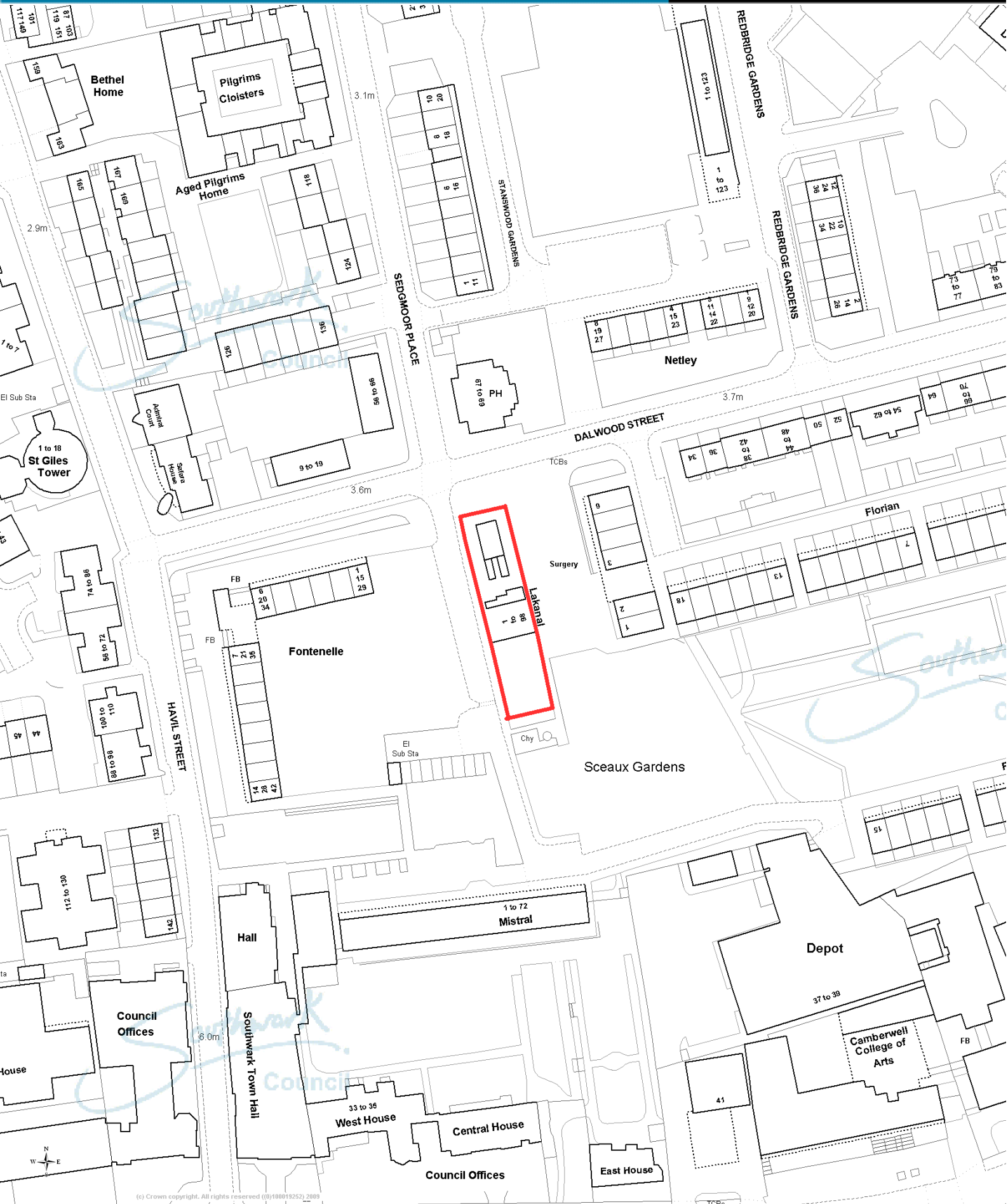
**APPENDICES**

No.	Title
Appendix 1	Location plan showing Lakanal

**AUDIT TRAIL**

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration & Neighbourhoods	
<b>Report Author</b>	Patrick McGreal, Property Advisor – Major Projects	
<b>Version</b>	Open FINAL	
<b>Dated</b>	January 27 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Environment and Housing	Yes	Yes
<b>Executive Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	1 February 2010	

Date 30/11/2009



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<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> February 9 2010	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Appointment of Development Partner and disposal of Council land at Wooddene Peckham High St / Queens Road Peckham SE15	
<b>Ward affected:</b>		Peckham	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Executive

1. Approves the disposal of the Wooddene site on the main terms and conditions that are set out in the closed report.
2. Authorises the Head of Property to agree any variations to these terms that may be necessary to achieve the successful regeneration of the Wooddene Site.
3. In the unlikely event that this proposed sale to the recommended developer does not proceed to exchange, the Executive authorises the Head of Property to agree the terms of a sale with the under-bidders set out in the closed report or failing such to re-market the site within such further timetable as deemed necessary, provided that such terms conform with the council's legal obligation to achieve the best consideration reasonably obtainable.
4. Authorise that the capital receipt from the sale of the property is recycled into the Council's housing investment programme.

## BACKGROUND INFORMATION

5. The development fronts on to the main A202 Queens Road between Meeting House Lane and Carlton Grove in Peckham SE15 (outlined red on attached plan Appendix 1). The site was formally a substantial Housing site with early 1960's council tenanted flats of reinforced concrete construction. The rest of the Acorn estate comprises low rise maisonettes and it is intended that these will remain as being acceptable standard housing.
6. A decision was taken by the council to decant the tenants and demolish the blocks which was successfully undertaken by the end of 2007. The decision to demolish was taken due to the substantial crime problems and poor housing conditions provided by the block. It was considered that leaving the property empty would lead to further problems. It would be an eyesore as well as being prone to squatting and vandalism.
7. The site has return frontage to Meeting House Lane and Carlton Grove and is of sufficient size (4.1 acres) to create its own identity as a 'landmark' development.
8. The site has been cleared save for two electrical substations and the District Heating Centre which serves the whole of the Acorn Estate, and the block on Carlton Grove. The entire site is levelled and securely fenced.

9. It is intended that the council will provide a new heating and possibly a power plant (CHP – Combined Heat and Power) on an alternative site to serve the whole of the Acorn estate including the new development. This will benefit existing Acorn residents in the provision of more efficient and lower energy costs.
10. The council is currently in discussions with a number of energy providers who are in a position to provide such installations at substantially reduced cost to the council in the form of plant provision funding as part of the Community Energy Savings Package.
11. The main reason for the inability to bring the Wooddene site forward earlier was the changes in planning policy of the London Plan which required there be no net loss of affordable homes. The former blocks previously on the site were demolished but provided a large number of affordable units. Any proposal that incorporated their replacement would not be commercially viable and runs contrary to Southwark Council policy regarding developing mixed tenure sustainable communities.
12. Southwark Council's new core strategy following agreement with the Greater London Authority has allowed these development constraints to be relaxed.
13. The site area is approximately 1.69 Hectares, being a flat rectangular level site with road access on all sides. Please refer to appendix 1.
14. The freehold of the site is owned by the London Borough of Southwark. Within the title it includes the majority of the Acorn Estate. The proposed development will be subdivided from the main title.
15. Agreement that Wooddene be demolished and re-developed as part of the Southwark Estate Initiative (SEI) was made at Strategic Committee / Full Council on January 25 2000.
16. A further report to Executive seeking Compulsory Purchase Powers to aid re-housing and bring the site forward for re-development was made in January 31 2006. The rehousing arrangements for Wooddene were agreed by Executive on July 29 2003.
17. The council, however were able to voluntarily negotiate settlement with all leaseholders and it was unnecessary to use compulsory purchase powers.
18. In 2007 the council instructed AOC Architects to undertake a development feasibility study to ascertain the type; massing and heights that could be considered.
19. The council undertook a detailed consultation exercise with local residents and the community to establish views and to incorporate such opinions where practical into the design criteria. Generally the proposals were considered favourably.
20. Following the consultation period the site was marketed to major developers and RSLs and 13 expressions of interest were received.
21. All of these expressions of interest were from parties or consortia that were capable of delivering large scale regeneration projects. A detailed comparative analysis of the expressions of interest was made using assessment matrix

methodology and a shortlist of four parties was identified as the most suitable with whom to proceed.

22. Three bids were received by the tender closing date and they were requested to provide full and final bids which were received on December 11 2009.
23. Only two full and final bids were received as two of the short listed parties co joined as development partners.
24. The selection process has involved planning and housing services within regeneration and neighbourhoods in advising Southwark Property.
25. The shortlisted developers were asked to make their best bids for the site subject to obtaining planning consent for their proposed scheme and on the basis of a development with and without grant funding from the Homes and Communities Agency and irrespective of grant funding.
26. The two bids were then analysed and assessed by Property officers with significant input from colleagues in planning and housing service areas. External advice was sought from independent property consultants who supported the final selection recommendation.
27. The council requires code level 4 environmental sustainability standards for schemes on its land. The new core strategy requires at least 20% of homes to be 3 bedrooms and above and the room sizes to be approximately 10% bigger than the previous standards.
28. The Strategic Director of Regeneration and Neighbourhoods has declared the Wooddene site surplus to requirements for housing purposes.

## **KEY ISSUES FOR CONSIDERATION**

### **Basis of disposal**

29. The council's land is held for housing purposes and the provisions of section 32 of the Housing Act 1985 govern the terms of any disposal. The General Consent for the Disposal Part II Land 1999 enables local authorities to dispose of land held for housing purposes provided that they received the best consideration that can be obtained. The Head of Property is satisfied that the offer from the recommended bidder represents best consideration that can reasonably be obtained.
30. It is expected to take three to four months from instructing lawyers to finalise the terms of the sale and exchange contracts. A planning permission on the sites could be obtained by early 2011 therefore the capital receipt may be received within the financial year 2010 / 2011.

### **Policy Implications**

31. The proposal by the purchaser will see the site developed providing a minimum of 35% affordable homes with a large proportion of these homes being family units of 3 bedrooms and above. This assists the council in meeting its commitment to the adopted 2009-2016 Southwark Housing Strategy.

32. The redevelopment of the site will remove a visual eyesore and help reduce opportunities for anti-social behaviour and fly-tipping thus assisting the council in meeting its cleaner, greener and safer agenda.
33. The provision of affordable units will provide additional opportunities for council tenants in Southwark and for those requiring moves from regeneration schemes.

### **Equality and Diversity Implications**

34. There are no adverse implications identified in respect of this proposal to re-develop the cleared Wooddene site.
35. The regeneration of Wooddene is considered to have benefits to not only the immediate community but also to the wider area of Peckham as a whole in that it will act as a catalyst to further investment.
36. Progress on regenerating the Wooddene will provide new high quality homes for the private and affordable sector, and bring additional benefits of energy efficiencies to the rest of the Acorn Estate.
37. This approach supports the council's Diversity and Equal Opportunities policies. Redevelopment of this site will ensure the diversity of the area will be widened.
38. Former tenants of Wooddene will be given first refusal rights to return to the Estate.

### **Sustainability implications**

39. The development will be constructed to achieve Code of Sustainability Homes level 4 or above. This will help to ensure that this development achieves a very high level of sustainability. Additional to the provision of a new Combined Heat and Power plant will further assist in achieving a reduction of carbon admissions and increase energy efficiency.

### **Community Impact Statement**

40. The recommended option will have a positive impact on the local community and borough as a whole. It will enable the regeneration of a strategic site of the Acorn Estate that has remained undeveloped for several years. It is likely that in excess of 300 new homes will be built with a minimum of 20% suitable for families or larger households in accordance with the new core strategy. 10 % of the units will be suitable for wheelchair users and all will aim to achieve Lifetime Homes standard
41. Antisocial activities associated with empty sites such as fly tipping will also cease once construction begins.

### **Consultation**

42. Extensive consultation was undertaken at the end of 2007 and beginning of 2008 at Peckham and Nunhead community councils with assistance from AOC Architects in providing initial design layouts. Feedback from these consultations was very positive.

43. There will be further extensive consultation as part of the statutory planning process. This will enable local residents to comment on and have a say on the development of these sites. In addition it is likely that the developer will undertake public consultation prior to submitting a planning application to give residents the earliest opportunity to feed into the design process.
44. Prior to this stage there has been consultation with local residents undertaken by Housing Regeneration who aim to continue this as the matters progress, with regular meetings and newsletters, as well as an active website.

#### **Resource implications**

45. There are no direct staffing implications arising from the proposed disposal strategy.
46. The council's reasonable surveying and legal costs will be met by the purchasers.

#### **Financial Implications**

47. The proposal should generate a substantial capital receipt in support of the decent homes initiative.
48. Disposal of this site will reduce the burden on the neighbourhood housing office's maintenance and repairs budget.

#### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

##### **Finance Director**

49. The Finance Director's comments can be found in the closed report

##### **Strategic Director for Communities, Law & Governance**

50. As the Wooddene Estate falls within the Council's Housing Portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
51. A number of general consents have been issued in the General Housing Consents 2005.
52. Consent E3.1 states :

*A local authority may dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling house included in the disposal:*

- a) *is vacant;*
- b) *will not be used as housing accommodation; and*
- c) *will be demolished.*

53. The report indicates in paragraphs 6 and 8 that the site is currently vacant and that the previously existing dwellings on the land have already been demolished.

54. The report indicates at paragraph 28 that the Strategic Director for Regeneration and Neighbourhoods has declared the property surplus to requirements in accordance with the agreement of the Southwark Estate Initiative (SEI) which was made at Strategic Committee / Full Council on January 25 2000, mentioned in paragraph 16.
55. If Executive is satisfied that the price being obtained for the property represents best consideration and that the transaction represents value for money they may proceed with the approval of the recommendations.

#### BACKGROUND PAPERS

Background Papers	Held At	Contact
Wooddene Regeneration	Southwark Property Regeneration and Neighbourhoods 5 <sup>th</sup> Floor Tooley Street	Jeremy Pilgrim 0207 525 1133 <a href="mailto:jeremy.pilgrim@southwark.gov.uk">jeremy.pilgrim@southwark.gov.uk</a>

#### APPENDICES

No.	Title
Appendix 1	Plan showing the location and extent of Wooddene
Appendix 2	Aerial picture of the site

#### AUDIT TRAIL

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods		
<b>Report Author</b>	Jeremy Pilgrim Property Development Manager		
<b>Version</b>	Final		
<b>Dated</b>	January 27 2010		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	Nov 09
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director for Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Executive Member	Yes	No	
<b>Date final report sent to Constitutional Support Services</b>	1 February 2010		

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TITLE.

Wooddene,  
Peckham High Street.



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DRAWN BY.

MMANKTELOW  
Property Division

DATE.

2/9/2009

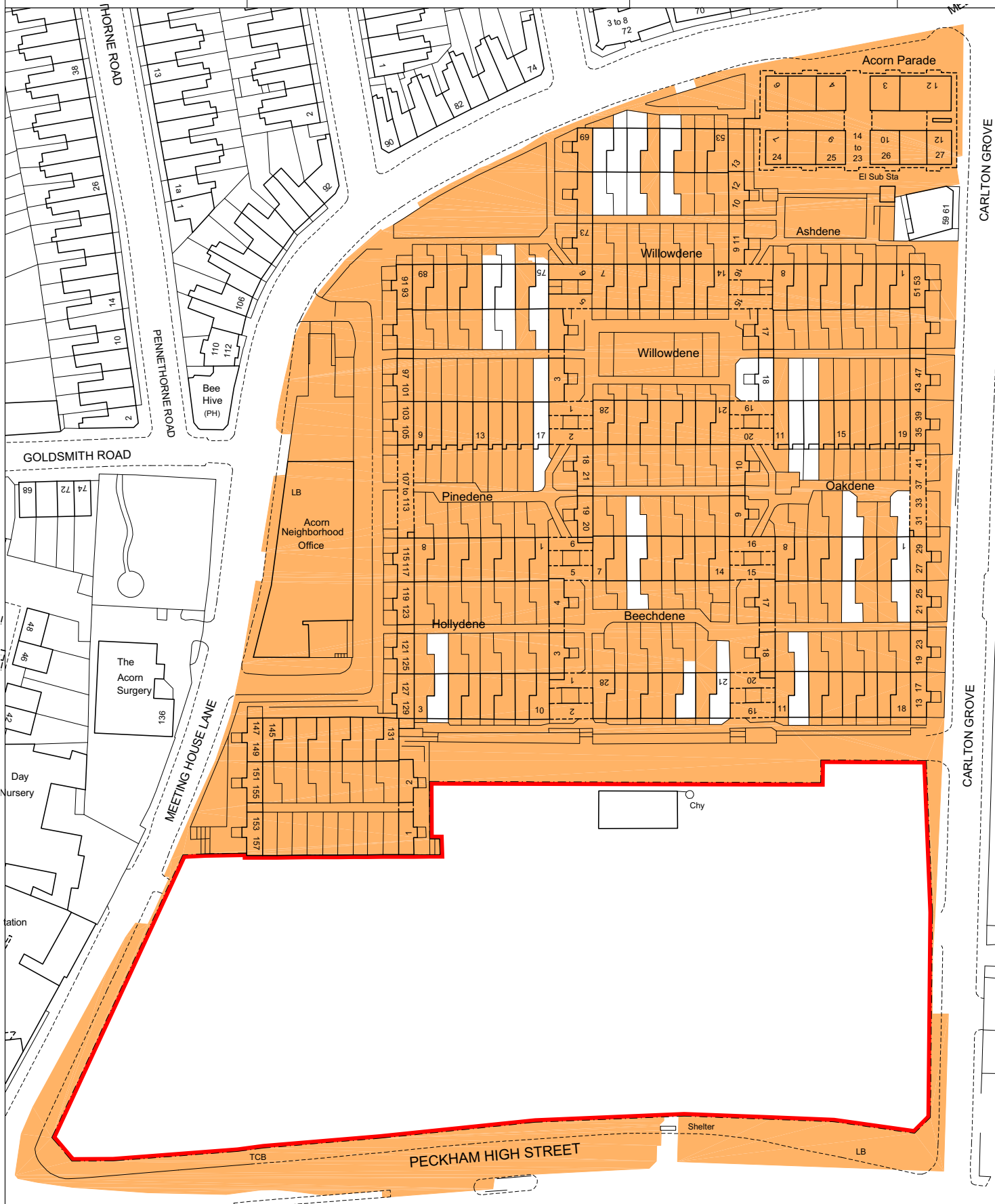
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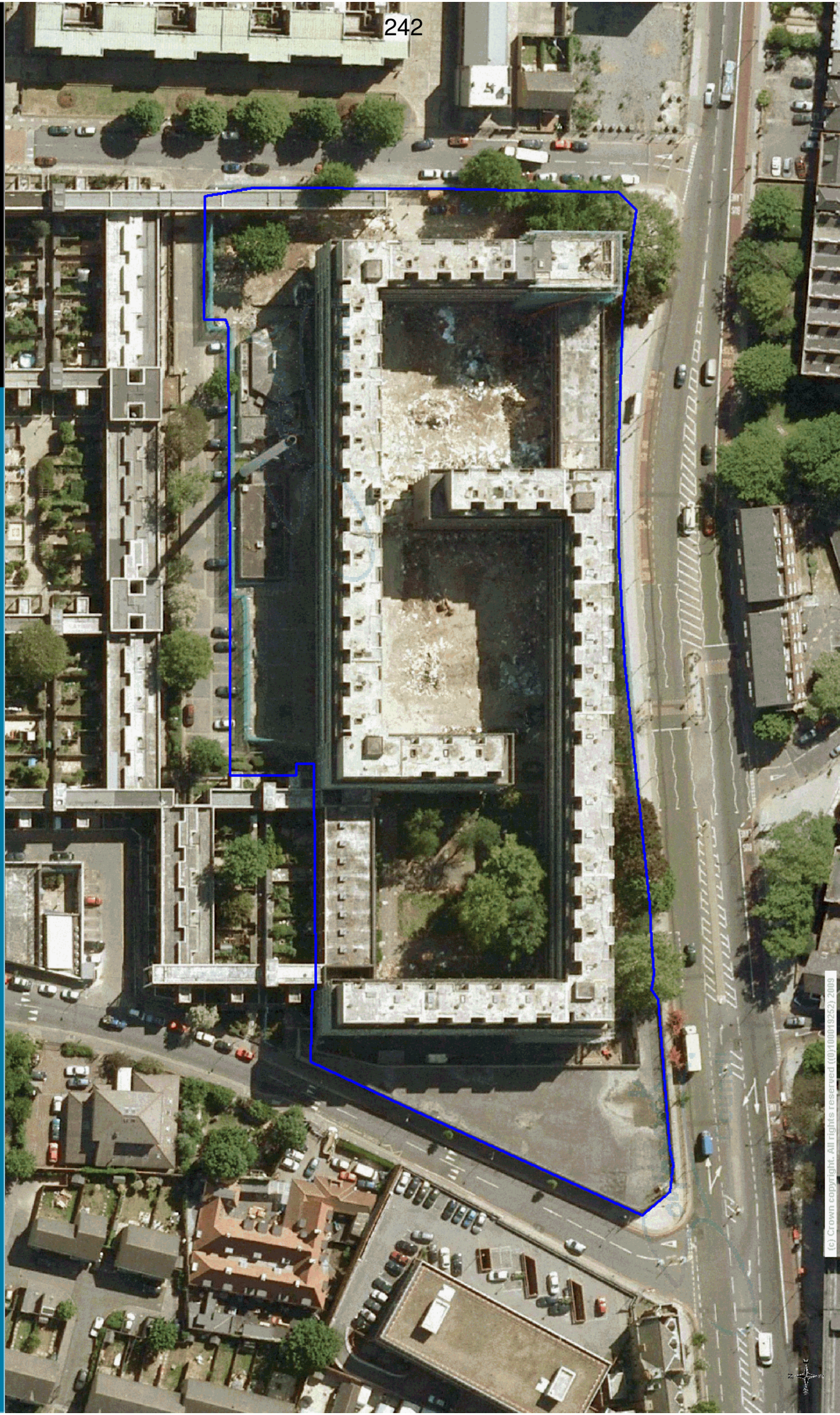


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<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> February 9 2010	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Abbeyfield Estate – Options for Investment	
<b>Ward(s) or groups affected:</b>		Rotherhithe	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

### RECOMMENDATION(S)

That Executive agrees:

1. The re-housing of residents from Maydew House, Abbeyfield Estate, and marketing for sale and refurbishment of the block.
2. The lettings policy outlined in paragraphs 44 and 45 is applied to the rehousing of tenants and leaseholders in Maydew House.
3. That officers be instructed to open negotiations to purchase by agreement the residential long leaseholds in Maydew House and other commercial interests within the boundary of the site; which is shown edged red on the plan at Appendix A.
4. That the Head of Property be authorised to conclude purchases provided the terms represent best consideration to the council.
5. That Social Homebuy will be denied to tenants in Maydew House, and any applications will be withdrawn – see paragraph 102.
6. That officers be instructed to conclude further feasibility work and report back on investment options for the wider Abbeyfield Estate – specifically Damory and Thaxted Houses and the Bede Centre, and how these might link with the sale of Maydew House.

### BACKGROUND INFORMATION

7. Maydew House is a 24 storey block of 144 two bedroom flats on the edge of Southwark Park. It is part of the Abbeyfield Estate which also includes Thaxted and Damory Courts and the Bede Centre.
8. From 2001, there has been a policy of not permanently letting vacant flats in Maydew due to the identified need to carry out major/Decent Homes works. The work would require the rehousing of residents because of both the extent of the work and the need to disturb the embodied asbestos within the flats.
9. For most of this period, void properties within the block have been let as temporary accommodation.

10. The tenure at January 4 2010 within Maydew House was:

Tenants	98
Temporary Accommodation/Licences	36
Leaseholders	5
Voids	5

## KEY ISSUES FOR CONSIDERATION

### Decent Homes Investment

11. Southwark has an investment gap to meet its target of delivering a Southwark decent homes standard across all its stock. The report to executive in April 2008 (Southwark's Decent Homes Standard) identified the gap to deliver our investment needs as approximately £180 million – this figure will be reviewed on the completion of the new stock condition survey.
12. Although additional resources have been identified through the increase in capital receipts over a longer period, an investment gap will still exist.
13. Linked to this, an option appraisal model has been established, with the support of KPMG, to look at ways of addressing estates where there are very high costs; considering the best way to either deliver refurbishment works or looking at wider options for investment.
14. This appraisal has been carried out for Maydew House, where the full capital and revenue consequences of the delivery of Southwark's decent homes standard and the additional works have been assessed. (These are set out below in the resource implications section of the report).
15. The cost of delivering Southwark's decent homes standard and additional strategic safety works to the block is estimated by external surveyors as £15 million or over £100,000 per home. Investment of this level represents a significant pressure for the decent homes budget and given the housing investment gap is considered to be very difficult to justify. The prioritisation of these works against limited resources would also mean that there could be no guarantee when these works could be carried out. The earliest these works could be included in the investment delivery programme would be 2012/13, subject to prioritisation against our limited resources.
16. As part of the options testing a type 2 asbestos survey has been carried out for Maydew House that has confirmed the presence of asbestos throughout the building. In its present condition the asbestos is safe, and will remain so provided it is not disturbed. However it has been confirmed by a specialist consultant that decent homes work would release the asbestos. They have recommended that given the nature and scale of the proposed decent homes work residents should be moved out of the building for the duration of the work.
17. It is likely the decent homes work would take over 12 months to complete. That being the case rather than decant residents for such a long period there is considered to be a strong case to offer them a permanent relocation.

18. This means that no matter what is the future for Maydew House it will be necessary to relocate the existing residents. That opens up the recommended way forward that Maydew House should be declared surplus and sold for refurbishment.

### Major Works

19. Urgent works are currently programmed for the block in relation to the refurbishment of the lifts and also works are on site addressing immediate requirements from the Fire Risk Assessment. These are communal works which will not impact on the asbestos internal to the flats.
20. To avoid the requirement to renew the lifts and also carryout further strategic safety works, an early decant of the block is required – see financial implications.

### Option Appraisal

21. Officers have investigated three options to deliver the investment needed at Maydew House:
- The council to carry out our decent homes works and other improvements to the block; which for the reasons detailed in this report is not favoured – option A.
  - Empty and sell Maydew House so that it can be refurbished by a potential commercial developer for 100% private homes; which for the reasons detailed below is the favoured option – option B.
  - Demolish Maydew House and redevelop the site. On the basis of high level survey information this is not recommended for further consideration on the grounds that current planning policy would not allow development on the existing scale so that such an option is not financially viable in isolation.
22. The cost of the investment options have been calculated using a 15 year cash flow model that considers revenue and capital implications. The costs have been discounted to produce a net present value. The model looks at the entire Abbeyfield Estate and the costs considered include: decent homes work to all blocks; strategic safety work; the buyback of 'right to buy' leaseholds and disturbance payments for tenants; rent, service charge and housing subsidy implications; and, project costs to deliver the option.
23. The net present value of the option A and B s are as follows

	<b>Option A – Retention &amp; carry out all works</b>	<b>Option B – Immediate investment needs &amp; sale</b>
NPV value	-£16.4 million	£5.4 million

24. In terms of NPV there is clearly a considerable financial advantage to the council in pursuing option B over option A. These figures have been based on a set of assumptions which are sufficiently accurate and clear in their conclusion to establish a recommendation to sell. However, further work will continue as part of a due diligence process to review these figures, both separately for Maydew and also for the wider Abbeyfield Estate.

### **The sale of Maydew House**

25. The working assumption behind this option B is that Maydew House would be sold to a commercial developer who would refurbish the building and sell individual flats. It is anticipated all of the refurbished units would be sold for private occupation. The precedent for this is the sale by Lewisham council of Aragon Tower in Deptford to Berkley Homes.
26. This assumption does not preclude a sale to a Registered Social Landlord (RSL) but such an outcome is thought to be unlikely. An RSL would have to fund the investment needed in the tower from rental income and this is not considered to be viable.
27. Initial soft market testing has confirmed that there is likely to be interest in Maydew House from commercial developers. However, the market for such a proposal, particularly at this time, is considered to be limited.
28. The Head of Property considers that if sold for refurbishment Maydew House is likely to achieve a significant receipt. The full capital and revenue implications of this option are set out below in the resource implications section of the report.
29. If the recommendation in this report is accepted then it is proposed to mitigate the risk of selling Maydew into a limited market in two ways: by the timing of a sale; and, by exploring ways to enlarge the market for the offer.
30. To a significant extent the timing issue will be addressed by the “natural” timetable imposed by the need to achieve vacant possession of Maydew and the time needed to market the building for sale. Two years is considered to be a reasonable assumption for the time it might take to transfer a vacant Maydew House to a developer. It is anticipated that during this period the housing market will continue to recover from its recent difficulties.
31. In order to meet this timetable it is recommended that negotiations be started with the 5 residential long leaseholders in Maydew and with the commercial occupiers within the site. The commercial occupier is the Bede Centre that is discussed below.
32. The second risk mitigation measure is to look at options to enlarge the area of land that is offered to the market. Soft market testing has confirmed that including an element of new build along with the refurbishment of Maydew is likely to attract a wider range of developers and there ways in which this might be achieved.
33. Maydew House is connected by a podium to the Bede Centre and to Damory and Thaxted Courts. Subject to further feasibility work and to resident consultation some or all of this land could be included in a sale.
34. It is known that the Bede have an aspiration to consolidate all of their services at one site and this could fit well with proposals to sell Maydew. Officers are in discussion with Bede to find a solution that will support their long-term plans and ensure the continued operation of this important and well respected organisation. Options for the re-development of the Bede site will be considered as part of the second stage of the appraisal process for the wider

Abbeyfield Estate alongside consultation on a suitable alternative site for the organisation.

### **Temporary Accommodation**

35. At the beginning of January there were 34 units used as temporary accommodation within Maydew House and future empty properties and those becoming available through the decant will also be let as non-secure tenancies. This will continue until approximately 9 months prior to the required vacant possession of the block – subject to the cost of meeting a reasonable standard of accommodation for temporary use.
36. Households residing in Maydew House are housed under a non-secure tenancy as part of Homeless legislation, so will not be entitled to permanent accommodation or a home loss and disturbance payment as part of the decant process. However residents may be offered alternative housing as part of the temporary accommodation re-housing process. This will be dealt with by the Temporary Accommodation Service who will ensure clients are moved to suitable alternative accommodation separate from the scheme.
37. The Temporary Accommodation Service will ensure that vacant possession of these properties is achieved within the required timescale.

### **Leaseholder Issues**

38. There are 5 leasehold interests in Maydew House; two of which are sub-let. Specific consultation will need to take place with the leaseholders themselves with the aim of obtaining vacant possession by negotiation.
39. If the option of the council retaining the block is considered, leaseholders would be liable for an element of both the decent homes refurbishment works, and the strategic safety works. The rechargeable element of these works would be in the region of £65 -70,000 per leasehold, which potentially could lead to affordability issues.

### **Wider Investment Options for Abbeyfield Estate**

40. The Maydew tower is connected to Damory, Thaxted Courts and Bede Centre by a podium at first floor level. This will need to be removed and works to supply heating and hot water to the rest of the estate; the costs of which need to be allowed on for all options other than the basecase position of decant, refurbish and retain as local authority accommodation.
41. Feasibility work is currently being carried out to determine whether redevelopment is an option for these blocks, both in terms of financial feasibility and resident support – see consultation below. Any redevelopment options will be consulted with residents on Abbeyfield and surrounding area, the conclusions will be reported to Executive; if a recommended option to redevelop emerges.
42. A potential advantage of developing a scheme wider than just Maydew would be to improve the design and sustainability of the accommodation and to open up access to Southwark Park – both physical and visual access; and provide improved and sustainable mixed tenure accommodation

43. Key to the development of a wider scheme will be the planning policy for the area.

## **POLICY IMPLICATIONS**

### **Decant Policy**

44. The current decant policy as outlined in the council's lettings policy will apply. Tenants, and potentially leaseholders, will be given the highest re-housing status (Band 1) under this policy. There will not however be an option to return to the block if it is sold to a private developer.
45. As all the properties in the block are 2 bedroom homes, under the 2006 'Council Policy for rehousing tenants/homeowners on regeneration schemes' (Executive 26/9/06) re-affirmed in an Executive member decision in January 2009 (Rehousing tenants and homeowners on regeneration schemes – outcome of consultation exercise and final proposal), no tenants or leaseholders will be entitled to an extra bedroom above need. This is a different entitlement to those residents being decanted from the Heygate and Aylesbury Estates.

### **Implications on current decant programme**

46. The Executive decision of October 14 2009 'Southwark Housing Strategy - 2009-16' noted the development of an interactive supply and demand model. Data within this model shows:
- *New affordable housing supply, both intermediate and social housing, including new RSL developments and Section 106 agreements.*
  - *Projected relets of both council and RSL housing (based on historic letting data).*
  - *Demand from residents being relocated as a result of regeneration schemes, based on phasing of schemes.*
  - *Demand from other priority housing applicants.*
47. From this model there is an assumption that 220 households will be decanted in regeneration schemes each year. It is difficult to accurately measure the impact of Maydew as successful rehousing will be determined by actual supply, need and choice – of both property type and area, for all the priority schemes. From experience, residents being re-housed as part of a regeneration scheme from different parts of the borough have different preferences as to where they want to live. Generally assumptions are that residents on the Abbeyfield Estate will want to remain in the north of the borough. This could put pressure on housing in the Bermondsey and Rotherhithe areas.
48. It is estimated the re-housing for Maydew will take 12 -18 months, starting April 2010.
49. Assuming that 100 Maydew units are decanted over 5 quarters beginning in April, the introduction of block, along with the previous inclusion of the Elmington blocks, may have some impact on the Aylesbury programme. It is expected that there will be minimal impact on the rehousing on sites 7 and 10 of the Aylesbury (which occurs Jan 2010 – Jan 2011.) There could however be some competition for housing in 2011/12, which could impact on achieving

vacant possession on Aylesbury sites 1b and 1c.

50. There is not however deemed to be a risk of accessing Homes and Communities Agency funding (Social Housing Grant) for these early sites, if there is a slight delay in gaining vacant possession and start on site.

### **Planning Policy**

51. The disposal of Maydew for housing purposes, and its use for either private or intermediate tenures, would not in itself require planning permission, provided that the number of flats was not increased. Any material alterations to the appearance of the building, such as by re-cladding or the addition of balconies or additional floorspace, would however require a planning application.
52. In the event that any of the options A - C involve the provision of ten or more units of additional housing, any planning application would need to be made and determined in accordance with the local planning authority's development plan policies thus triggering provision of affordable housing as a percentage of the additional provision.

### **Consultation**

53. Consultation with the Tenants and Residents Association took place on November 24, December 10 2009 and January 19, with a wider tenant and leaseholder meeting to inform the Executive report which took place on January 21.
54. The Tenants and Residents Association had been made aware of the proposal to decant Maydew House and the further feasibility work taking place to determine the investment options for the rest of the Abbeyfield Estate. Due to the nature of the tenure profile of the block, the identification of asbestos and the understanding of the extent of potential refurbishment works; it was always recognised by residents that they would need to be re-housed. The formal consultation process via way of a public meeting took place prior to the Executive meeting, so the results of this consultation could inform any Executive decision.
55. Tenants and resident leaseholders of the Abbeyfield Estate were informed of the meeting on January 21 by the delivery of letters outlining the proposed recommendations and giving the opportunity for comments and questions. Non-resident leaseholders have been consulted via their billing addresses.
56. 96 residents attended the meeting on January 21 2010 – a summary of issues is appended. (Appendix B). In response to the issues outlined in the appendix, a letter was circulated to all tenants in Maydew with the 'Frequently Asked Questions' (FAQ) with answers given. In addition, a handout was given out at the meeting of January 21 to be returned by February 5 asking for comments on the key issues; these will be reported separately to executive.
57. Posters had been placed within the block advertising the meeting – including notification of the pending meeting prior to Christmas; and post meeting, information on the access to consultation forms at the concierges' office and at the Bede Centre.
58. Local knowledge has been used to assess any translation or communication

issues and advice on the availability of translation services outlined on the poster and FAQ handout.

59. Consultation will take place with tenants and leaseholders pending the approval of the recommendations. Specific consultation/information to tenants being re-housed will take place via an open day, and a project team will be set up to consider options for any potential wider estate regeneration.
60. Further consultation of those tenants affected is required prior to an application to the Secretary of State to approve a scheme for the disposal and redevelopment of the block for the purposes of ground 10A of Schedule 2 to the Housing Act 1985 (regeneration ground for possession of secure tenancies). In order to meet legal requirements this consultation must be on both the application for approval and the details of the proposed scheme.

## **WIDER ISSUES**

### **District Heating System**

61. The plant for the Abbeyfield communal heating system is located on the roof of Maydew House. This links to Thaxted and Damory Courts by a network of pipes that are built into the podium that connects the buildings.
62. In the short-term individual heating systems will need to be installed in these blocks. The cost of this has been allowed within the option appraisal model.
63. The expectation that the refurbishment of Maydew House would include a communal heating system, potentially linking to the South East London Combined Heating and Power Plant (SLCHP).

### **CCTV monitoring**

64. CCTV cameras from Hawkstone Road, Abbeyfield Road, Osprey & Silverlock Estates are monitored by, and recorded equipment located at, the concierge at Maydew. The CCTV system is old and in need of significant renewal or removal. Any decisions about investment in the system will need to be made in relation to the Executive decision.
65. There is also a microwave node on top of Maydew that is used to transmit images to the central CCTV monitoring suite (at Southwark Police Station) from LBS redeployable cameras and also a couple of LBS fixed cameras near Canada Water. Alternative arrangements will need to be made which potentially will have a cost to LBS. Alternatively we could negotiate with prospective purchasers to keep the node in operation.

### **Community Impact Statement**

66. The tenure profile of Rotherhithe ward from the 2001 Census showed 44% of households rented from the council as opposed to 31% owner occupiers, 10% renting from another social landlord and 16% from a private landlord. 78% of residents were recorded as white and 16% as black. 40% of residents were economically active – the highest in the borough, with 31% aged under 16 or over 74 – the lowest in the borough.
67. Tenants and potentially leaseholders will have a priority for re-housing and their



accommodation will be based on their housing needs. This will mean for a number of households who are overcrowded they will be offered larger accommodation, whereas those under-occupying will only get one bedroom homes.

68. The potential sale of 144 two-bedroom units will have an impact on the council's ability to re-house residents from the waiting list. Two bedroom properties are dwellings which have the greatest demand from families, although they are also the size of homes where there is also the greatest supply – 35%.
69. The March 2009 executive report 'Capital Income Generation for the Housing Investment Programme and Hidden Homes', identified the average waiting time for applicants needing 2 bedroom accommodation in Bands 1-3 was 10 months, whereas for 3 bedroom homes this was 14 months and 4 bedroom -16 months.
70. The potential sale of the block will however have a positive impact on the housing investment programme and the delivery of Southwark's decent homes standard. Currently, over 40% of council tenants that are defined as non-decent under the government's standard. The net effect of not carrying out these works to Maydew and the potential receipt to the programme will mean that in excess of £20 million could be available to deliver other schemes.
71. Members of disadvantaged and minority communities are statistically more likely to be council tenants than the population as a whole. 36% of council tenants in the borough are black as opposed to 26% in Southwark as a whole – again from the 2001 Census. In addition national research has shown that BME tenants are more likely to live in properties that require higher levels of investment. Improved housing also has a direct impact on wider issues such as education, security and health, so with Southwark's limited resources to deliver its housing investment needs the recommendation to dispose of a block with very high costs will have the maximum benefit to tenant numbers.

### Resource Implications

72. The latest cost analysis indicates the financial effect (on the whole estate including the Damory and Thaxted blocks) of the Maydew sale option, compared to retaining and doing decent homes works as follows over 16 years:

	Maydew Decent Homes		Maydew Sale	
	Total £m	NPV £m	Total	NPV*
<b>Net Gain/(loss)</b>	<b>(16.4)</b>	<b>(16.4)</b>	<b>6.7</b>	<b>5.4</b>

\* NPV is the Net Present Value of future costs and income, discounted according to the time they occur in the future.

73. Whilst there thus appears to be a significant advantage (of over £20m) in the sale option, this is dependent on the level of capital receipts to be achieved from the sale and also the assumption that considerable revenue and capital expenditure would be incurred and able to be funded under the Decent Homes option. There is also the possibility that extra costs could be incurred in preparing sites for sale/demolition and the advantage could thus further reduce.
74. It should be noted that the sale option's main financial advantages are in the gain in the net capital position –an NPV of £6.3 million net receipts if sold compared to

£16.1m net cost for the Decent Homes option. In terms of the current programme, there would be problems in funding the main £15 million cost of the Decent Homes option but the £2m currently allocated would be sufficient to cover acquisition and home loss payments under the sale option.

75. The revenue HRA position of the estate for the 16 years is indicated to worsen slightly from a net NPV of £0.4 million gain under decent homes to £1.2 million loss if sold. The initial rent and subsidy effects of decanting have been allowed for in the draft 2010/11 HRA budget. The sale option has revenue advantages in early years as it includes immediate strategic work only and avoids a further £3 million of further works.
76. Key to the decision to decant the block is this potential saving of investment works as part of the council's approach to strategic safety for its blocks, potentially the cost of these are in the region of £3 million. These works cannot however be significantly delayed. Urgent works arising from the Fire Risk Assessment will be carried out whatever the period of occupancy, and are programmed to take place in 2009/10 and 2010/11.

#### **Investment implications (inv/ii2427/rjb)**

77. Provision has been made within the housing investment programme for expenditure of up to £2 million in 2010 and 2011, for the recommended option of decant and sale of Maydew House.
78. Any decision on the future of Maydew House will impact on the housing investment programme, and more specifically on the decent homes programme. The costs associated with decant and sale of the block, including the buy-back of leasehold interests and home loss payments, are estimated at £2 million. While provision has been made within the programme for these costs, this reduces the level of resources available to deliver the decent homes programme in the shorter term and any higher costs will have a direct impact on this programme. However, the expenditure can be offset against the future capital receipt which will be achieved, by the earmarking of that receipt for the housing investment programme. The balance of the receipt will then be available to deliver the wider decent homes/investment programme.
79. In the absence of a decision to sell the block then the costs associated with the refurbishment of the block to decent homes standards will need to be funded directly from the decent homes allocation, at an estimated cost including home loss payments associated with the decant of the block of £15 million to bring the dwellings up to standard. This is not programmed within the current investment programme.

#### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

##### **Strategic Director of Communities, Law & Governance**

80. Section 21 of the Housing Act 1985 vests the council with the power to manage its housing stock. This power enables the council to adopt such policies as it considers appropriate for the better management of its stock.
81. Section 105 Housing Act 1985 requires the council to consult with its secure tenants on matters of housing management, which in the opinion of the council as landlord represents a new programme of maintenance, improvement or

demolition and is likely to substantially affect either secure tenants as a whole or a group of them. The recommendation for the decant and marketing for sale for refurbishment of Maydew House is likely to substantially affect secure tenants living there and formal consultation is therefore required.

82. To meet legal requirements consultation must:
- Be undertaken when the proposals are still at a formative stage
  - Include sufficient reasons for the proposals to allow any interested party the opportunity to consider the proposal and formulate a response; and
  - Allow adequate time for interested parties to consider the proposal and formulate their response
83. The report sets out the consultation that has already taken place and indicates that further consultation is planned in advance of the Executive taking a decision on this matter; the outcome of such consultation will be presented to the executive.
84. Executive members should take the outcome of consultation into account when the taking a decision on the proposals.
85. If the recommendations are agreed, while the ideally the council will seek to gain possession of properties held under secure tenancies by agreement, some tenants may not agree to relinquish their tenancy and in those circumstances the council will need legal authority to obtain possession. Secure tenants can only be required to give up possession of the property they occupy if one or more grounds for a possession order in Schedule 2 to the Housing Act 1985 are made out. Ground 10A is available where the council intends to dispose of property which is the subject of a redevelopment scheme approved by the Secretary of State and intends to dispose of the dwelling house within a reasonable time of obtaining possession in accordance with the scheme. For the court to make an order under this ground, suitable alternative accommodation must be available to the tenant.
86. The procedure for obtaining Secretary of State approval of a redevelopment scheme for the purpose of ground 10A is set out in Part V to Schedule 2 of the Housing Act; included is a requirement that the landlord consult with tenants as to both the application for approval and the details of the proposed scheme. This requirement is recognised in paragraph 58 of this report. The landlord must give the tenant at least 28 days to make representations. The Approval may be subject to conditions and a time limit after which approval will expire.
87. The Secretary of State's approval may take some time to obtain so it would be prudent to make the application at the first available opportunity following details of the development scheme being worked up.
88. Those occupying 'temporary accommodation' will generally be non secure tenants who do not have security of tenure. However if such tenants refuse to vacate temporary accommodation the council would need to obtain possession under a court order; an order in this situation would be available to the council as of right (subject to the correct procedural requirements being fulfilled). Those vacating temporary accommodation may (but not necessarily) be entitled to the provision of alternative accommodation depending on their circumstances.
89. Generally speaking occupying leaseholders are not entitled to be re-housed by

the council following 'buy back' of their property. However the council has a duty under section 39 of the Land Compensation Act 1973 to provide persons displaced from residential accommodation in consequence of specified events, with suitable alternative accommodation if no such other accommodation on reasonable terms is otherwise available to them. The events specified by the Act include a situation where land which has previously been acquired or appropriated for housing purposes and is currently being held for such purpose is to be improved or redeveloped. This duty may be triggered if the recommendations in this report are agreed. The duty does not, however, apply to trespassers or persons permitted to reside in any dwellings pending its improvement (e.g. those in temporary accommodation provided under homelessness legislation). In considering whether suitable accommodation on reasonable terms is otherwise available, the local authority will need to look at the circumstances of the displaced person. This can include the person's financial circumstances. The council will need to have regard to its applicable re-housing policy.

90. Home loss and disturbance payments under the Land Compensation Act 1973 may be available to displaced qualifying residents. In certain situations the council must make such payments to those entitled. In other situations the council has discretion to make payments.
91. If the recommendation to market for sale and refurbishment is approved, secure tenants and long leaseholders occupying properties as their only or main residence in Maydeu house throughout the period of one year ending with the date of displacement ('qualifying period'), will be entitled to home loss payments. Discretionary payments may be made to those secure tenants and leaseholders occupying properties as their only or main residence at the date of displacement but who have not done so throughout the 'qualifying period'. Where the council proposes to exercise its powers in this regard it must do so in a fair and consistent way, while taking care not to fetter its discretion in order to comply with the requirements of administrative law. Persons occupying temporary accommodation under homelessness legislation are not eligible for home loss payments.
92. If the recommendation is approved, all secure tenants and leaseholders occupying accommodation in Maydeu house will be eligible for disturbance payments following displacement; the qualifying period applicable to home loss is not a requirement for disturbance payments.
93. As to home loss payments, the amount payable is fixed by law; in the case of owner occupiers it amounts to 10 per cent of the value of their property subject to a maximum threshold of £47,000 and a minimum threshold of £4,700 and in any other case a flat rate of £4,700 is applicable.
94. As to disturbance payments, these cover the reasonable expenses of a person entitled to payment in removing from the land from which he is displaced. The amount payable is not fixed and it is for the displacing authority to decide in the first instance what is reasonable although any dispute may be taken to the Lands Tribunal for determination.
95. There are several statutory powers pursuant to which the council may acquire Maydeu House:

- Section 17 of the Housing Act 1985 ("the 1985 Act") empowers local authorities to acquire land, houses or other properties for the provision of housing accommodation;
  - Section 120 of the Local Government Act 1972 ("the 1972 Act") provides that as a principal council, the Council may acquire by agreement any land for the purposes of any of the Council's functions, or for the benefit, improvement or development of the area;
  - Section 227 of the Town and Country Planning Act 1990 ("the 1990 Act"), if the council thinks the acquisition will facilitate the carrying out of development, re-development or improvement in relation to the land (provided this is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area) or the land is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area.
96. Of these powers, it is considered that Section 17 is the most appropriate, as this is the principal power to purchase land and housing in order to provide housing by erection or conversion, or to dispose of the land to someone else to provide housing on it. Section 17(2) of the 1985 Act expressly provides that the power conferred by Section 17 includes power to acquire land for disposal to a person who intends to provide housing accommodation on it.
97. Land that is held by the council for housing purposes can only be disposed of pursuant to Section 32 of the 1985 Act, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required. A number of General Consents have been issued by the said Secretary of State under the General Consent for the Disposal of Part II Land 2005 for the disposal of housing land but it is not considered that a disposal of Maydew House for refurbishment will fall within these consents. The council's constitution requires applications to the Secretary of State for consent to disposal of land held for housing purposes to be approved by council Assembly.
98. An alternative disposal route may be to appropriate Maydew House for planning purposes and use the disposal power contained in Section 233 of the 1990 Act. This authorises councils to dispose of land in such manner and subject to such conditions as may be expedient in order to '(a) secure the best use of that or other land and any other buildings or works which have been or are to be erected, constructed or carried out on it or (b) to secure the erection, construction or carrying out on it of any buildings or works appearing to them to be needed for the proper planning of the area of the authority.' Should the council wish to dispose of the land under Section 233 at less than best consideration for that particular type of development, the consent of the Secretary of State will be required, but this will not require Council Assembly approval. However, appropriation of housing land may have an adverse impact on the Housing Revenue Account and general fund and this will need to be quantified before the disposal strategy is fixed.
99. A team of lawyers from Communities, Law & Governance are advising on this matter and will continue to assist during the rehousing and disposal process.

### **Head of Home Ownership & Tenant Management Initiatives**

100. It is recognised and accepted that the option to carry out decent homes works and other improvements to Maydew House is not financially viable. Indeed,

the estimated apportioned cost to each affected leaseholder (£65-70,000 per leasehold property) would be enormous and highly likely to lead to non-payment of the service charges in respect to them, LVT hearings and court action at some considerable cost to the council in terms of time, staffing and monetary resources. The three resident leaseholders would have to be relocated temporarily and the terms of the relocation negotiated and agreed which would be contentious, time consuming and without guarantee of success. This would cause delay to works commencing and force the council to continue to provide an acceptable level of service to them under the specific covenants laid out in the lease. For the two non-resident leaseholders, compensation for loss of rental income and any penalties the leaseholder must pay to their tenant for ending a tenancy early would need to be factored in. The Head of Home Ownership & Tenant Management Initiatives concurs that Option B is preferable.

### **Right to Buy**

101. Sections 182, 183 and schedule 9 of the Housing Act 2004 (as amended by schedule 13 of the Housing & Regeneration Act 2008) allow a local authority to serve demolition notices with the effect of suspending or ending the right to buy on properties due to be demolished. However, where the option of demolition is not being considered, it follows that demolition notices cannot be served.

### **Social HomeBuy**

102. Tenants may also purchase their homes via the Social HomeBuy scheme that the council has been operating since April 2006. However, here the council can set its own qualification criteria.

### **District Heating System**

103. Of the 24 units comprising Thaxted Court, eight are leasehold. Five of the leaseholders are identified as non-resident. Of the 35 units comprising Damory House, 11 are leasehold with only two identified as non-resident. The landlord (i.e. the council) is covenanted to provide heating and hot water via a communal system to these units. In order to effect the recommendations laid out in paragraphs 61 - 63 of this report, all leaseholders would have to agree to the replacement of the communal system with individual heating systems in the short term and then eventual linkage to SLCHP should this prove viable.
104. Maintaining the current district heating system would be highly frustrated in consideration that the council may resolve to sell Maydew House where the plant for the three blocks is located. Provisions would have to be made to ensure that the system is maintained by either the council or the new owners and the billing and apportionment would be complicated with the additional need to negotiate management and maintenance fees between the parties which would then need to be passed down to the leaseholders. It is estimated that the fixed element of the service charge associated with the provision of heating and hot water would rise by at least 50% for affected leaseholders, a commensurate position to the situation on the Salisbury estate where the district heating system is connected to the ailing system located on the Heygate estate and the fixed cost is being spread amongst fewer properties.
105. The council could offer to pay for all the costs associated with removing the current district heating system, installing individual heating systems and linkage

to SLCHP. This may also include any payments that non-resident leaseholders renting out their properties to tenants may have to pay them in compensation for any temporary loss of those services in accordance with individual tenancy agreements and arranging and paying for temporary accommodation for resident leaseholders and tenants of leaseholders should they need to be relocated temporarily whilst works are underway.

### **Other matters**

106. Under the recent amendments made to the lettings policy, resident leaseholders affected by regeneration schemes who must have their properties repurchased are entitled to be considered for rehousing. However, this deals solely with those leaseholders who are unable to make an ongoing purchase on the open market and wish to be considered for council tenancy. Homeowners affected by the regeneration schemes on the Heygate and Aylesbury estates are also permitted to purchase a council property on shared ownership terms from the council's own stock should their affordability level be such that some level of home ownership is affordable but full ownership is not and in consideration of their needs (in terms of bedroom size). This option is also being offered to resident leaseholders affected by the Lakanal fire. In addition, leaseholders on Aylesbury and Heygate qualify for priority listing for shared ownership purchases in the sub-region. (Administered by London and Quadrant).
107. There is a financial incentive to buying back properties without recourse to a Compulsory Purchase Order (CPO), this incentive is now set out in SI 2003/3146 The Local Authorities (Capital Finance and Accounting)(England) Regulations. Councils are allowed to pool 35% of their annual costs (over £50,000) of administering and buying back ex council properties, offsetting this amount against the set aside for capital receipts from the Right to Buy. Instead of having to pay 75% of RTB capital receipts to the government, councils are obliged only to pay a lesser sum, the original amount being reduced by a sum equivalent to 35% of all non CPO buy back costs over £50,000 in any financial year. It is hoped that the majority of repurchases will be by agreement.

### **Finance Director / Departmental Finance Manager**

108. The existing policy of not permanently letting flats that become vacant is in keeping with all of the options for Maydew House. To this end the indicative rehousing programme plans for the rehousing of the existing tenants during 2010 and 2011. £2 million has been allocated from the Housing Investment Programme (HIP) to cover the rehousing costs and the purchase of the 5 leasehold interests. This £2 million is considered to be sufficient. However, the risk of any shortfall would impact on the wider housing investment programme.
109. The impact of the rehousing would potentially affect other priority rehousing schemes. Further work needs to be done to assess the impact of the timing the rehousing needs across the borough, other properties becoming available and the potential need for Private Sector Leasing (PSL) for temporary accommodation.
110. In the short term not permanently letting the flats as they become available will be beneficial to the council in meeting its temporary accommodation requirements. However, the temporary accommodation requirements will need

to be managed as this block and other regeneration blocks are vacated. There may be a cost implication to the general fund if there is an increased requirement for private sector leasing.

111. The finance director recognises that the disposal of Maydew House shows a clear short term and long term financial advantage over the retention and refurbishment. Therefore, he supports this course of action in meeting the councils housing needs.

## BACKGROUND PAPERS

Document	Held at	Contact
N/A		

## APPENDICES

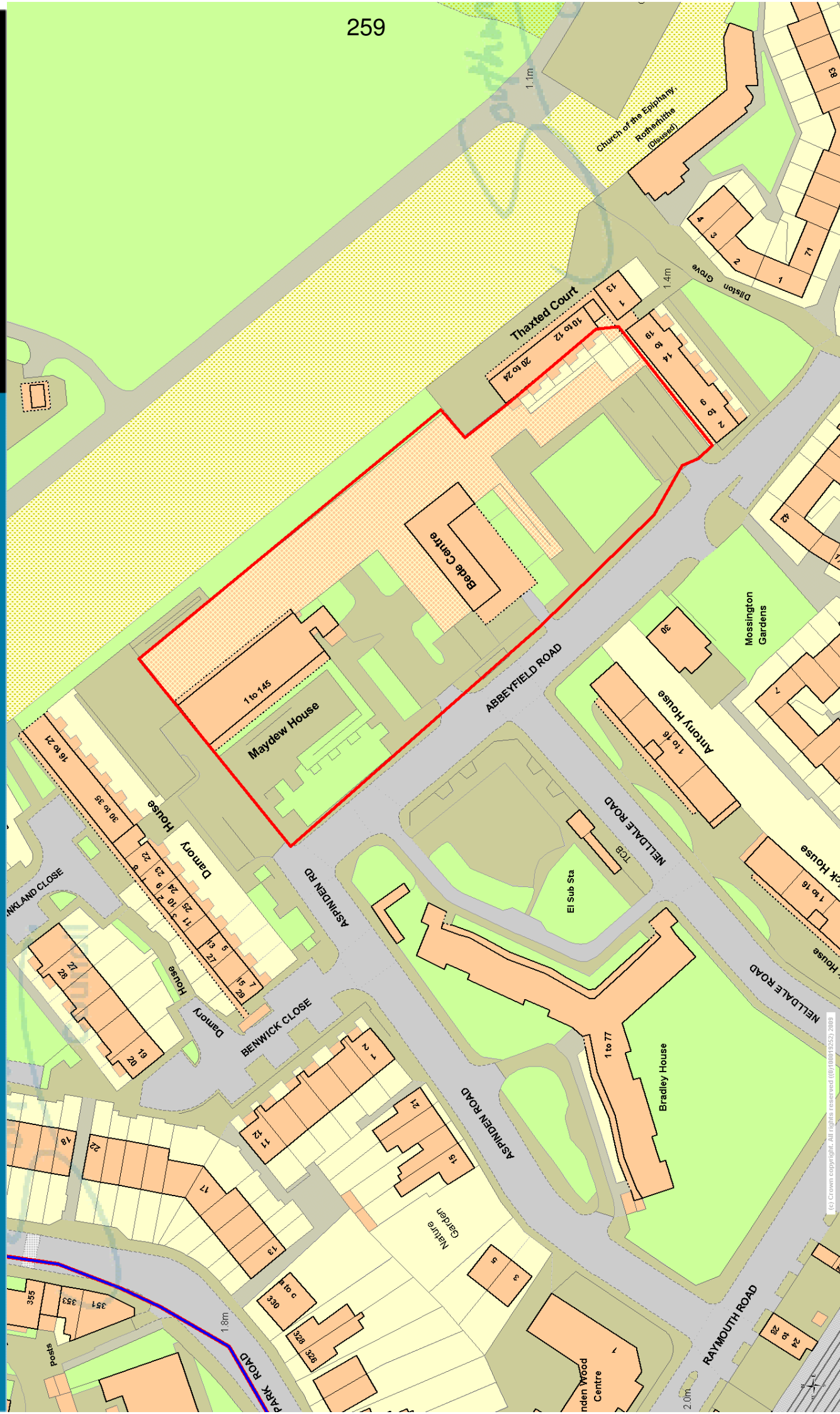
No.	Title
A	Map of Maydew Site
B	Consultation Results – Meeting 21/1/10

## AUDIT TRAIL

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Fiona Cliffe, Investment Strategy Manager	
<b>Version</b>	Final	
<b>Dated</b>	January 28 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director for Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Executive Member	Yes	No
<b>Date final report sent to Constitutional Support Services</b>		1 February 2010



# Appendix A: Maydew House and surrounding land



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## Appendix B

### Abbeyfield - Options for Investment Tenant & Leaseholder Consultation.

Paragraphs 53-60 of the main executive report describes the consultation process that was undertaken to inform the executive decision of February 9 2010.

#### Meeting 21/1/09

Notice of this meeting was given on January 14 2010 via hand-delivery of invitations and notices posted within the block.

#### Background

The purpose of the meeting was to discuss the recommendations in a report to be considered by the Executive on February 9.

The options considered for Maydew were:

- Re-house residents and carry-out a refurbishment of the block to Southwark's decent homes standard and other works as required, specifically strategic safety works.
- Re-house tenants and market for sale Maydew House, so that it can be refurbished by a potential commercial developer for 100% private homes; bringing in a substantial receipt to the authority.
- Demolish Maydew House and redevelop the site. This is not being considered due the cost of demolition and number of homes that could be built on this site.

**The proposed recommendation to the council's Executive is that the block should be decanted and marketed for sale.**

Points raised by residents:

#### Consultation

- The timescale is too short before Executive on February 9 / Is this timeframe legal? / Not enough notice given for the meeting.
- This is a fait accompli and decision is already made./Why are we being asked about options when there is only one really? / I feel that we are being patronised./Why are we being asked about options when the council seem to already made a decision?
- Future meetings should include weekends as people work.
- We should forget the past and focus on the future development.
- Why do people not attend TRA meetings when they have a chance?
- Everybody should fill in the forms to give their views to the Executive.
- Will councillors take our views into account when making their decision?
- What does "call in" mean – when will decision be made?
- How will we be informed of the decision?
- All tenants should have the option of participating in Project Team, rather than limit numbers to a select few.

### Work needed to the block

- Why hasn't details of the FRA works been given to residents?
- The refurbishment figure of £15 million is very high / cannot believe that this is realistic.
- An assessment needs to be done on each flat as not all of the flats need work doing to them / I have maintained my flat so it is very good condition.
- Council should have maintained block over years so this wasn't needed now.
- My flat doesn't have asbestos / I thought the asbestos was safe – it is labelled as such in my flat.
- There are serious problems with the block / heating and lifts break down and we get flooded.
- Will council do work to the block that is needed – basic repairs?
- Will work to be done include the roof as I keep getting flooded out on top floor?

### Strategy

- What about doing the properties up and letting us move back?
- Will the block be demolished?
- Quite a lot of people do want to leave Maydew.
- How much do we think it will sell for/Without this information how can we develop the strategy?
- It is wrong that LBS is proposing to get rid of its housing stock.
- How does this fit in with overall strategy – people from Elephant & Castle have been moved to Maydew?
- Do not compare us with Heygate or Aylesbury
- This will break up the community here
- This will be like the block in Deptford – Aragon Tower
- Will LBS pay for legal advice for us?

### Rehousing

- Will we be able to get similar sized homes if alone? : if not this will be upheaval/Tenants should not end up with less than they currently have
- Worried about losing space and garage.
- Will I ever get such a view again?
- Will we have to bid for new homes? / Will you help us if we cannot do the bidding?
- I want to stay in this area – Downtown/ Bermondsey.
- Will the council build a new block for us as they have done for E&C tenants?
- I want to move out of London – will I be able to?
- How many people are there in Band 1?
- The council does not build new housing so where will the supply come from?
- Will there be enough properties for rehousing if Maydew tenants are completing with other tenants in Band 1?
- Over past few months there have not been good properties in Homesearch – existing Band 1 people haven't been taking them
- Can we get written guarantees of being in Band 1 and having chance of home in local area?
- How long will the process take and when will it start?
- Will we be forced to move?

Answers were given to most of the above issues on the night, and this was reinforced via a FAQ delivered to all tenants in Maydew on January 27 2010.

Responses via E-mail and the consultation sheet will be reported to executive on February 9 2010.

Fiona Cliffe  
29/1/10

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 February 2010	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Disposal of the Council's freehold interest in sites Elmington A and B, Edmund Street, Camberwell, SE5.	
<b>Ward affected:</b>		Camberwell Green	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Executive

1. Approves the disposal of Elmington sites A and B on the main terms and conditions that are set out in the closed report:
2. Authorises the Head of Property to agree any variations to these terms that may be necessary to achieve the successful regeneration of Elmington sites A and B.
3. In the unlikely event that this recommended sale does not proceed to exchange, the Executive authorises the Head of Property to agree the terms of a sale with any one or combination of the under bidders set out in the closed report and/or any other third party, provided that these terms conform with the council's legal obligation to achieve the best consideration reasonably obtainable.
4. Authorise that the capital receipt from the sale of the property is recycled into the councils Housing Investment Programme.

## BACKGROUND INFORMATION

5. The Elmington Sites A and B are two large parcels of land bordering the south western boundary of Burgess Park in Camberwell SE5. The combined area is approximately 1.81 hectares (4.5 acres) and they form a large component of the Elmington Estate as outlined in the plan attached at Appendix 1.
6. The sites were formerly occupied by 1960's residential buildings that were demolished as part of the estates regeneration that was originally agreed in December 1999. Planning permission was granted in April 2001 for the demolition and rebuild. Phase 1 of the regeneration programme saw the construction of 136 new council homes and 6 housing association homes that were completed by June 2005.
7. Sites A and B were due to be developed during the next phase of the regeneration programme however due to a lack of funding this never occurred and as a result they have remained undeveloped.
8. Attempts to restart the regeneration of sites A and B were further thwarted by a change in planning policy regarding residential development density and the re-provision of the affordable units that were demolished. These factors rendered any scheme on the sites unviable in economic and planning terms.

9. However since then changes in the Greater London Authority and Southwark planning policy around these key issues has meant that it is possible to achieve regeneration of the sites at a density and an affordable/private housing mix that make the scheme deliverable.
10. The Strategic Director of Regeneration and Neighbourhoods submitted a report to the Executive on May 18 2009 recommending a new strategy for the regeneration of the sites. This was approved and the property division was instructed to undertake the marketing and disposal of the subject sites.
11. A two stage marketing strategy was agreed and the sites were offered to the market by the Property Division in September 2009. A detailed sales brochure was produced and thirty leading developers and Housing Associations were contacted directly. The sites were also advertised in the main national property trade journal the Estates Gazette which resulted in excess of seventy additional enquiries.
12. Stage one of the process required parties to submit detailed expressions of interest which outlined their initial proposals, details of their development team, funding arrangements and track record. Eleven expressions of interest were received all of which were from major development organisations with good track records in urban regeneration. A detailed comparative analysis of the expressions of interest was undertaken and a shortlist of five parties was selected for Stage 2 of the process.
13. Stage 2 of the process required the shortlisted parties to submit detailed information on their proposals for the site, financial offers including full terms and conditions, overage arrangements and further funding information. The shortlisted parties met with planning officers prior to final submission to discuss their proposals and make amendments if necessary to ensure they were compliant with planning policy.
14. Each of the five shortlisted parties submitted an offer by the deadline of 5pm December 21 2009. These were then analysed and assessed by Property officers with significant input from colleagues in planning and housing service areas.

## **KEY ISSUES FOR CONSIDERATION**

### **Basis of disposal**

15. The council's land is held for housing purposes and the provisions of section 32 of the Housing Act 1985 govern the terms of any disposal. The General Consent for the Disposal Part II Land 1999 enables local authorities to dispose of land held for housing purposes provided that they received the best consideration that can be obtained. The Head of Property is satisfied that the recommended offer represents best consideration that can reasonably be obtained.
16. An independent valuation of the two sites has been carried out by BNP Paribas Real Estate who have confirmed the Head of Property's opinion.
17. It is expected that it will take approximately three to four months from instructing lawyers to finalise the development agreement and exchange contracts. A

planning permission on the sites could be obtained by early 2011 therefore the capital receipt may be received within the financial year 2010 / 2011.

### **Policy Implications**

18. The proposal by the purchaser will see the site developed providing a minimum of 35% affordable homes with over fifty of the homes being family units of 3 bedrooms and above. This assists the council in meeting its commitment to the adopted 2009-2016 Southwark Housing Strategy.
19. The redevelopment of these sites will remove a visual eyesore and help reduce opportunities for anti-social behaviour and fly-tipping thus assisting the council in meeting its cleaner , greener and safer agenda.
20. The provision of affordable units will provide additional opportunities for council tenants in Southwark and for those requiring moves from regeneration schemes, including residents re-housed in earlier phases of Elmington who have expressed interest in returning and residents of the next phase that is currently being worked up.

### **Sustainability**

21. Every unit constructed on this site will have to achieve Code for Sustainable Homes Level 4 or above. New homes across the Borough currently are meeting only code level 3. This will help to ensure that this development achieves a very high level of sustainability to help mitigate its impact on the environment.

### **Community Impact Statement**

22. The recommended option will have a positive impact on the local community and borough as a whole. It will enable the regeneration of a strategic site of the Elmington Estate that has remained undeveloped for many years. It is likely that in excess of 250 new homes will be built with a minimum of 20% suitable for families or larger households in accordance with the new core strategy. 10 % of the units will be suitable for wheelchair users and all will aim to achieve Lifetime Homes standard. The mixed tenure development will contribute to achieving mixed and balanced communities and the affordable housing to be provided will be of benefit to meeting housing need as noted in paragraph 20.
23. Antisocial activities associated with empty sites such as fly tipping will also cease once construction begins.

### **Consultation**

24. There will be extensive consultation as part of the statutory planning process. This will enable local residents to comment on and have a say on the development of these sites. In addition it is likely that the developer will undertake public consultation prior to submitting a planning application to give residents the earliest opportunity to feed into the design process.
25. Prior to this stage there has been consultation with local residents undertaken by the housing service who aim to continue this as the matters progress.

### **Resource implications**

26. There are no direct staffing implications arising from the proposed disposal strategy.
27. Disposal of the sites will relieve the council of ongoing maintenance and management costs including security and dealing with fly-tipping.
28. The council's reasonable surveying and legal costs will be met by the purchasers.

### **Financial Implications**

29. The proposal will generate a substantial capital receipt in support of the councils housing investment programme, including recovery of the costs of demolition already undertaken by the council.
30. Disposal of this site will also relieve the council of its ongoing liability to secure and maintain the property.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Finance Director**

31. The Finance Directors comments can be found in the closed report.

#### **Strategic Director for Communities, Law & Governance**

32. As noted at paragraph 15 of this report, Elmington sites A and B fall within the council's housing portfolio and therefore the council has the power to dispose of them under Section 32 of the Housing Act 1985 (the "1985 Act"), for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required. However, a number of General Consents have been issued by the Secretary of State under the General Consent for the Disposal of Part II Land 2005 (the "General Housing Consents") for the disposal of housing land.
33. General Consent E3.1 of the General Housing Consents enables a local authority to dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling-house included in the disposal:
  - (a) is vacant;
  - (b) will not be used as housing accommodation; and
  - (c) will be demolished.
34. The Executive will note from paragraph 6 of this report that Elmington sites A and B are cleared sites with no dwellings on them and provided that the best consideration that can reasonably be obtained is being received (as confirmed by the Head of Property at paragraph 15 of this report) the Executive may approve the recommendation to dispose of the Property.



**BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Elmington Sites A and B Edmund Street Camberwell SE5	Southwark Property Regeneration and Neighbourhoods 5 <sup>th</sup> Floor Tooley Street	Marcus Mayne 0207 525 5651

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Plan showing the location and extent of Elmington sites A and B

**AUDIT TRAIL**

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods		
<b>Report Author</b>	Marcus Mayne Principal Surveyor		
<b>Version</b>	Final		
<b>Dated</b>	January 27 2010		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	Nov 09
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director for Communities, Law & Governance	Yes	Yes	
Director of Finance	Yes	Yes	
Executive Member	Yes	No	
<b>Date final report sent to Constitutional Support Services</b>			1 February 2010



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**KEY**

**A** 6763 sq mts.

**B** 11332 sq mts.

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**TITLE.**

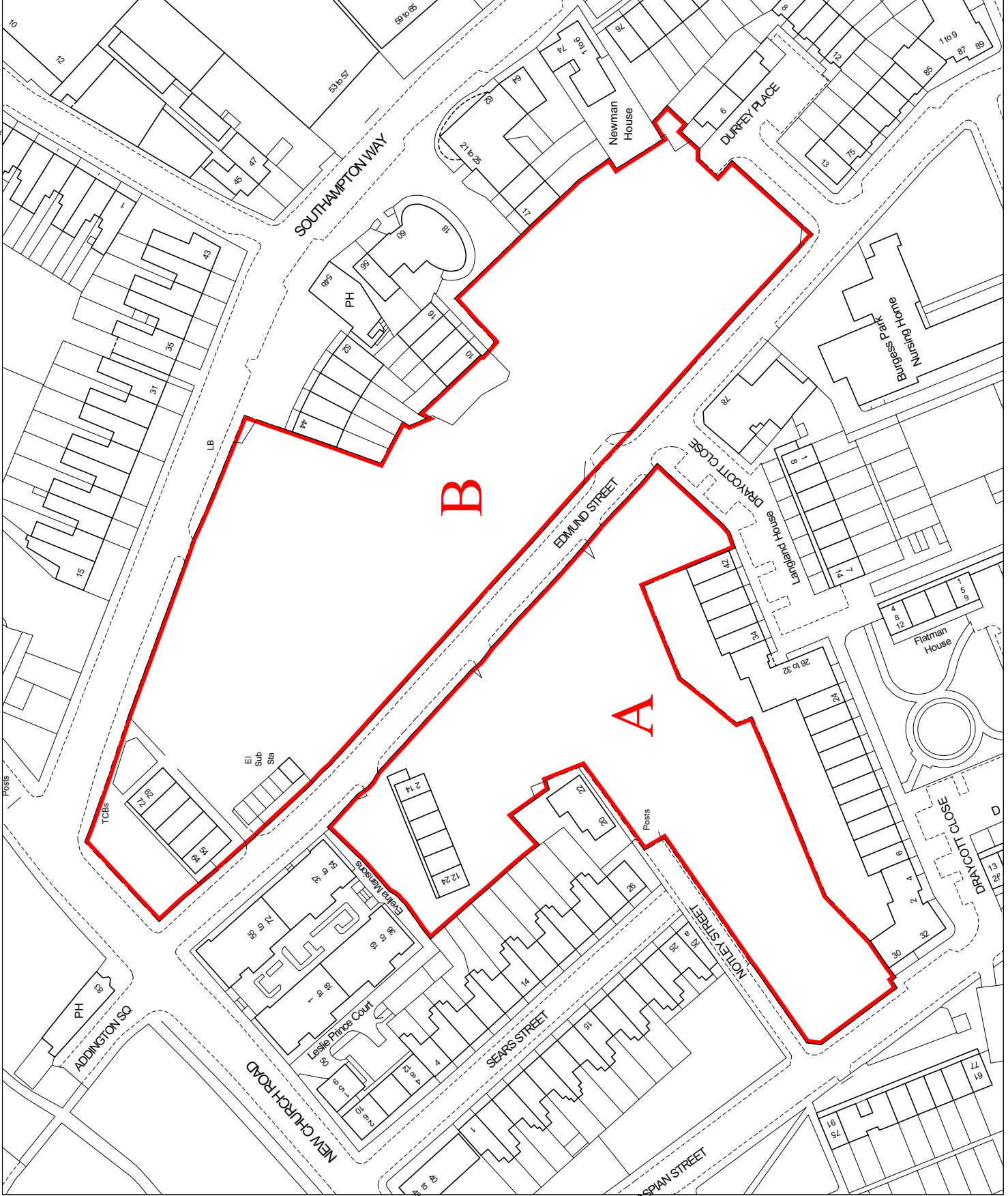
Elmington Sites A & B.

**DRAWING NO.**  
LBS\_2203

**DRAWN BY.**  
MJMANKTELOW  
Property Division

**DATE.**  
24/9/2009

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Susanna White	1		
Duncan Whitfield	1		

**Dated:** 06/10/09